

INTRODUCTION

In 1990 the Wyoming Cooperative Extension Service conducted an analysis of the potential economic impact of the Vore Buffalo Jump Site on the economy of Northeast Wyoming for the Department of Anthropology at the University of Wyoming (Taylor and Fletcher, 1990). In response to a request by the Cooperative Extension Service in Crook County, this report is an update of the 1990 report adjusting the economic impact estimates to current dollar amounts.

The importance of historical attractions as a tourism resource has become more widely recognized in recent years. In response to the traveling public's interest, visitor facilities have been developed at a number of historical sites throughout the U.S. and Canada to preserve historical attractions, provide quality educational experiences, and create additional economic activity in the business sectors of local communities.

The Vore Buffalo Jump near Sundance in Northeastern Wyoming could be an important addition to Wyoming's inventory of developed historical attractions. However, appropriate facilities would have to be developed at the site in order to attract significant numbers of visitors while at the same time preserving the historical resource. Typically, there are substantial capital outlays associated the construction of facilities at historical sites. Whether or not these expenditures are justified depends, in part, on the potential of the site to generate new jobs and additional income within the region.

The objective of this report is to estimate the potential impact from the development of the Vore Buffalo Jump on the economy of Northeast Wyoming. For this analysis Northeast Wyoming was defined as the five-county area including Campbell, Crook, Johnson, Sheridan, and Weston. It was felt that these counties represent the

region most likely to be economically impacted by development of the site. The potential economic impacts considered in the report include: 1) expenditures by visitors from outside the region as a result of visiting the site and 2) regional expenditures resulting from the construction of facilities at the site. The estimates of economic impact were based on a five-county, 1998 IMPLAN model. The two potential economic impacts are discussed separately.

ESTIMATED VISITOR EXPENDITURES AND ECONOMIC IMPACT

The Vore Site is strategically located beside Interstate 90, between two interchanges, six miles apart. Interstate 90 is a major tourist route between the Black Hills and Yellowstone National Park. The 1990 study evaluated three levels of visitation to the site; 75,000, 100,000, and 125,000 visitors per year respectively. No attempt was made to update these estimates for this report.

Visitor Expenditures

Visitor expenditures estimates for the Vore Site were based on a 1998 report by Morey & Associates to the Wyoming Business Council, Division of Tourism for Region 4 of the state (Morey and Associates, Inc, 1999). Region 4 includes the counties in Northeastern Wyoming. Two types of visitor expenditures were use in the analysis, one for overnight stays, which represents the average for visitors staying overnight in hotel/motels. The other for visitors spending the day in the area. These expenditures are summarized in Table 1.

Due to the proximity of the site to the eastern Wyoming boarder, it is likely that some of the expenditures by visitors during their stay in the area will occur outside Wyoming. As a result, it is assumed that visitors traveling west will have an overnight

stay in Northeastern Wyoming as a result of a visit to the site. Thus the total regional expenditure associated with a visit to the site for visitors heading west were estimated to be \$80.18 (Table 1).

For visitors traveling east it was assumed that they would spend a day in Northeastern Wyoming as a result of a visit to the site, but not stay overnight. Thus the total regional expenditure associated with a visit to the site for visitors heading east were estimated to be the day trip amount - \$48.49 (Table 1). In addition, it was assumed that 50 percent of the visitors were traveling west and 50 percent were traveling east. Thus the average expenditure for all visitors was estimated to be \$64.34 (Table 1).

Table 2 summarizes the total direct expenditures at the three projected visitation levels for the Vore Site. As was the case in the previous study, all visitation projections were reduced by 10 percent to account for visitation by residents of Northeastern Wyoming. Expenditures by residents were excluded because they represent a redistribution of dollars within the region rather than an influx of new dollars into the area. As shown in Table 2, total direct expenditures by non-local visitors ranged from \$4.3 million to \$7.2 million for the three levels of projected visitation for the Vore Site.

Economic Impact

Economic impact analysis considers not only the initial direct expenditures by the visitor but also the secondary effects that occur in a region's economy as the result of the influx of new dollars. Table 3 presents the estimated economic impact on the regional economy of Northeastern Wyoming from the expenditures by non-local visitors to the Vore Site. Table 3 indicates that the Vore Site could generate from \$1.7 to \$2.9 million of earned income and supports from 133 to 222 jobs in the region.

ESTIMATED CONSTRUCTION EXPENDITURES AND ECONOMIC IMPACT

The regional economic impact from construction of facilities differs from visitor expenditure impacts in that it will only have a one-time effect. Once construction is completed the employment and economic activity generated will cease. This may occur in a few months or a few years, depending on the length of the project. Visitor expenditures, on the other hand, will continue to generate employment and economic activity during the life of the facility.

The total economic impact of the construction phase will depend, to a large extent, on whether the contract is awarded to a local or out-of-region firm. However, even if the contract goes to a firm outside the region, there would still be an economic impact in the region since the outside firm and its employees would make some purchases locally, may hire some residents, and may subcontract with local firms. Since specific information on where the construction expenditures would go is not available, this analysis assumes that the contract is awarded to a regional firm. As a result, this estimate represents an upper bound for the economic impact of construction.

The economic impact of construction will also depend on the length of the project. Since no specific information is available it was assumed that construction would be completed within in one year.

In 1990 the construction costs to develop the Vore Site were estimated to be \$7.5 million. This total included \$6.9 million for construction including a 20 percent contingency fee, \$516,000 for design, and \$100,000 for furnishings. To account for inflation the construction cost for this analysis was increased by 20 percent to \$9.0 million. The five-county IMPLAN model estimated that \$9.0 million in construction

expenditure, if awarded to a regional firm, would generate \$3.8 million of labor earnings and support nearly 150 jobs during the one-year construction period (Table 3).

SUMMARY AND CONCLUSIONS

Historical attractions are an important tourism resource that with proper development and promotion can make an important contribution to tourism development in Wyoming. The Vore Buffalo Jump near Sundance, Wyoming is an example of a site that could potentially be developed to protect historical attractions, provide quality educational experiences, and create additional economic activity in the region. However, an appropriate facility requiring a large capital outlay would need to be developed at the site in order to attract significant number of visitors while preserving the resource. Whether or not the required capital expenditures are warranted for the site depends, in part, on the site's potential to generate new jobs and additional income in the region.

It is estimated that, with projected visitation levels, the development of the Vore site would bring between \$4.3 million and \$7.2 million into Northeastern Wyoming annually, as a result of nonresident visitor expenditures. These expenditures would generate between \$1.7 million and \$2.9 million in labor earnings and between 133 to 222 jobs in the region. In addition, construction of the facility could also generate up to \$3.8 million in labor earnings and nearly 150 jobs in the region during the construction period. However, the economic impacts of construction represent a one-time effect that would be dependent on where the firm awarded the contract was located, the quantity of local resources used, and the time frame for the project.

Table 1. Visitor Expenditures Per Person Per Day, 1998

	<u>Hotel/ Motel</u>	<u>Day Trip</u>	<u>Average</u>
Accommodations	\$28.60	\$0.00	\$14.30
Restaurants	\$19.10	\$17.13	\$18.12
Groceries	\$1.50	\$2.17	\$1.83
Entertainment	\$7.44	\$6.96	\$7.20
Licenses	\$3.19	\$2.79	\$2.99
Shopping	\$13.01	\$11.93	\$12.47
Gasoline	\$5.86	\$6.06	\$5.96
Local Trans	\$0.03	\$0.09	\$0.06
Car Rental	\$1.46	\$1.35	\$1.41
Total	\$80.18	\$48.49	\$64.34

Source: Morey & Associates

Table 2. Total Direct Visitor Expenditures

	67,500 <u>Non-Local Visitors</u>	90,000 <u>Non-Local Visitors</u>	112,500 <u>Non-Local Visitors</u>
Accommodations	\$965,129	\$1,286,839	\$1,608,549
Restaurants	\$1,222,914	\$1,630,552	\$2,038,190
Groceries	\$123,707	\$164,943	\$206,178
Entertainment	\$485,925	\$647,900	\$809,875
Licenses	\$201,906	\$269,208	\$336,509
Shopping	\$841,780	\$1,122,373	\$1,402,966
Gasoline	\$402,278	\$536,370	\$670,463
Local Trans	\$3,994	\$5,326	\$6,657
Car Rental	\$95,040	\$126,720	\$158,401
Total	\$4,342,673	\$5,790,231	\$7,237,789

Table 3. Total Economic Impact of Visitor Expenditures

Visitor Expenditures

Non-Local Visitors	Direct Expenditures	Earned Income	Number of Jobs
67,500	\$4.3 Million	\$1.7 Million	133.2
90,000	\$5.8 Million	\$2.3 Million	177.6
112,500	\$7.2 Million	\$2.9 Million	222.0

Construction

Direct Expenditures	Earned Income	Number of Jobs
\$9.0 Million	\$3.8 Million	147.7

Source: IMPLAN