

An Economic Impact Analysis of the Effects to
Gilmer, Texas and Local Surrounding Communities of
Barnwell Mountain Off-Highway Vehicle Recreation Area,
2005-2006



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Introduction

Barnwell Mountain OHV Recreation Area (BMRA), located in Gilmer, Texas, opened in July 2000; and has become one of the premiere OHV parks in the United States. According to the 2004 National Survey on Recreation and the Environment (NSRE), demand for OHV riding has increased from 'no recognition of OHV recreation' in 1960, to 51.0 million OHV participants in 2004. This same study identified a 42 percent increase in OHV participants from 1999 to 2004. (Cordell et al., 2005)

BMRA became the first property developed and managed by the Texas Motorized Trails Coalition (TMTTC), a non-profit organization that offers family-oriented, designated trails for off-highway vehicle use. BMRA includes 1800 acres of un-reclaimed strip-mined mountain, and is located five miles Northeast of Gilmer, Texas. The park was developed to give OHV users an opportunity to enjoy safe riding in Texas, using the best management and educational tools currently available.

This study develops an economic impact report for TMTTC which measures economic impact of the visitors to BMRA on the Upshur County region and the City of Gilmer. This study also examined the socio-demographic and socio-economic characteristics of visitors to BMRA. Data was collected through the use of visitor surveys administered on site. The survey also served as an opportunity mechanism for participants to voluntarily respond to open-ended questions concerning attributes of BMRA.

Objectives for the Economic Impact Analysis

Three objectives determined the focus for this study.

1. To determine socio-demographic and socio-economic characteristics of the visitors to Barnwell Mountain Recreation Area.
2. To determine the overall economic impact of Barnwell Mountain Recreation Area to Gilmer, Longview, and Upshur County areas.
3. To determine participant attitudes concerning development of BMRA.

Executive Summary

Economic impact analyses trace the flows of spending associated with an activity in a region, such as OHV recreation in Upshur County, to identify changes in sales, tax revenues, income, and jobs. The purpose of a recreational economic impact analysis is to provide estimates of economic interrelations and interdependencies within a study area, along with a thorough examination of the role and importance of tourism within that area. Direct effects from tourism include lodging, restaurants, transportation, amusements, and retail trade. Indirect impacts from tourism include suppliers and producers of those resources that are directly affected by tourism.

TMTC's mission is to "demonstrate expertise in the operation of family-oriented motorized recreational parks within the state of Texas with the best management and educational tools currently available." (TMTC, 2005)

BMRA is one of the largest projects utilizing the Recreational Trails Fund Grant process of the Texas Parks and Wildlife Department. The TPWD mission is "to manage and conserve the natural and cultural resources of Texas and to provide hunting, fishing and outdoor recreation opportunities for the use and enjoyment of present and future generations." (Texas Parks and Wildlife, 2005) The opportunity of OHV recreation is, therefore, a form of recreation supported by the TPWD.

Methodology for Conducting Economic Analysis

Surveys

This study began by collecting data via surveys over a 12-month period from on-site visitors of the Barnwell Mountain recreation area. The surveys were designed to encourage answers that target the socio-demographics and socio-economics of the respondents that would have assisted in determining the overall expenditure habits of the visitors.

Survey questions included:

- Total Expenditures and Location of Purchase: Fuel/Lodging, Meals, Miscellaneous Shopping
- Estimated Value of OHV/ATV/OHM
- Home Zip Code to Determine Distance Traveled
- Total # of Days Spent in Gilmer
- Total # of Days Spent at BMRA
- Total # of Adults/Children in Household (visiting BMRA)
- General Demographics

The surveys were made available to on-site visitors at BMRA. They were directly issued to the visitor during their stay at the recreation area and collected upon their departure. In addition, the survey was readily available at the main office and during pulse events. Surveys were administered for a 12-month period with 377 surveys (7% of total 12-month visitor count) completed and acceptable for data analysis.

Sample Population

The sample population was any BMRA adult (over 18 years of age) visitor voluntarily answering the survey. In order for a visitor to be part of the sample population, he/she had to be onsite at BMRA. Only one survey was collected per family group.

Results of Economic Impact(s) to Gilmer, Texas and Local Surrounding Communities

The result that follow are based upon the analysis or 377 visitor surveys conducted over a 12 month period from voluntary participants out of a one-year visitor total of 5,200.

96%	Reported Texas as their state of residency
98%	Reported BMRA was the primary reason for their visit
79%	Reported Off Highway Vehicles as their primary recreational usage vehicle
14%	Reported Off Highway Motorcycles as their primary recreational usage vehicle
7%	Reported All Terrain Vehicles as their primary usage vehicle
80%	Reported retail shopping in Gilmer
23%	Bought parts and supplies while at BMRA for a <u>median</u> expenditure of \$55.00 and total expenditure of \$31,041.00
24%	Stayed in local motel with a <u>median</u> expenditure of \$148.00 and a sum of \$13,097.00

52%	Reported visiting BMRA 2-5 times last year
12%	Reported RV camping at BMRA
28%	Reported tent camping at BMRA
58%	Reported buying fuel locally, total expenditure \$29,762.00
\$31.76	Average cost of all meals in the surrounding areas
185 miles	Average travel distance, reported <u>median</u> 165 miles
2 nights	Average length of stay, range of 1 – 7 nights

The median and average total expenditure in the local economy for each spending party per visit was as follows:

Expense (N out of 377)	Median	Min	Max	Sum	Average N=377
Activities outside BMRA (N=8)	\$55.00	\$25.00	\$150.00	\$550.00	\$1.46
Total Retail Shopping (N=60)	\$40.00	\$4.00	\$800.00	\$4,320.00	\$11.46
Total Meals (N=353)	\$100.00	\$3.00	\$650.00	\$46,384.00	\$123.03
Total Lodging (N=95)	\$148.00	\$16.00	\$402.00	\$13,279.00	\$35.22
Total Parts and Supplies (N=88)	\$55.00	\$5.00	\$10,000.00	\$31,041.00	\$82.34
Total Fuels (N=330)	\$60.00	\$5.00	\$2,000.00	\$29,762.00	\$78.94
Total Dollar Amount – Party per Visit				\$125,336.00	\$332.45

With an average \$332.45 expenditure in the local economy per party per visit being added into the local Gilmer economy, totaling \$125,336.00 out of 377 parties (7.25% of 5200 visitors); it was determined that an overall approximate 1.7 million dollars was added into the local Gilmer and surrounding economies over a 12-month period. The funds were added through various direct expenses such as fuel, lodging, restaurants, groceries, and retail revenue.

Survey Results

The following tables summarize the findings of the surveys.

Socio/Demographic Characteristics of Respondents

Table 1. Respondent's age

Age	Number of Respondents	Percent	Valid Percent	Cumulative Percent
20 and younger	17	4.5	4.5	4.6
21 - 30	88	23.4	23.9	28.2
31 - 40	116	30.8	31.3	59.4
41 - 50	102	27.1	27.5	86.8
51 - 60	35	9.3	9.3	96.2
61 and older	14	3.8	3.8	100.0

Table 2. Respondent's gender

Gender	Number of Respondents	Percent	Valid Percent	Cumulative Percent
Male	307	81.4	84.1	84.1
Female	58	15.4	15.9	100.0

Table 3. Respondent's ethnicity

Ethnicity	Number of Respondents	Percent	Valid Percent	Cumulative Percent
White/Caucasian	343	91.0	94.2	94.2
Hispanic/Latino	11	2.9	3.0	97.3
Black/African American	2	0.5	0.5	97.8
American Indian/Alaska Native	3	0.8	0.8	98.6
Asian	1	0.3	0.3	98.9
Other	4	1.1	1.1	100.0

Table 4. Respondent's highest education level

Educational Level	Number of Respondents	Percent	Valid Percent	Cumulative Percent
Less than High School	8	2.1	2.2	2.2
High School Graduate	62	16.4	17.0	19.2
Some College	167	44.3	45.8	64.9
Undergraduate Degree	89	23.6	24.4	89.3
Graduate Degree	39	10.3	10.7	100.0

Table 5. Respondent's current employment status

Current Employment Status	Number of Respondents	Percent	Valid Percent	Cumulative Percent
Student	16	4.2	4.5	4.5
Self-Employed	67	17.8	18.9	23.4
Employed Full-Time	253	67.1	71.5	94.9
Employed Part-Time	5	1.3	1.4	96.3
Unemployed	3	0.8	0.8	97.2
Retired	10	2.7	2.8	100.0

Table 6. Year 2004 household income reported.

Income Level	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$25,000 or less	17	4.5	4.8	4.8
\$26,000 - \$50,000	59	15.6	16.8	21.6
\$51,000 - \$75,000	85	22.5	24.1	45.7
\$76,000 - \$100,000	74	19.6	21.0	66.8
\$101,000 - \$125,000	41	10.9	11.6	78.4
\$126,000 - \$150,000	24	6.4	6.8	85.2
\$151,000 - \$175,000	26	6.9	7.4	92.6
\$176,000 - \$200,000	11	2.9	3.1	95.7
\$201,000 - \$225,000	5	1.3	1.4	97.2
\$226,000 or more	10	2.7	2.8	100.0

Table 7. Age of other party members.

Age of Other Party Members	Number of Respondents	Percent	Valid Percent	Cumulative Percent
18 - 20	35	9.3	9.8	9.8
21 - 30	113	30.0	31.6	41.4
31 - 40	107	28.4	29.9	71.3
41 - 50	67	17.8	18.7	90.0
51 - 60	23	6.1	6.1	96.1
61 - 70	10	2.7	2.8	98.9
71 and older	3	0.8	0.8	100.0

Table 8. Gender of other members of party.

Gender of Other Party Members	Number of Respondents	Percent	Valid Percent	Cumulative Percent
Male	175	46.4	50.6	50.6
Female	171	45.3	49.4	100.0

Table 9. Visitor's primary state of residence.

State	Number of Respondents	Percent	Valid Percent	Cumulative Percent
Texas	360	95.5	95.5	95.5
Louisiana	14	3.7	3.7	99.2
Kansas	1	0.3	0.3	99.5
Arkansas	1	0.3	0.3	99.7
Missouri	1	0.3	0.3	100.0

Table 10. Number of visits made to BMRA within the last 12 months.

Number of Visits	Number of Respondents	Percent	Valid Percent	Cumulative Percent
1	99	26.3	26.4	26.4
2-5	196	52.0	52.3	78.7
6-10	51	13.5	13.6	92.3
11-15	6	1.6	1.6	93.9
16-20	11	2.9	2.9	96.8
21 or more	12	3.2	3.2	100.0

Characteristics Of Respondents Visits To BRMA

Table 11. Miles traveled from home to BMRA.

Miles Traveled	Number of Respondents	Percent	Valid Percent	Cumulative Percent
25 or less	17	4.6	4.6	4.5
26 - 50	34	9.1	9.1	13.6
51 - 75	11	2.9	2.9	16.6
76 - 100	31	8.3	8.4	24.9
101 - 125	32	8.5	8.5	33.4
126 - 150	52	13.8	13.8	47.3
151 - 175	25	6.7	6.7	54.0
176 - 200	31	8.2	8.2	62.3
201 - 225	15	4.1	4.1	66.3
226 - 250	36	9.5	9.6	75.9
251 - 275	17	4.6	4.6	80.5
276 - 300	26	7.0	7.1	87.4
301 - 325	4	1.0	1.0	88.5
326 - 350	8	2.2	2.2	90.6
351 - 375	15	4.1	4.1	94.7
376 - 400	5	1.3	1.3	96.0
401 or more	15	4.1	4.1	100.0

Table 12. Number of people in party.

Number of People	Number of Respondents	Percent	Valid Percent	Cumulative Percent
Adults				
1	97	25.7	26.2	26.5
2	212	56.2	57.3	83.8
3	30	8.0	8.1	91.9
4	13	3.4	3.5	95.4
5	4	1.1	1.1	96.5
6	5	1.3	1.4	97.8
7	4	1.1	1.1	98.9
8	1	0.3	0.3	99.2
10	1	0.3	0.3	99.5
11	1	0.3	0.3	99.7
40	1	0.3	0.3	100.0
Children				
0	244	64.7	65.6	65.6
1	62	16.4	16.7	82.3
2	41	10.9	11.0	93.3
3	21	5.6	5.6	98.9
4	3	0.8	0.8	99.7
5	1	0.3	0.3	100.0

Table 13. Number of days party spent within Gilmer, Upshur County, or surrounding communities/cities.

Number of Days	Number of Respondents	Percent	Valid Percent	Cumulative Percent
0	8	2.1	2.2	2.2
1	85	22.5	23.0	25.2
2	106	28.1	28.7	53.9
3	141	37.4	38.2	92.1
4	28	7.4	7.6	99.7
7	1	0.3	0.3	100.0

Table 14. Type of vehicle used at BMRA.

Type of Vehicle	Number of Respondents	Percent	Valid Percent	Cumulative Percent
OHV	362	96.0	71.8	71.8
ATV	58	15.3	11.5	83.3
OHM	84	22.2	16.7	100.0

Table 15. Estimated value of vehicle used at BMRA.

Estimated Value	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$3000 or less	18	4.7	14.0	140.0
\$3001 - \$6000	25	6.6	19.5	33.5
\$6001 - \$9000	16	4.2	12.5	46.0
\$9001 - \$12000	16	4.2	12.5	58.5
\$12001 - \$15000	11	2.9	8.6	67.1
\$15001 - \$18000	5	1.3	3.9	71.0
\$18001 - \$21000	9	2.4	7.0	78.0
\$21001 - \$24000	3	0.8	2.3	80.3
\$24001 - \$27000	8	2.1	6.2	86.5
\$27001 - \$30000	8	2.1	6.2	92.7
\$30001 or more	9	2.3	7.0	100.0

Table 16. Average expense of vehicle parts and supplies.

Expense of Purchase	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$1 - \$100	60	15.9	68.1	68.1
\$101 - \$200	14	3.9	15.9	84.0
\$201 - \$300	2	0.5	2.2	86.2
\$301 - \$400	2	5.0	2.2	88.4
\$401 - \$500	3	0.8	3.4	91.8
\$501 or more	7	2.0	7.9	100.0

Table 17. Average expense per party for meals in restaurants.

Average Expense for Meals	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$1 - \$10	33	0.8	12.7	12.7
\$11 - \$20	58	15.4	22.3	35.0
\$21 - \$30	50	13.4	19.3	54.3
\$31 - \$40	27	7.2	10.4	64.7
\$41 - \$50	31	8.3	12.0	76.7
\$51 - \$60	9	2.4	3.4	80.1
\$61 - \$70	6	1.6	2.3	82.4
\$71 - \$80	11	2.9	4.2	86.6
\$81 - \$90	3	0.8	1.1	87.7
\$91 - \$100	15	4.0	5.8	93.5
\$101 or more	16	4.5	6.1	100.0

Table 18. Average expense per party for meals in convenience stores.

Average Expense for Meals	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$1 - \$10	72	19.2	25.8	25.8
\$11 - \$20	72	19.2	25.8	51.6
\$21 - \$30	45	12.0	16.1	67.7
\$31 - \$40	19	5.1	6.8	74.5
\$41 - \$50	33	8.8	11.8	86.3
\$51 - \$60	9	2.4	3.2	89.5
\$61 - \$70	4	1.1	1.4	90.9
\$71 - \$80	5	1.4	1.8	92.7
\$81 - \$90	1	0.3	0.3	93.0
\$91 - \$100	11	3.0	3.9	96.9
\$101 or more	8	2.1	2.9	100.0

Table 19. Average expense per party for meals in grocery stores.

Average Expense for Meals	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$1 - \$10	16	4.2	10.7	10.7
\$11 - \$20	29	7.7	19.3	30.0
\$21 - \$30	26	6.9	17.3	47.3
\$31 - \$40	16	4.2	10.7	58.0
\$41 - \$50	19	5.0	12.7	70.7
\$51 - \$60	5	1.3	3.3	74.0
\$61 - \$70	0	0.0	0.0	74.0
\$71 - \$80	6	1.6	4.0	78.0
\$81 - \$90	1	0.3	0.7	78.7
\$91 - \$100	16	4.2	10.7	89.4
\$101 or more	16	4.2	10.7	100.0

Table 20. Average expense per party for fuel.

Average Expense for Fuel	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$1 - \$10	5	1.3	3.0	3.0
\$11 - \$20	19	5.0	11.5	14.5
\$21 - \$30	31	8.2	18.8	33.3
\$31 - \$40	24	6.3	14.5	47.8
\$41 - \$50	24	6.3	14.5	62.3
\$51 - \$60	15	4.0	9.0	71.3
\$61 - \$70	7	1.9	4.2	75.5
\$71 - \$80	14	3.7	8.5	84.0
\$81 - \$90	4	1.0	2.4	86.4
\$91 - \$100	11	2.9	6.7	93.1
\$101 or more	11	2.9	6.7	100.0

Table 21. Average expense per party for lodging at motel/hotel.

Average Expense for Lodging	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$1 - \$50	1	0.2	1.0	1.0
\$51 - \$75	11	2.9	12.0	13.0
\$76 - \$100	12	3.1	13.0	26.0
\$101 - \$125	15	4.0	16.3	42.3
\$126 - \$150	23	6.1	25.0	67.3
\$151 - \$175	11	2.9	12.0	79.3
\$176 - \$200	9	2.3	9.8	89.1
\$201 or more	10	2.7	10.9	100.0

Table 22. Average expense per party for retail shopping.

Average Expense for Retail Shopping	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$1 - \$10	5	1.3	9.4	9.4
\$11 - \$20	9	2.4	17.0	26.4
\$21 - \$30	10	2.7	18.9	45.3
\$31 - \$40	6	1.6	11.3	56.6
\$41 - \$50	10	2.7	18.9	75.5
\$51 - \$60	3	0.9	5.7	81.2
\$61 - \$70	0	0.0	0.0	81.2
\$71 - \$80	2	0.6	3.8	85.0
\$81 - \$90	0	0.0	0.0	85.0
\$91 - \$100	2	0.5	3.8	88.8
\$101 or more	6	1.7	11.3	100.0

Table 23. Average expense from other outside activities experienced during visit to BMRA.

Average Expense for Other Activities	Number of Respondents	Percent	Valid Percent	Cumulative Percent
\$1 - \$25	2	0.5	22.2	22.2
\$26 - \$50	3	0.8	33.3	55.5
\$51 - \$75	2	0.5	22.2	77.7
\$76 - \$100	0	0.0	0.0	77.7
\$101 or more	2	0.5	22.2	100.0

Indirect Economic Analysis

Further indirect economic analysis was conducted by Jerry Walker utilizing the data acquired during the study conducted by SFASU. The local multipliers utilized in Walkers report are low, but typical of rural areas. Expenditures do not tend to be held and multiplied to great extent in rural areas where most shopping and expenditures for durable goods are conducted in nearby larger urban areas. In the case of Gilmer, TX, Longview is nearby and thus many expenditures are made in Longview instead of the local community. In areas where most expenditures are concentrated in the local area multipliers of 3 to 4 are common. His report is included below.

**A Report of the
Annual Economic Impact of
Barnwell Mountain Recreation Area
in Gilmer, Texas**

April 26, 2007

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TABLE OF CONTENTS

Executive Summary	3
Introduction	5
Description of the Facility and Its Visitors	5
Types of Economic Impacts that the Facility Provides	7
Estimated Annual Economic Impact of the Facility	8
Annual Revenues for Area Cities and Counties	10
Conduct of the Analysis	12

EXECUTIVE SUMMARY

This report presents the results of an economic impact analysis performed by Impact DataSource, an Austin, Texas economic consulting, research and analysis firm. The purpose of the analysis was to estimate the impact of the Barnwell Mountain Recreation Area on the economy of the Gilmer, Texas area and annual revenues for area cities and counties during a twelve month period, July 15, 2005 through July 15, 2006.

The Facility and Its Visitors

The Barnhill Mountain Recreation Area is a 1,800 acre facility located near Gilmer, Texas. Opened in 2000, the facility was developed and is managed by the Texas Motorized Trails Coalition and provides trails for off-highway vehicle enthusiasts.

An estimated 5,200 people visited the facility during the period July 15, 2005 through July 15, 2006. Stephen F. Austin State University conducted a survey of 377 of these visitors. The surveys showed that each visitor group spent an estimated \$458 during their visit.

Annual Economic Impact of the Facility

The facility has an important impact on the economy of the Gilmer, Texas area. The spending in the area by visitors to the facility provide direct economic benefits including sales in area businesses, jobs and workers' salaries. In addition, this activity ripples through the area's economy supporting indirect sales in other businesses, as well as indirect jobs and salaries.

The facility has an estimated \$4 million economic impact on the area – in total sales in area businesses. In addition, visitors to the facility support 33 direct and indirect jobs and annual workers salaries of \$661,764.

Area sales and related jobs and salaries supported by visitors to the facility generate significant taxable retail sales in the community and room sales by area motels and other economic impacts, as shown below.

Annual Sales in the Area Subject to Sales Taxes and Lodging Sales Subject to Hotel Occupancy Taxes and Other Economic Impacts	
Taxable sales in the Gilmer area	\$2,969,854
Lodging revenues for area motels	\$425,171
Number of residents in the area whose household incomes are supported wholly or partially by visitors to the facility	107
Number of school children in area schools who live in the households of workers and indirect workers whose salaries are supported by the spending of visitors to the facility	25

The economic activity generated by visitors to the facility translates into significant revenues for the City of Gilmer and other area cities and Upshur County and other area counties.

Annual Sales and Hotel Occupancy Tax Revenues for Cities and Counties

Visitors to the facility, employees in area businesses supported by visitors' spending and indirect workers generate substantial revenues for the City of Gilmer and other area cities and Upshur County and other area counties, as shown below.

Total Annual Revenues from Sales and Hotel Occupancy Taxes from Visitors to the Facility			
	Total	City of Gilmer and Other Area Cities	Gilmer County and Other Area Counties
Sales and use taxes	\$40,959	\$30,719	\$10,240
Hotel occupancy taxes	\$29,762	\$29,762	
Total	\$70,721	\$60,481	\$10,240

Details of this analysis begin on the following page with an introduction to this study.

INTRODUCTION

This report presents the results of an economic impact analysis performed by Impact DataSource, an Austin, Texas economic consulting, research and analysis firm. The purpose of the analysis was to estimate the economic impact of the Barnwell Mountain Recreation Area on the Gilmer, Texas area and annual revenues for area cities and counties during a twelve month period, July 15, 2005 through July 15, 2006.

The report presents the following information:

- Description of the facility and its visitors,
- Types of economic impacts that the facility provides to the area,
- The annual economic impact of the facility and its visitors,
- Annual sales and hotel occupancy tax revenues for area cities and counties, and
- An explanation of how the analysis was conducted.

A description of the facility and a discussion of its visitors are next.

DESCRIPTION OF THE FACILITY AND ITS VISITORS

The Barnhill Mountain Recreation Area is a 1,800 acre facility located near Gilmer, Texas. Opened in 2000, the facility was developed and is managed by the Texas Motorized Trails Coalition and provides trails for off-highway vehicle enthusiasts.

An estimated 5,200 people visited the facility during the period July 15, 2005 through July 15, 2006. Stephen F. Austin State University conducted a survey of 377 of these visitors.

The survey sought the following information:

- Total expenditures and the location of purchases of fuel, lodging, and meals and other retail spending,
- Estimated value of vehicles brought to the recreation area,
- Home ZIP code to determine travel distances,
- Total number of days spent in the area,
- Total number of days spent at the facility,
- Total number of adults and children in the household of visitors, and
- Some general demographic characteristics of visitors.

The survey had the following results:

Results of Survey of Visitors to the Facility During July 15, 2005 through July 15, 2006	
Reported Texas as their state of residency	96%
Reported the facility was the primary reason for their visit	98%
Reported their off-highway vehicle as their usage vehicle	79%
Reported their all-terrain vehicle as their usage vehicle	14%
Reported retail shopping in Gilmer	7%
Bought parts and supplies while at facility for a median expenditure of \$55.00 and total expenditure of \$31,041.01	80%
Stayed in local motel with a median expenditure of \$148.00 and a sum of \$13,097.00	24%
Reported visiting the facility 2-5 times last year	52%
Reported RV camping at the facility	12%
Reported tent camping at the facility	28%
Reported buying fuel locally and total expenditure \$29,762	58%
Average cost of all meals in the surrounding areas	\$31.76
Average travel distance, reported median 165 miles	185 miles
Average length of stay, range of 1 – 7 nights	2 nights

The survey showed that each party or visitor group spent \$458 during their visit to the facility. The survey group of 377 parties, representing 7% of the 5,200 visitors to the facility during the survey period, spent \$125,336 during their visit to the facility. Therefore, total estimated visitor spending in the area during the survey period was \$1.7 million, as shown below.

Estimated Annual Spending by Visitors to the Facility		
	Spending by a Sample of Visitors	Estimated Spending by All Visitors
Retail shopping	\$4,320	\$61,714
Meals	\$46,384	\$662,629
Parts and supplies	\$13,279	\$189,700
Fuel	\$31,041	\$443,443
Lodging	\$29,762	\$425,171
Other	\$550	\$7,857
Total	\$125,336	\$1,790,514

The types of economic impacts that the facility and its visitors provide are discussed next.

TYPES OF ECONOMIC IMPACTS THAT THE FACILITY PROVIDES

Direct, Indirect and Induced Economic Impacts

The Gilmer area receives substantial economic benefits from the facility.

These economic benefits include the following:

- Spending by visitors to the facility area stores, motels and restaurants and spin-off revenues for other businesses and organizations in the area,
- Jobs,
- Worker salaries, and
- Worker spending.

These economic impacts may be characterized as direct, indirect and induced.

The direct economic impact comes from the spending of visitors in the area and resulting revenues for area motels, stores and restaurants where this spending occurs. These businesses, in turn, employ workers and pay their salaries. From the spending of these stores, motels, and restaurants and their workers, indirect and induced benefits or spin-off benefits are supported in the community.

Indirect sales, jobs and salaries are supported in other businesses and organizations in the community that may supply goods and services to stores and restaurants where visitors shop and to motels where some visitors stay overnight.

In addition, induced sales, jobs and salaries are supported in other businesses or organizations in the community, such as restaurants, gas stations, banks, grocery stores, and service companies, etc. that supply goods and services to direct workers and their families, and workers in indirect jobs and their families.

To estimate the indirect and induced economic impact of the visitors to the facility on the Gilmer area, regional economic multipliers were used. Regional economic multipliers for Texas are included in the US Department of Commerce's Regional Input-Output Modeling System (RIMS II).

The following regional economic multipliers were used in this analysis:

Regional Economic Multipliers	
Output	2.2578
Employment	1.7354
Earnings	2.0533

An output multiplier of 2.2578 means that for every dollar of revenue of local stores or

restaurants generated by the spending of visitors and revenues for local motels where visitors stay overnight, there is \$1.2578 in additional sales in other businesses or organizations in the area. Further, for every employee of stores or restaurants where visitors shop or motels where visitors stay overnight, there is an additional .7354 workers supported in spin-off jobs in the area. Similarly, for every dollar paid to employees of stores and restaurants where visitors shop or motels where visitors stay overnight, there is \$1.0533 paid to workers in spin-off jobs supported in the area.

The estimated annual economic impact of the facility is presented next.

ESTIMATED ANNUAL ECONOMIC IMPACT OF THE FACILITY

Visitors to the facility, their spending and resulting revenues for area businesses, the employees of these businesses, and workers in spin-off jobs supported in the community have a substantial impact on the economy of the Gilmer area.

Jobs and Annual Salaries Created by the Facility

Visitors to the facility spend about \$1,790,514 in area businesses each year. An estimated eighteen percent of these revenues may be spent on salaries and fringe benefits for workers who earn estimated hourly wages and tips of \$8. If this is the case, visitors to the facility support direct salaries of \$322,292 and an estimated 19 direct jobs.

This activity generates the following annual direct and indirect jobs and salaries:

Revenues for Area Businesses, Jobs and Annual Salaries Supported by Visitors to the Facility			
	Revenues for Area Businesses	Jobs	Salaries
Direct	\$1,790,514	19	\$322,293
Indirect and induced	\$2,252,109	14	\$339,471
Total	\$4,042,623	33	\$661,764

As shown above, while annual revenues for area stores, restaurants and motels generated directly by the spending of visitors total \$1.7 million, these revenues generate another \$2.5 million in revenues in other businesses and organizations in the area. In total, the estimated annual economic impact of the facility on the economy of Gilmer area is \$4 million.

While the stores, restaurants and motels frequented by visitors support 19 direct jobs, the spending of these businesses and the spending of direct and indirect workers support another 14 jobs in the area. In total, the facility supports 33 jobs in the area.

Similarly, while estimated annual salaries of workers at stores, restaurants and motels supported by the spending of visitors total \$322,293, the spending of stores, restaurants and motels and spending of their employees support another \$339,471 in salaries for workers in related spin-off jobs in the area. Therefore, total annual salaries supported by the facility and its visitors are \$661,764.

Annual Taxable Sales Generated by the Facility and Its Visitors

The facility and its visitors generate – directly and indirectly – \$4,042,623 in sales for area businesses, as stated before. This translates into the following taxable sales:

Annual Taxable Sales in the Gilmer Area Generated by Visitors to the Facility		
	Total Sales	Sales Subject to Sales Tax
Direct sales to visitors by local businesses:		
Retail shopping	\$61,714	\$61,714
Meals	\$662,629	\$662,629
Parts and supplies	\$189,700	\$189,700
Fuel	\$443,443	
Lodging	\$425,171	
Other	\$7,857	\$7,857
Total direct sales	\$1,790,514	\$921,900
Indirect sales in other local businesses primarily to workers	\$2,252,109	\$1,126,054
Total annual sales in area businesses generated by the facility	\$4,042,623	\$2,969,854

Spending on Motel Rooms

As stated earlier, visitors to the facility spent an estimated \$425,171 on lodging at area motels.

Number of Workers and Residents Supported by the Facility

The following number of workers and local residents and public school students are in households supported directly or indirectly by the spending of visitors to the facility.

Number of Workers, Residents and Public School Students Supported by the Spending of Visitors to the Facility	
Number of direct and indirect workers	33
Estimated number of people in each worker household	3.25
Total number of area residents supported directly or indirectly by the spending of visitors to the facility	107
Estimated number of public school students in each worker household	0.75
Number of public school students in the households of direct and indirect workers	25

ANNUAL REVENUES FOR AREA CITIES AND COUNTIES

Area cities and counties, primarily the cities of Gilmer and Longview and Upshur County, receive substantial revenues from visitors to the facility, employees of businesses supported by visitors' spending, and from the spending of workers in indirect jobs supported in the area.

Revenues from sales and hotel occupancy taxes were calculated in this analysis.

Sales and hotel occupancy tax rates used in this analysis are shown below:

Sales and Hotel Occupancy Tax Rates Used in This Analysis	
Sales tax rates:	
City of Gilmer and other cities in the area	1.5%
Upshur County	0.5%
City of Gilmer' hotel occupancy tax rate	7%

Annual Revenues for Area Cities and Counties

Sales Tax Revenues

Sales tax revenues for the City of Gilmer and other area cities and Upshur County and other area counties from the spending of visitors, the spending of workers in businesses supported by visitors spending, and spending by indirect workers are shown below.

Annual Sales Tax Revenues for Area Cities and Counties			
	Total	City of Gilmer and Other Area Cities	Gilmer County and Other Area Counties
Sales tax rate		1.5%	0.5%
Collections on direct sales to visitors by local businesses:			
Retail shopping	\$1,234	\$926	\$309
Meals	\$13,253	\$9,939	\$3,313
Parts and supplies	\$3,794	\$2,846	\$949
Other	\$157	\$118	\$39
Total collections on direct spending	\$18,438	\$13,829	\$4,610
Indirect sales in other local businesses primarily to workers	\$22,521	\$16,891	\$5,630
Total annual sales tax collections	\$40,959	\$30,719	\$10,240

Hotel Occupancy Tax Revenues

The City of Gilmer and other area cities receive hotel occupancy taxes from visitors staying overnight at area motels. These tax collections are shown below.

Annual Hotel Occupancy Tax Collections by Gilmer and Other Area Cities	
City of Gilmer's local portion of hotel occupancy tax rate	7%
Annual room sales to visitors	\$425,171
Annual hotel occupancy tax collections for the City of Gilmer and other area cities	\$29,762

Total Sales and Hotel Occupancy Taxes Collected by Area Cities and Counties

Total annual sales and hotel occupancy taxes collected by the City of Gilmer and other area cities and Upshur County and other area counties are shown below.

Total Annual Revenues from Sales and Hotel Occupancy Taxes from Visitors to the Facility			
	Total	City of Gilmer and Other Area Cities	Gilmer County and Other Area Counties
Sales and use taxes	\$40,959	\$30,719	\$10,240
Hotel occupancy taxes	\$29,762	\$29,762	
Total	\$70,721	\$60,481	\$10,240

A discussion of the conduct of this analysis is next.

CONDUCT OF THE ANALYSIS

Impact DataSource conducted this analysis using data supplied by the Stephen F. Austin State University and local tax rates. In addition, Impact DataSource used certain estimates and assumptions.

Using this data, the annual economic impact of the Barnwell Mountain Recreation Area and related revenues from sales and hotel occupancy taxes for the City of Gilmer and other area cities and Upshur County and other area counties were calculated.

In addition to the direct economic impact of the visitors, spin-off or indirect and induced benefits were also calculated, as discussed earlier in this report.

Impact DataSource is a thirteen-year-old Austin, Texas economic consulting, research and analysis firm. The firm has conducted economic impact analyses of numerous projects in Texas and in fourteen other states. In addition, the firm has developed economic impact analysis computer programs for several clients, including the New Mexico Economic Development Department. The firm's principal, Jerry Walker, performed this economic impact analysis. He is an economist and has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.

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