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# COMMUNITY

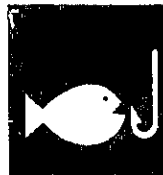
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## Tourism Assessment

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# HANDBOOK

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Western Rural Development Center

TM 101

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**Published by**  
Western Rural Development Center  
307 Ballard Hall  
Oregon State University  
Corvallis, OR  
(541) 737-3621  
<http://www.orst.edu/Dept/WRDC>

Winter 1996

This material is based upon work supported by the Extension Service, U.S. Department of Agriculture,  
under special project number 93-ERRD-1-8501.

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# CONTENTS

<b>Introduction</b>	
<b>Step One      Community Organization</b>	
<b>Step Two      Current Visitor &amp; Economic Profiles</b>	
<b>Step Three    Resident Attitude Survey</b>	
<b>Step Four    Visioning and Goal Setting</b>	
<b>Step Five    Tourism Marketing Basics</b>	
<b>Step Six     Attraction and Facility Inventory</b>	
<b>Step Seven   Potential Project Identification</b>	
<b>Step Eight   Initial Project Scoping</b>	
<b>Step Nine    Impact Analysis: Economic, Social, Environmental</b>	
<b>Glossary and Resources List</b>	

# INTRODUCTION

**T**ourism development is one of several economic development strategies available to communities. Most communities concerned with economic development will want to consider it along with such strategies as industrial recruitment, local business start-ups, retail trade capture and business retention and expansion efforts. Some communities will find they have very real potential for expanded tourism, other communities will find their potential more limited, and still others may conclude the social, economic, and environmental costs associated with tourism development are not worth the possible benefits.

The purpose of this handbook is to guide communities through a process that not only helps them determine their actual tourism potential, but also requires them to estimate the costs (social, economic, and environmental) as well as benefits of tourism development before deciding it is a strategy worth pursuing. If the assessment process leads a community to decide it wants to develop its tourism potential, then materials on post-assessment activities like product development, marketing and management should be sought. This handbook is the first of several resources a community will want to use to reach its development objectives through tourism. The handbook is designed to be used by community members and by resource persons working with communities on their tourism development efforts.

United States Travel and Tourism Administration (USTTA) figures reveal why tourism development is an economic development strategy many rural communities are considering these days. In 1992 global expenditures on tourism totaled \$3.5 trillion dollars, making it the largest industry in the world. The World Travel and Tourism Council predicts it will

account for 13% of the world's consumer spending in 1993. Tourism is the fastest growing sector of the U.S. economy. Between 1985 and 1990 tourism expenditures increased by 43%. It is currently the sector with the largest U.S. trade surplus.

Tourism development may be of special interest to rural communities whose natural resource-based industries have declined. It can help diversify the local economic base, thus reducing dependence on a single economic sector and make contributions to many types of local businesses as shown in Table X.1. Jobs in tourism, particularly farm-based tourism, can help families keep their farm or ranch. Due to its "clean" character, tourism also may help communities maintain the natural environment and quality of life they have traditionally enjoyed. You can evaluate these and other benefits for your community through the process contained in this handbook.



*The community tourism assessment process does not begin with the assumption that "tourism is good for you." Instead it begins with the notion that tourism "may" be good for you. The philosophy behind this handbook is that "No" is an all right and sometimes the best answer regarding tourism as a development strategy for your community. It is only one of the strategies you have available for community economic development.*

**Table X.1 Tourism's Contributions to Community's Businesses in Missouri**

Business	% of Income from Tourism
Motel/Hotel	94.5
Restaurants	49.4
Taverns/Bars/Liquor Stores	34.8
Amusements	33.1
Gasoline Stations	31.5
General Merchandise	18.6
Auto Dealers and Garages	15.8
Food (retail)	13.8
Apparel and Accessories	13.6
Lumber, Hardware, and Building Material	13.1
Furniture and Furnishings	12.1
Other Retail	12.2
Drugs	11.4
Farm Supplies and Agricultural Products	8.5
Other Service Firms	4.5

*Source: US Department of Commerce*

Two brief examples show just some of the positive returns from pursuing tourism as a community development strategy.

- Tourism has been the primary industry in the small town of West Yellowstone, Montana since its founding in 1908. To help improve the community's infrastructure and to capitalize on the number of visitors traveling through their community, the town instituted a 3% resort tax in 1986. In 1993 the town enjoyed nearly one million dollars in additional income from resort tax collections. Thanks to the resort tax, and thanks to the visitors who paid the tax, West Yellowstone now has new paved streets, better police and fire protection and emergency medical services.
- Sandpoint, Idaho used its tourism industry to expose the community to more people as a strategy to diversify the local economy. They successfully attracted new mobile, light industries to the area. Other positive results of tourism development were reduced unemployment, an increase in per capita income, and increased private capital investment in major tourism developments.<sup>1</sup>

These same two communities serve as examples of some of tourism's costs that you will want to consider in your assessment process. Additional examples show that the distribution of benefits and costs may not be evenly spread throughout the community. Some people may be feeling very positive about the tourism industry because they are reaping rewards (profits) from it, while others feel negatively because the impacts on their life have been negative. You will want to consider this equity question as you assess the benefits and costs of tourism development for your community.

- Sandpoint, Idaho, has had to cope with parking and traffic circulation problems. Tourism brings increased pressure on the physical and public services infrastructure of the community. Local government services and infrastructure such as roads, solid waste disposal, sewer systems, fire and police protection may require upgrading or expansion at local tax payer expense to meet tourist demand.
- Tourists compete with local residents for limited recreational resources in West Yellowstone. There are over 70,000 anglers a year of pressure on a twenty mile stretch of the Madison River before. Eighty five percent of the pressure was from non-residents. Many locals feel the guided non-resident fishing has greatly diminished the quality of the fishing experience. West Yellowstone residents have abandoned a local swimming hole since its discovery by tourists. Outfitter hunting leases have closed many private ranches to resident hunters in Eastern Montana.
- Tourism came to Guam in a big way. Foreign-owned motel operations bring Japanese tourists by the thousands daily. Unemployment is unknown. In fact, each additional tourism project requires recruiting alien workers. With the outsiders have come

<sup>1</sup> Refer to John Sem's *A Training Guide for Rural Tourism Development* for more information on Sandpoint and other communities.

cultural changes and conflicts. Real estate prices have soared to the point that the native Chamorro people can no longer afford their traditional subsistence farming life style. Now they can wait tables, clean rooms, and drive tour buses. Tourists buy package vacations in Japan that include coupons to be spent in Japanese owned stores on Guam so the yen never has to leave Japan. Still radio stations broadcast "Tourism is good for you! Tourism is good for you!" twenty times a day. Not everyone is convinced.

- In Maui, some houses hold three generations of Hawaiians because tourism development has raised the price of housing beyond the reach of local families. Proposals to reroute water to golf courses threaten to dry out Hawaiian farms. Here, too, unemployment is unknown. Hawaiians from Molokai are brought on an hour and a half boat trip to clean the rooms. But the workers can not afford the homes they once could in Maui.
- Tourists who liked what they saw and came back to buy property have led to property tax increases for local residents, some retired on fixed incomes, of as much as 70% in one year in Big Fork, Montana. Long term residents have been forced out of Cour de L'ene, Idaho, Whitefish, Montana and many other western towns by rising property values and taxes.

Clearly the benefits of tourism development do not accrue evenly to all; nor do the costs. And, even if assessment shows likely benefits will outweigh anticipated costs, simply "painting the park benches" or believing that "if you build it they will come" is not likely to bring success. Not every community has or can develop the attractions to draw tourists in this increasingly competitive field. Each community's situation is different and requires assessment unique to the community.

This handbook will help your community inventory its tourism supply and develop it effectively to meet the demands of your visitor market. The procedure prescribed in this handbook is intended to help communities predict both the costs and benefits of tourism and to consider the distribution of the costs and benefits before deciding to proceed. The process also is about local control, leadership and ownership of the change inherent in community development. Community members are "in the driver's seat." You will call upon the help of various "experts" or "resource persons" along the way, but this is your assessment and decision-making process.

## BACKGROUND

This process resulted from the collaborative efforts of a number of state and federal agencies working with a team of local community leaders in the pilot community of Choteau, Montana. It began with Extension Community Development Specialists from Alaska, California, Colorado, Guam, Montana, and Wyoming meeting at the

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*This process is about local control, leadership, and ownership of the change inherent in community development.*

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National Extension Tourism Education Conference in 1988 to discuss community tourism education needs in the West. Discussions and consultations with faculty at University Tourism Centers led the group to conclude that a process was needed to help communities realistically assess their tourism potential and determine costs and benefits associated with tourism development.

The group found there were a number of existing community tourism development guides that start with the assumption that tourism is THE option to pursue. They help a community to inventory, develop and market its attractions. The group did not find an existing manual designed to help a community objectively decide whether tourism development was a viable strategy to pursue in the first place. The Western Rural Development Center agreed to help fund the development of such a process and to produce a manual based upon it to help communities throughout the western region.

At about the same time the U.S. Forest Service decided to conduct training on resource amenity development in Region One. Forest Service Region 1 Rural Development Director, Dean Graham, invited Montana Extension, the Montana Fish Wildlife and Parks Department, Travel Montana of the Montana Department of Commerce and the U. S. Small Business Administration to help design the training. It was decided to join forces with the regional extension group in a collaborative effort to develop a community tourism assessment process in a pilot community. The Forest Service provided \$15,000 for the pilot project.

This regional, multi-agency team, with assistance from the University of Montana Institute for Tourism and Recreation Research and the Montana State University College of Business designed and tested the process over a two year period with a community task force in Choteau, Montana. For some components a number of

existing materials were evaluated, selected and tested. For other components the team modified existing materials and tried those. The Resident Attitude Survey, Marketing Basics, Current Economic and Visitor Profiles, Potential Project Identification, Scoping and Impact Analysis components were developed by team members.

In the spring of 1993 the Montana Tourism Advisory Council agreed to fund expansion of the process to three additional Montana communities per year. The results from these field tests were used to further refine this handbook to better meet the goal of providing a user friendly resource that community volunteers can use to conduct a holistic assessment process with minimal outside assistance. By the end of 1995, six more Montana communities had completed the process. Since a regional training held in April 1994 Utah, Alaska, Arizona, and Nevada have undertaken tourism assessment projects utilizing this process and handbook. The project team members encourage all users of the handbook to provide feedback to them via the Western Rural Development Center so that we can continually improve this process and resource.

Major credit for testing the process, as well as testing their patience, must go to the dedicated team of community leaders in Choteau. They stayed with a process that took twice as long as anticipated, and was often disjointed and confusing. In some instances they went ahead on their own to accomplish needed tasks. The project team cannot thank them enough!

## PROCESS

The components described in this handbook are intended to guide community economic development groups through an assessment process with minimal outside assistance to help them identify what role, if any, tourism can play in strengthening their local economy. Each component has been tested with seven pilot communities to find ways for community teams to complete the component on their own and to determine where outside assistance appears absolutely necessary. In those places, we have suggested sources of assistance. This *self-help* approach was chosen because of the reality of limited resources that may be available to assist communities in this process. In today's world of fiscal crises at all levels of government, it is more important than ever for citizens to have the tools they need to address their own issues and problems. Consequently, local organization is the first step in the process.

The handbook is divided into chapters corresponding with nine components. Each chapter describes the component's purpose, objectives, and main decisions to be made. Then detailed *how to* instructions with sample processes and forms to use are provided. Guidelines for evaluating results also are included. Many of the components will be familiar to you from other community development activities you may have done, such as strategic planning or visioning. Similarly, working through this tourism assessment process will enhance your skills relevant to other community development efforts.

The components of the process could be completed one at a time in the order presented in the handbook. Experience in the pilot communities, however, indicates more committee motivation and interest if certain steps are started early on even if they won't be completed until later. Figure X-1 illustrates how components build on information gathered in earlier components, but also how some are conducted concurrently. This handbook suggests a schedule for working

*An important thing to note is that this process starts from the assumption that the community already has completed some strategic planning or visioning work which identified **tourism** as a priority strategy to further investigate. As mentioned above, tourism is just one of many different economic development strategies a community can choose. This manual is not advocating tourism as the only or even "best" one. It is helping you assess if this choice is a good one for your community once you have selected it as part of your community's overall economic development plan.*

through the nine components over an eight month period that is used in Montana. The implementation schedule is shown in Figure X-2. Attachment X-A gives sample monthly meeting agendas and homework assignments, Attachment X-B is an example of an expanded agenda for the first meeting to help you get started. The Local Coordinator probably will want to build similar detailed agendas for other meetings based upon how the Committee is progressing.

Eight months may sound like a long time, but during the process you will attain some short-term successes and by the end you will have plans in hand for long-term projects. Plus, you will have learned a process that you will use over and over again as you assess each new tourism or other economic development project you wish to implement in the future.



## COMPONENT OVERVIEW

### 1: Community Organization

The community will need to form a local team, or a Community Tourism Assessment Action Committee, under the leadership of a Local Coordinator to carry out the tourism assessment process through monthly committee meetings, with additional task force efforts in between. This step requires identifying and recruiting a team of local volunteers dedicated to improving their community. It also includes review of committee and task force roles, responsibilities and time commitments to prepare members to work effectively as a team to carry out the assessment.

### 2: Current Visitor and Economic Profiles

Existing data will be compiled to capture a picture of the current impact of tourism and other sectors on the overall local economy. Visitor travel patterns and characteristics will be analyzed to gain an understanding of the profile of persons who visit the community or its region or state. These profiles will serve as the basis for later economic analyses. The level of analysis at this point will depend upon availability of existing data.

### 3: Resident Attitude Survey

A survey will be conducted to assess how the tourism industry stacks up in the minds of residents. This information will be key in determining local receptivity to potential tourism development and promotion.

### 4: Visioning and Goal Setting

The community will develop a vision of where they would like to see their community in the future and how tourism fits into that vision. They will set goals for tourism development to help them work toward realization of their vision.

### 5: Tourism Marketing Basics

Basic tourism marketing information is studied to highlight the importance of offering value to the tourist as well as the community. The marketing basics of supply (what we have to sell) and demand (what potential visitors want to buy) are key elements of this marketing introduction to help the committee better understand its realistic markets and how to develop products of value to those markets.

### 6: Attraction and Facility Inventory

The committee will inventory all existing attractions and tourism-related facilities in the area and then rate them on their value to tourists and competitive advantage. They also will assess the community's infrastructure, such as water, sewer, and transportation systems, to determine the local capacity to support an expanding tourism industry.

### 7: Potential Project Identification

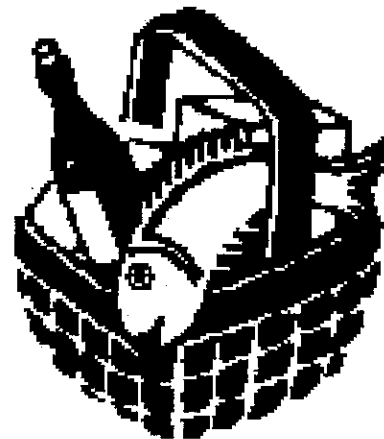
The committee will identify priority short- and long-term projects to further evaluate through a rating process. The rating scale is based upon the three main criteria brought out in the Marketing Basics section: value to the tourist, value to the community, and competitive advantage.

### 8: Initial Project Scoping

Task forces will develop a basic description of each of the priority projects, including projected revenues and costs (construction, operation, and maintenance), employment, and infrastructure needs.

### 9: Impact Analysis

Impact analysis is conducted to predict the probable economic, social, and environmental costs and benefits of each scoped-out project. The analysis will suggest who or what may be positively and adversely impacted by the proposed developments to help the community decide which, if any, of the projects should proceed.



## WHAT COMES NEXT?

At the end of the assessment process the community will be at one of three places. They may have found that tourism is no longer a development strategy they wish to pursue. Or, they may not have identified any specific projects that pass the assessment, but still have a desire to pursue tourism. Or, they might have a list of one or more projects to develop.

In the first situation, the community can turn to other economic development strategies. In the second, they can return to the committee's project identification list and inventory report and proceed to assess other potential opportunities that they did not see in the first round. In the third case, they will proceed to the post assessment phase which involves:

- **Project Development:** Preparation of development plans which will outline what needs to be accomplished, by whom, and by what date.
- **Marketing:** Drafting marketing plans.
- **Implementation & Management:** Conducting additional research and/or development efforts; pursuing funding alternatives; initiating business plans.
- **Monitoring & Evaluation:** Determining if stated goals are being met and helping ensure that acceptable levels of change to the community way of life are not exceeded.

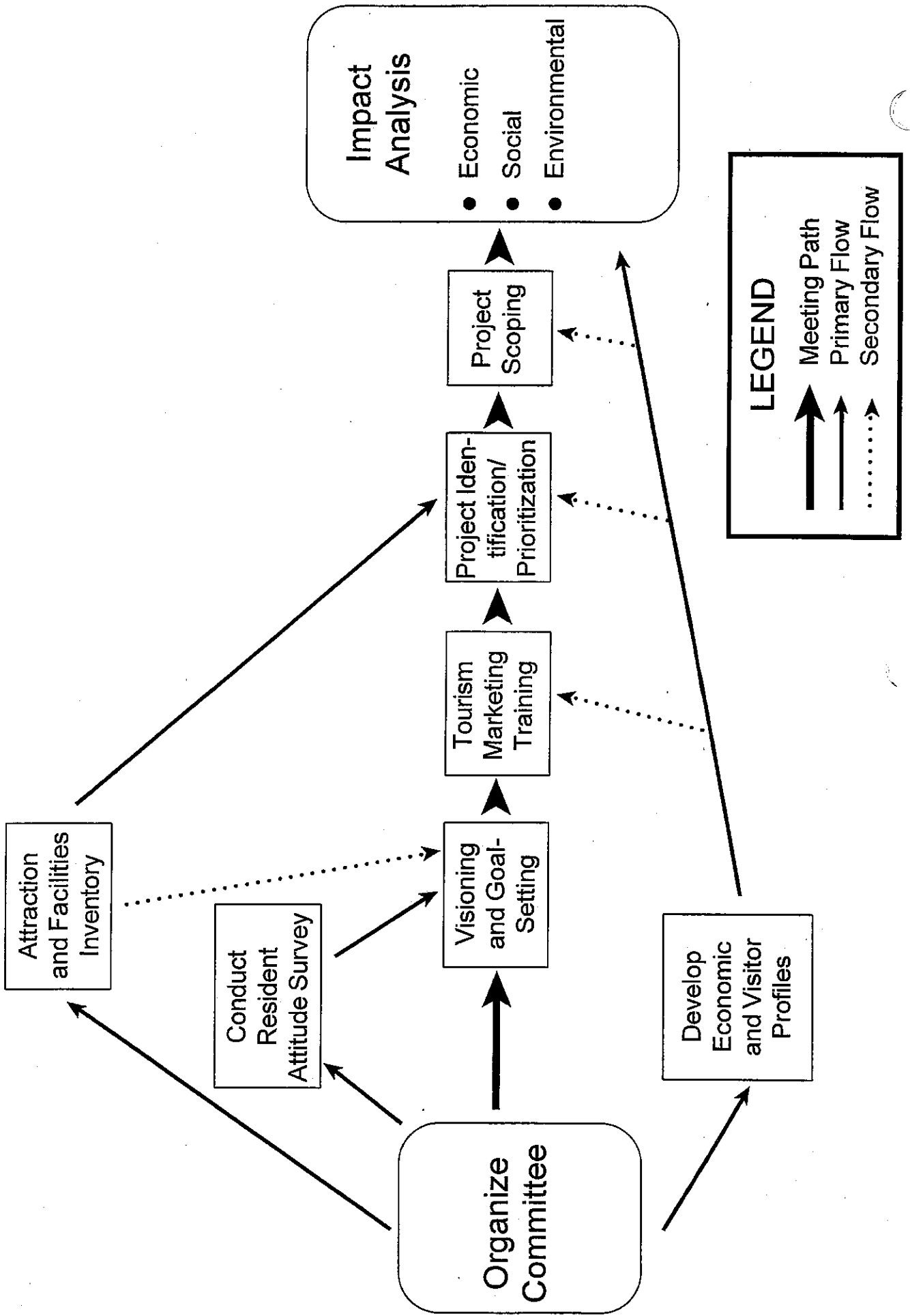
Resources to help your committee with these activities can be found on the reference list at the end of this handbook and through your State Tourism Office and Extension Service.

### **How to Use This Handbook**

*You are encouraged to look through the entire handbook to get a sense of the entire process before embarking on the first step. As you start each component, review the entire section of the handbook for that component to be sure you clearly understand the purpose, objectives, and questions you will answer by completing the component. Be clear on what decision you will be making in the component.*

*Each chapter will tell what to do to complete the component, how to organize your committee to get the work done, and what materials and possibly outside resource persons you will need. By reading through the entire section, you can be best prepared and organized for the tasks required. Be careful to retain the information generated in each step because you will refer to it in later steps. The process builds from start to finish.*

FIGURE X-1



**Figure X-2**

**EXAMPLE COMMUNITY TOURISM ASSESSMENT IMPLEMENTATION SCHEDULE (Montana)**

Legend: X = done at meeting      ... = done between meetings as "homework"  
 ES = Extension Service      MSU = Montana State University      ITRR = Institute for Tourism  
 DOC = Dept. of Commerce      LC = Local Coordinator      & Recreation Research

Note: Committee is responsible unless other agency indicated.

COMPONENT	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8
INTRODUCTION & OVERVIEW (ES + DOC)	X							
COMMUNITY ORGANIZATION Recruit other members	X	.....						
ECONOMIC & VISITOR PROFILES *Introduce (ITRR+MSU) *Develop (" ") *Report to Committee (" ")	X	..... X						
RESIDENT ATTITUDE SURVEY *Introduce (ITRR) *Initiate (" ") *Update (" ") *Complete (" ") *Report to Committee (" ")	X	..... X	..... X					
VISIONING & GOAL-SETTING *Introduce (ES) *Conduct Visioning session (ES) *Form task force *Solicit reaction to draft vision statement *Solicit & formulate goal ideas *Complete vision statement *Conduct goal setting session(ES) *Publicize vision & goals (LC)		X	X X	..... X	..... X			

Figure X-2

COMPONENT	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8
<b>TOURISM MARKETING BASICS</b>			X	X				
*Introduce (ES)								
*Conduct session (MSU)								
<b>INVENTORY</b>		X	.....	.....				
*Launch/establish task forces (ES)								
*Initiate		.....						
*Update			X					
*Complete				.....				
*Report to Committee				X				
<b>PROJECT IDENTIFICATION</b>								
*List potential projects		X	X	X				
*Rate projects					X			
<b>PROJECT SCOPING</b>								
*Introduce/Create task forces (ES)					X			
*Conduct					.....			
*Complete						X		
<b>IMPACT ANALYSES</b>								
*Introduce (ES)					X			
*Conduct Economic Impact Assessment (MSU)						X		
*EclA follow-up, if necessary						.....		
*Determine need for SIA & EIA						X		
*SIA & EIA training (ES)							X	
*Conduct SIA & EIA (task forces)							.....	
*Conduct Analysis Summary								X

**THE NEXT STEPS: Month 9 onward**

- PROJECT DEVELOPMENT
- PRODUCT MARKETING
- PROJECT LEADERSHIP/MANAGEMENT
- MONITORING & EVALUATION

# Attachment X-A

## Sample Implementation Schedule

[Lead groups for task in Montana pilots]

### Month One

#### *Meeting Agenda:*

- General program introduction and process overview of the Community Tourism Assessment Process [Local Coordinator, Ext, DOC]<sup>1</sup>
- Introduce participants and share their expectations
  - Review sample mission statement
- Show Colorado Tourism Video-success stories (only 1st 10 mins)
- Organize Committee
  - Discuss make-up, responsibilities and functions of Community Tourism Assessment Action Committee and Community Task Forces [Ext, DOC]
- Identify Power Structure of Community [Ext]
- Introduce Current Visitor & Economic Profiles
  - Show overheads on economic impacts from communities that have been through the process
- Introduce Resident Attitude Survey [ITRR]
  - Gain community input for pertinent survey questions
  - Show examples of results that have come from previous surveys
- Discuss Local Publicity for project and attitude survey

#### *Homework:*

- Put out Press Release(s)
- Develop Current Economic & Visitor Profiles [ITRR & MSU]
- Initiate Resident Attitude Survey [ITRR]
- Recruit needed participants to fill out Committee

### Month Two

#### *Meeting Agenda:*

- Present & discuss Current Economic & Visitor Profiles [ITRR & MSU]
- Update on Resident Attitude Survey process [ITRR]
- Make initial list of potential projects (will bring the emerging list back to each meeting)
- Introduce Visioning and Goal Setting processes [Ext]
- Launch Attractions/Facilities Inventory
  - Discuss Scope of Inventory
  - Establish Task Force(s)

#### *Homework:*

- Initiate Inventory
- Complete Resident Attitude Survey [ITRR]

### Month Three

#### *Meeting Agenda:*

- Report on Resident Attitude Survey [ITRR]
- Conduct Community Visioning session [Ext]
- Update on Inventory [Task forces]
- Review & add to potential project list from previous meeting
- Introduce Marketing Basics session [Ext]
  - Encourage to invite other community members to attend next meeting

*Homework:*

- Publicize, circulate and solicit reactions to proposed community vision statement
- Solicit & formulate ideas for community goals
- Complete Inventory
- Gather unemployment and migration statistics from Department of Labor

**Month Four**

*Meeting Agenda:*

- Review & complete draft of community vision statement
- Discuss how tourism fits with vision
- Conduct Goal Setting session [Ext]
- Conduct Tourism Marketing Basics [MSU marketing expert]
- Report on completed Inventory
  - Discuss any gaps revealed
- Revise potential projects list

*Homework:*

- Draft and publicize final community vision statement & goals [Local Coordinator]

**Month Five**

*Meeting Agenda:*

- Review potential projects listed in the previous meetings
  - Sort into long-term and short-term lists
- Rate all listed projects
- Briefly introduce Economic Impact Analysis processes [MSU]
- Introduce Project Scoping [Ext]
- Form Project Scoping task force(s)

*Homework:*

- Initiate Project Scoping [task forces]

**Month Six**

*Meeting Agenda:*

- Complete Project Scoping
- Conduct Economic Impact Analysis (EcIA) [MSU]
- Introduce Social & Environmental Impact Analysis processes [Ext]

*Homework:*

- Economic Impact Assessment follow-up, if necessary

**Month Seven**

*Meeting Agenda:*

- Review Economic Impact Analysis
- Conduct Social and Environmental Impact Analyses Training
- Form SIA and EIA task forces
- Discuss Post-Assessment Phases: Product Development, Marketing, Management/Leadership, Monitoring and Evaluation

*Homework:*

- Conduct SIA & EIA [task forces]

## **Month Eight**

### *Meeting Agenda:*

- Review SIA and EIA
  
- Conduct Assessment Summary
  - Determine which projects to pursue into next phases.
  
- Plan out next phase.

## **Post Month Eight**

From here the schedule will vary depending on results of assessment process.

Recommend the following types of activities to help the community move forward on projects selected:

- Marketing training and planning
  
- Leadership training
  
- Business/Project start-up training

'DOC=Department of Commerce's Tourism  
Office

ITRR=Institute for Tourism and  
Recreation Research, University of Montana

MSU= Montana State University

Ext= Extension Service



# Attachment X-B

## Sample Detailed Agenda (Month One)

### *General Program Overview*

Welcome by local coordinator

- History of Process
  - Describe regional process development and MT pilot communities.
- Purpose of Process
  - Explain how the Community Tourism Assessment Process fits in local economic development.
- Potential Process Outcomes
  - Present what they can expect as a result of completing Community Tourism Assessment Process.
  - Describe projects selected in previous communities.
  - Explain results will be different for each community, including possible decision that 'tourism isn't for us.'

### *Participant Introductions & Expectations*

- Self introductions of Community Tourism Assessment Action Committee
  - Everyone tell name and share their interest in participating in and expectations for the Assessment process.
- Mission statement
  - Review sample mission statement.
  - Seek agreement with this general mission. Modify as necessary and feasible in short amount of time.
  - Show 1st 10 mins. of Colorado Tourism video to illustrate possible outcomes from this effort.

### *Month by Month Overview*

- Review overall process, referring to Figures X-1 and X-2, and Attachment X-A.

- Give brief summary of each step and how it will be conducted. Refer to Figure X-1. Use as an overhead.
- Discuss formation and functions of community task forces, process timelines, meeting schedules, homework activities and agency assistance.

### *Organize Community Tourism Assessment Action Committee*

- Review committee make-up, role of local coordinator, functions, responsibilities, expectations and overall organization. Refer to pages 1-1 through 1-3.
- Using Form 1-A determine what other members, if any, should be recruited. Identify strategy and persons to be responsible for recruiting people for next meeting.
- Identify power structure of the community. [Refer to Attachment 1-A]
  - Review member recruitment, Form 1-A, to add any critical person you may have missed.

### *Introduce Current Visitor & Economic Profiles*

- Give brief overview of the importance of this step, how it will be conducted, and when the profile information will be made available. [Refer to Section 2]

### *Introduce Resident Attitude Survey*

- Give overview of how this community survey process will be conducted. [Refer to Section 3]
- Identify pertinent local questions to add to survey.

### *Publicity*

- Discuss the importance of local publicity for the overall assessment project and specifically for the resident attitude survey. [Refer to Attachments 1-C and 3-C]
- Develop a publicity plan.
- Identify committee members to take on publicity roles and responsibilities.

### *Questions and Answers*

- Leave time for general discussion and to finalize details for next meeting and on-going monthly meeting schedule.

### *Homework*

- Put out press releases about the overall community tourism assessment process and the resident attitude survey.
- Recruit needed participants to fill out Committee.
- Develop Current Economic & Visitor Profiles.
- Initiate Resident Attitude Survey.

One

# COMMUNITY ORGANIZATION

**M**ore good community projects fail due to leadership break down than for any other reason.

*Do we have the resources (time, skills) to commit to this tourism assessment process?*

*How should we organize ourselves to get the job done?*

*What additional training should we seek to increase our skills in leading the process?*

- be oriented to the overall process prescribed in the manual.
- be organized into positions to perform required functions.
- have considered some leadership training in project management, communication, conflict management, publicity, and volunteer motivation.
- have secured endorsement of the project by local government and economic development groups.



## PURPOSE

The purpose of the leadership and organizational step is to help the community form a dedicated local team, or action committee, that can successfully carry out the tourism assessment process. The process is a major volunteer effort involving at least monthly committee meetings, with additional specific task force meetings in between. It can be expected that different interests within the action committee and individual task forces may be at odds during some of the steps, so skillful leadership and a truly dedicated group will be needed.

This step requires identifying and recruiting a team of local volunteers dedicated to improving their community. It recommends types of leadership training to help these volunteers work effectively as a team. It also calls for local government endorsement of the team and their efforts as the official community tourism assessment project.

## OBJECTIVES

By the end of this step, the community will:

- have recruited a community tourism action committee, and

the action committee will:

## HOW TO CONDUCT THIS STEP

### 1. Form/Recruit the Action Committee

#### *Member Selection Guidelines*

The action committee should consist of 15 to 20 community leaders. The two most important criteria for action committee members is that they are considered legitimate community leaders, and that they can get along with each other. The members will need to be able to work together as a team for the life of the project. For the committee's recommendations to be adopted and implemented the members will need to be seen as legitimate community leaders.

The assessment process described in this handbook requires participation by all elements of the community likely to be effected by tourism development. This means persons from groups who will likely profit from tourism development as well as those who may feel threatened by such development. It benefits considerably from the involvement of local expertise.

Before starting a new committee, you should consider whether an existing organization in your community, like the Chamber of Commerce, already feels tourism is their responsibility. You may or may not choose to affiliate your effort with the existing one. It would be wise to at least include representation from that organization to avoid duplication of effort and possible resistance to your project.

The ultimate responsibility for the project's completion lies with the action committee.

*a. Characteristics desired of all members:*

- Sincere desire to contribute to community improvement
- Commitment to stay with the process through its completion
- Experience in leading community wide volunteer efforts
- Respect and appreciation for the views of others
- Recognized as leaders in the community
- Recognized as leaders from the groups/ organizations they represent
- Ability to work with others as a team

*b. Recruit representatives from:*

- Local economic development organizations
- City and county elected officials
- Environmental groups
- County extension agents
- Planning boards
- Transportation authorities (e.g. highway dept.)
- Public works departments
- Emergency and rescue services
- Retail business operators
- Museums
- Parks and recreation departments
- Other tourist attractions
- Other businesses that benefit from tourism
- Potential "entrepreneurs"
- Historical societies
- Civic organizations
- Community event organizers
- Cultural groups (e.g. theatre troupes)
- Craft/art guilds
- Hobby groups
- Sportsmen or other clubs
- Agricultural organizations
- Regional tourism organizations
- Law enforcement
- Bankers
- Media
- Minorities
- Ethnic organizations
- Land use agencies
- Educational leaders
- Clergy
- Youth groups
- Elderly and retirees
- *Community influentials*

The last group listed, *community influentials*, refers to that group of people within most communities who greatly influence what does and

does not take place in a community. (Refer to Attachment 1-A.)

## **2. Clarify and Accept Roles and Responsibilities**

Members must clearly understand the project's mission and their time commitment, roles and responsibilities in order for the project to be successfully completed.

The general mission envisioned by the team that developed this handbook is:

*The Mission of the Community Tourism Action Committee is to assess the potential for tourism development of (your community name) and to evaluate the social, environmental, and economic impacts of proceeding with developing that potential.*

You may choose to adopt this statement as is or modify as appropriate to fit your own situation. We do not recommend you spend a lot of time on this at this point. You can return to the mission during Visioning and Goal-Setting. Attachment 1-B contains this mission statement in a form that you could print to display at meetings or reproduce as an overhead.

This process is a substantial volunteer effort that will persist over many months. You do not want to start with false impressions of what can be accomplished in too little time. To avoid discouragement it is better for volunteers to be aware of the actual commitment they are making up front. Refer back to the Implementation Schedule (Figure X-2) and Outline (Attachment X-A) in the Introduction.

*a. Provide community-wide representation*

A major responsibility of the action committee is to insure all elements of the community — not just the pro tourism development segments — are represented in project deliberations. This can be accomplished by broad representation on the committee itself, by keeping the community

informed of all the committee's activities, and by insuring opportunities for all sectors of the community to participate in decisions that might impact their interests. Attachment I-C contains some sample newspaper articles pilot communities have published to raise awareness of the project.

*b. Conduct each of the project's steps*

The process is designed to be conducted by local citizens. Ensuring that each of the steps is adequately conducted is the responsibility of the local action committee. The committee itself will be involved in each step of the process. To adequately complete some steps they will probably need to recruit assistance from other community representatives or outside experts. But, the ultimate responsibility for the project's completion lies with the action committee.

The action committee will need to:

- conduct regularly scheduled meetings and complete homework assignments to insure each step is completed on time.
- identify and obtain any local and outside resources needed for each step.
- develop and oversee completion of work plans for each step indicating what needs doing, who will do each task, when each task must be finished, and how the committee will know each task is completed.
- encourage community-wide participation in all steps.

- publicize the intent and findings of each step.
- ensure written records are kept of all committee sessions.
- conduct community-wide meetings to review major recommendations.

All members of the action committee should be asked to make a verbal commitment to the group that they will contribute the time required to fulfill the roles and responsibilities.

**3. Establish Organizational Structure**

The tourism assessment project requires that a number of organizational functions, as listed in the above section on Roles and Responsibilities, be fulfilled. To perform these functions the action committee can be organized as follows:

- An Executive Committee to oversee the entire process, determine decision making processes (voting, consensus etc.), provide publicity, and ensure local implementation of all the steps.
- A Local Coordinator to conduct meetings, serve as the local contact for supporting agencies, and represent the project to local organizations and governments. This person will be responsible for leadership of the process between committee meetings, monitoring so necessary work gets done by task forces. The Coordinator should prepare and distribute materials for each meeting at the end of the previous meeting so members can review and be ready for the new steps they will undertake.
- Task Forces to conduct specific steps. Here is where you are likely to recruit assistance from non-action committee members. These groups will be formed to get specific tasks done and then disband. Due to this temporary nature of the task, you will be able get some members of your community to participate who could not make the longer-term commitment to being on the action committee. This broader participation should help increase the community's sense of ownership of the process and results. You will probably want to pull in some "experts" from outside the community, too, to serve on these task forces.



- A Secretary to keep minutes, send out meeting announcements, and maintain all records and reports.
- A trained, experienced and most importantly neutral meeting Facilitator should be identified to guide the group through tough decision making sessions. If no one on the action committee is a trained facilitator, you may be able to recruit the services of one through the County Extension Office, U. S. Forest Service, other government agencies, the local planning office or local organizations.

Attachment 1-D contains some hints for chairpersons and committee members to help them fulfill their responsibilities and hold productive meetings.

#### 4. Attend Leadership Training

To help the committee work together successfully through the entire process members would be well advised to participate in leadership and organizational skills training sessions. The purpose of the training is to help task force members:

- understand the shared leadership and member's roles required for successful teams,
- recognize how their efforts depend on interaction with other elements of the community,
- develop communication skills necessary for group participation,
- generate the motivational requirements to keep members participating through the life of the project, and,
- develop skills for managing conflict, which is a normal occurrence in community projects.

Leadership training is available from a variety of sources. All state Extension Services conducted Kellogg Foundation sponsored "Family, Community, Leadership" training programs in the last few years. The project prepared volunteer teams to conduct leadership training and to act as facilitators of public meetings/processes. Most states also have Extension Specialists that conduct leadership training. In addition, agencies like the U.S. Forest Service conduct staff development leadership training programs and may have staff who can provide training to community groups. In some communities Chambers of Commerce provide leadership training. Assistance might also be sought from local schools, churches, and organizations.

It is recommended that committee members seek out training on the following topics. It may be possible to have a special training designed by an Extension Specialist on topics like:

- Planning and implementing community projects
- Individual and group communications skills
- Understanding community power structures
- Group member roles
- Leadership styles
- Meeting management
- Member motivation
- Teamwork
- Conflict management

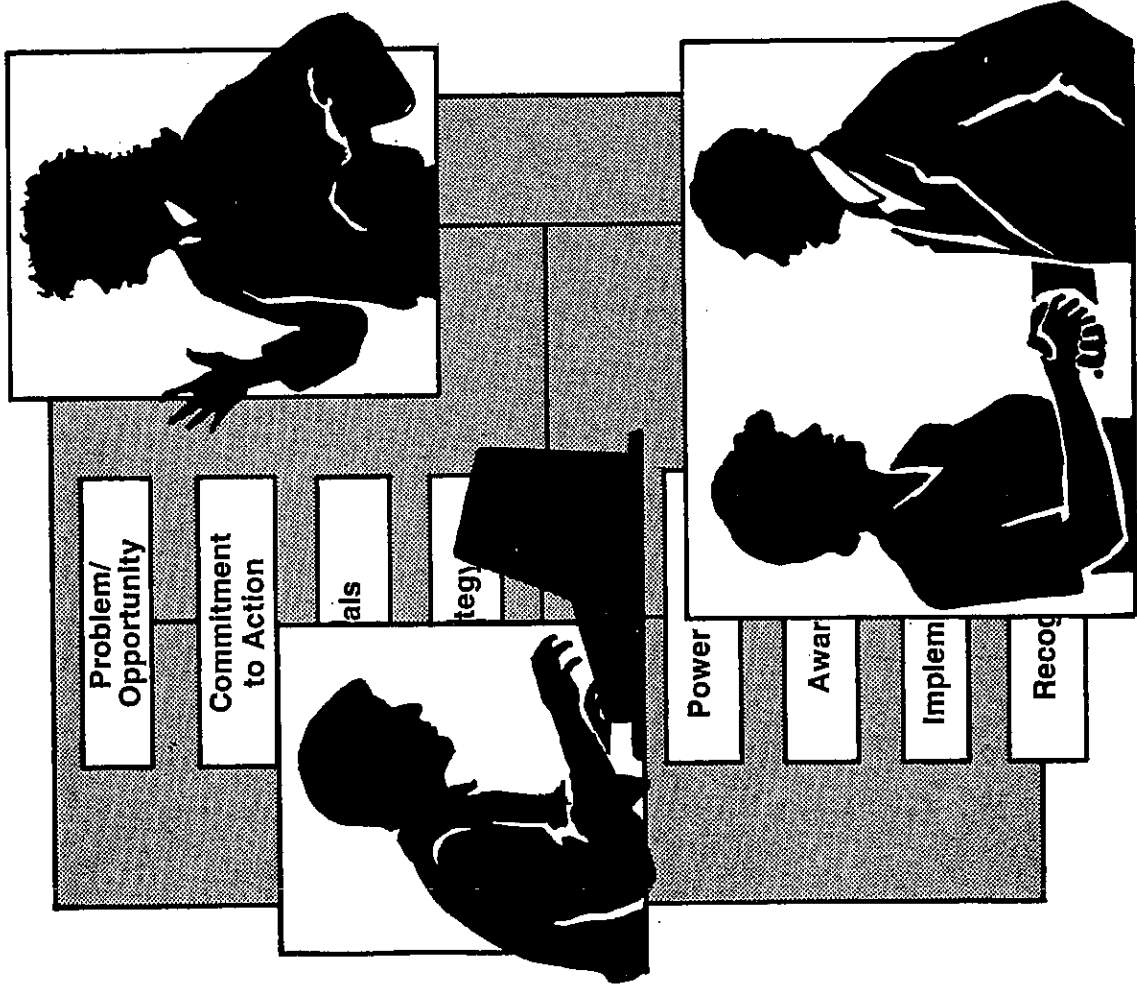
#### 5. Obtain Official Endorsement

Endorsement by village or city and county governments provides legitimacy for the project. Action committee representatives will need to explain the project to local governments and request statements of endorsement from them. In so doing the representatives will want to emphasize the objective, fact finding nature of the project and that their purpose is to learn what is best for the community not to promote tourism development.

Representatives should also indicate their intent to keep local governments informed of all their findings and to request participation of local elected and appointed officials throughout the process.

# Attachment 1-A Community Influentials

## A Community Action Process



### A COMMUNITY ACTION PROCESS

While successful community projects have been undertaken in many ways, a systematic approach is most likely to lead to success. A systematic approach aids in planning all phases of a project. A systematic approach can also help a group understand which phases of a project haven't succeeded and, thus, what actions need to be taken to correct projects that are failing.

One of the first attempts to lay out a step-by-step process for community action was Beal's "Social Action Process" (Beal, 1958). The community action process model presented in this publication borrows heavily from Beal's "Social Action Process" but also incorporates ideas on leadership, dealing with opposition and working with a community's power structure.

The community action process consists of nine steps to successful completion of a community project. The sequence provides a logical guide for group leaders and has proven successful in many communities. While the nine steps are laid out in sequential order, in reality, the order of the various steps may vary from project to project.

The programs of the Montana State University Extension Service are available to all people regardless of race, creed, color, sex or national origin. Issued in furtherance of cooperative extension work in agriculture and home economics, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, LeRoy Lutz, Acting Director, Montana State University Extension Service, Bozeman, Montana.

**MONTANA** Extension Service

EB 15  
August, 1987

**STATE**  
**UNIVERSITY**

### PROBLEM/OPPORTUNITY SITUATION

Most community projects are initiated to deal with a particular community problem or opportunity. The problem/opportunity may involve only a few members of the community or it may affect nearly all of them. In either case, it will have a history, a prior situation that leads some community members to respond.

In examining the problem/opportunity, it is important to consider the experiences community residents have had with this situation, to understand who feels the problem or sees the opportunity and what events led to the decision to take action. A problem/opportunity may be either internal to the social setting—one that has built up through time and is now coming to a head, or it may be a problem/opportunity that has been triggered as a result of outside events, such as new state or federal regulations or economic changes that have taken place beyond the boundaries of the community.

Since the problem or opportunity is likely to have a history within the community, there may have been previous attempts to deal with it. The success or failure of such experiences will bear on the success of the current project. An understanding of the previous social situation can help in predicting probable responses to the current project. Understanding the prior social setting can also help avoid pitfalls that were encountered in previous projects. The core group of people who initiate the project should consider the history of the problem/opportunity carefully and review the following steps carefully before proceeding.

### COMMITMENT TO ACTION

The project initiators consist of community members who actually feel the problem or recognize the opportunity. They get together, discuss the situation, decide that something ought to be done and that they are the ones who are going to do it. This convergence of concern about the problem is the spark that ignites the community project. Their commitment to action is important; without it, nothing happens.

The initiators also plan the original strategy for implementing the community project. They frequently realize that other community members will be needed and recruit their participation.

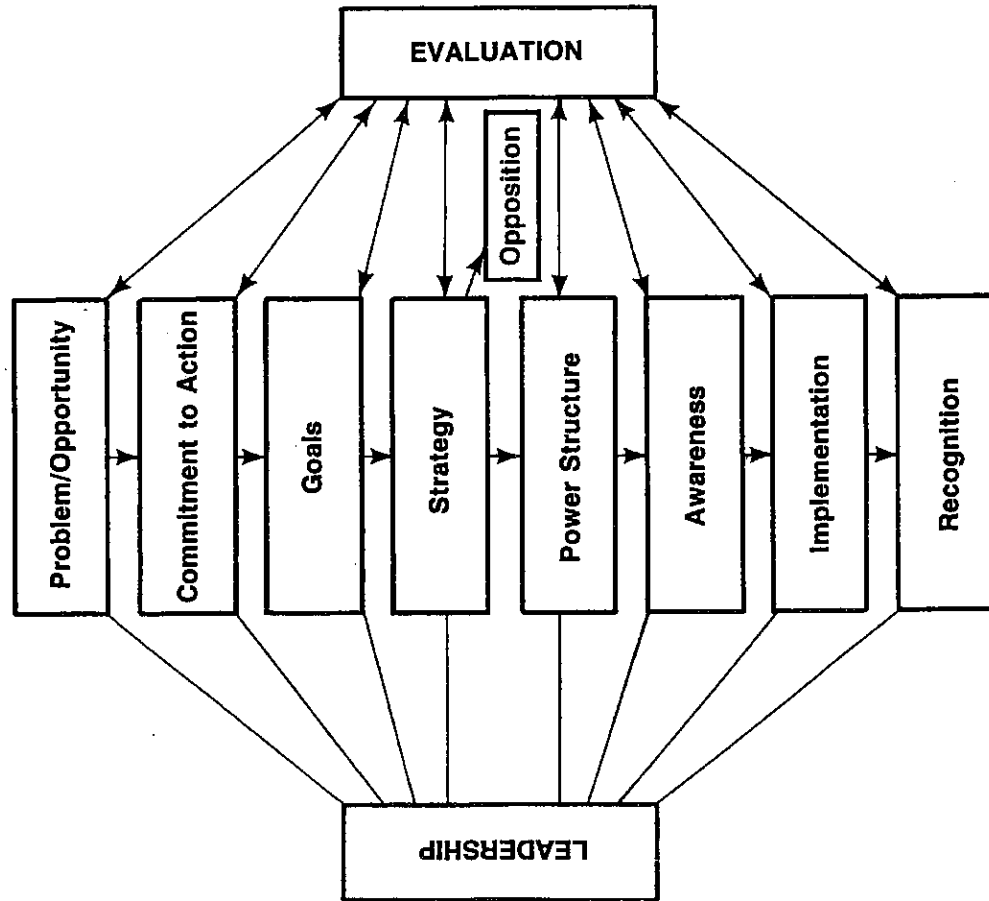
### GOAL FORMULATION

The next step is goal formulation. Once the initiators have come together and decided that something needs to be done about the problem, they need to have a vision of what they would like to see happen. They need to establish goals and priorities. For the project to be successful, the goals need to be shared by the members and must be clear to the group. Setting goals helps the group determine which activities must be conducted to reach them. Goal formulation starts the group on its way to strategy planning. A group can establish goals in a number of ways. Several techniques are described in Mont-Guide 8401 HRD, "Setting Group Goals."

### STRATEGY PLANNING

Once the group has established its goals, it must decide how to go about

Figure 1. Community Action Process





reaching it. Again, a systematic approach to strategy planning is likely to be more successful than a haphazard approach. In strategy planning, the group needs to decide what actions have to be taken to reach each goal, and who is going to do the action. Next, the group needs to plan when each action should be accomplished and how it will know whether the action has been successfully achieved. One method for doing this is to write the strategy on flip chart paper in a column listing all the actions to be taken, followed by a second column listing who is going to take each action, a third column for recording the deadline for each action and a fourth column indicating how the group will know the action has been successful.

## OPPOSITION

During the strategy planning phase, the group should also consider how it will deal with opposition. Many community action projects fail because they lack a systematic plan for dealing with opponents. Project leaders need to analyze who will benefit and who will lose from the project. Carefully thinking through who is likely to be opposed to the project and determining how to deal with that opposition will lead to a greater chance of success. Opposition is likely to emerge when:

1. The nature of change and its impact are unclear—fear of the unknown.
  2. Resources are limited—if some get them, others won't.
  3. People feel criticized.
  4. People expect the change to interfere with accomplishment of their goals.
  5. Community loyalties, values or norms are ignored.
  6. The change is perceived as serving someone's personal interest.
- Strategies based on keeping the opposition in the dark and not letting them know what is taking place are almost doomed to failure. Once the opposition learns of the project, if they can show they were not being dealt with fairly, decisionmakers are likely to reject the project. Probably the best strategy is to identify likely leaders of the opposition early, meet with them and involve them throughout the process, trying to get their support or at least neutralize their opposition. (See MontGuide 8515 HRD, "Conflict Management.") If this can't be accomplished, the group will need to try to build greater support within the community for its position than the opposition can build for theirs.

On almost any issue, there will be an immediate group of people who are in favor of the project and another immediate group against the project. Each of these groups will be surrounded by other residents or groups that, although not directly concerned, can be expected either to oppose or support the project. A successful strategy for community action likely requires a plan for contacting the groups expected to support one's position and getting them to commit their support.

## WORKING WITH THE POWER STRUCTURE

Studies of community power structures indicate there are usually a few people within a community whose support or lack of support can mean the success or failure of a project. These individuals are often termed the power struc-

ture. They have the capacity to mobilize resources to accomplish goals and the power to impose, or at least threaten, sanctions to encourage compliance. Many projects fail because the support of these "legitimizers" was not obtained early in the process.

There are both formal and informal power structures. The formal power structure consists of the elected officials and agency personnel of organized government. The informal power structure varies from community to community and from issue to issue. In some communities, one dominant family influences what does or doesn't occur in the community. In other communities, close-knit cliques get together to discuss community projects. These power cliques, even in rural communities, tend to come from Main Street. Farmers are rarely included unless they control large resources and come from families with high social standing. There are also one-industry towns in which the owners or executives of the predominant industry constitute the power structure. Examples include lumber mill towns or mining towns.

As the composition of the power structure varies from place to place, it also varies from time to time. The old established power structure tends to crumble in communities that are experiencing population shifts due to changes in the local economy. In some communities, the power structure simply grows old and tired and new people step in and take their place.

As the community becomes more diverse and specialized, the power structure may also become more specialized or factional. These factionalized power structures may hold quite different values and goals. Examples would be communities with separate power structures for labor, religious groups, minorities, business and industry, special interests and different political parties. Factionalized power structures may choose sides on issues and form power coalitions.

There are several methods for identifying the influentials who make up the power structure for a particular issue. Probably the simplest is the reputational approach. Using this method, one simply asks a number of knowledgeable people, such as bankers, business professionals or government officials, who they consider to be influentials on the particular issue. The names they mention are recorded. Then the people named are asked the same question. The names mentioned most frequently are likely to constitute the power structure.

On major community issues, three levels of actors are likely to be present—the influentials, the lieutenants and the doers.

The influentials may initiate policy, undertake action and direct or supervise community projects. Perhaps more importantly, they have the power to veto suggestions or ideas brought forward by others. Their support "legitimizes" the project in the community. This is why their support is so critical to the success of community projects.

Influentials tend to be long-term residents. They tend to control considerable resources and power in the community. Often, they are more than 45 years of age. They may belong to many organizations but attend few of the organizational meetings. More often, their role is advising the current officers.

The next level of leadership in the community is the lieutenants. These

are the people who actually carry out the details of planning and implementing programs. They tend to be highly visible, which leads the less knowledgeable to identify them as the influentials in the community. They may be beholden to one or several of the influentials for their positions. Lieutenants tend to occupy elected and appointed official positions. Others are middle-management level professionals or younger, upwardly mobile professionals. Lieutenants are important to the success of a group's project because they provide the links to the influentials. Often, they are the ones who carry the group's message to the influentials and bring back the response. So it is important to be able to identify the lieutenants who have the ear of the influentials one is trying to reach.

The third level of leadership is the doers. These are the people who actually carry out the policy decisions. They serve on working committees, collect funds and carry petitions. Doers are usually not natives of the community, often having lived in the community 10 years or less. They tend to be the active members of service groups, such as Lions, Jaycees or Kiwanis. In time, some may advance to become lieutenants.

In determining whom to contact for support of the group's project, the group needs to consider whether this is a program of general community concern or special interest. Soundings should be taken to determine the amount of interest that the important influentials may have in the project and whether they are likely to be supportive of it. Support from the legitimizers may be obtained through private, informal contacts, through formal meetings with them or through their lieutenants. In a factionalized setting, this may require contacting a number of influentials. It is important to remember that most problems have a previous history and that the influentials probably have previous experience with the problem. Further, each has his or her own personality traits and may have a history of conflict with others involved in the project.

#### **AWARENESS DIFFUSION**

In this step, the group takes its message to the public to create a general awareness of the project and to build support for the project within the broader community. Again, a systematic approach is likely to be the most successful. Such an approach starts with determining who the various publics are within the general public and how they can best be reached.

In the first phase of the diffusion process, it helps to determine exactly what message needs delivering to whom and which elements of the project are likely to have the greatest appeal to whom.

Second, it must be determined who is going to deliver the group's message to the various publics. The people who served as the initiators of the project may not be the best people to carry the message to the general public. At this point, people who have zeal for the project are needed, people who are good salesmen, who have the dedication to see the project through, and who firmly believe in the program themselves. It's helpful if these people are already recognized by the public as action leaders within the community.

Next, the group needs to consider how and when the message is going to be delivered. It is helpful to actually lay out a weekly or monthly schedule

of publicity activities that will go on throughout the life of the project. Successful awareness programs keep their message before the public all the time. Doing so requires using a variety of different publicity techniques. A sample diffusion plan might include a publicity splurge to launch the campaign, participation in radio talk shows, planning to appear once a month on television programs, press releases in the paper every second week, displays at community fairs, posters, and speakers going out to meet with community groups to explain the program. Different elements of the project can be presented at different times to keep the project "fresh." If a systematic diffusion plan is developed at the beginning of the project, the chances for gaining public acceptance are much greater than if publicity is a one-shot affair.

Finally, the group needs to know whether or not it has been successful in carrying its message to the public. Some feel for success may be obtained through informal discussions with people. But again, a systematic approach involving a follow-up attitude survey is more likely to tell how successful the campaign has been.

#### **IMPLEMENTATION**

Once the group has a clear understanding of the problem or opportunity, and it has developed goals and strategies, identified legitimizers in the power structure, formulated a plan for gaining their support and outlined an awareness diffusion plan, it faces the task of implementing strategy.

Now the group actually carries out the plans with all of the various action steps in a logical, sequential order, checking each step to make sure it has been completed. If a step has been unsuccessful, the group must determine what can be done to rectify the situation.

#### **EVALUATION**

The final step in the community action process is often evaluation. The group determines how successful its efforts have been. While it can be the final step, the group should really be evaluating how well it is doing at each step in the process. If it hasn't been successful in a particular stage, it should return to that step and redo it rather than pass over it. Careful evaluation helps the group understand what has been done well and what hasn't been done well. Evaluation can help the group develop alternative methods where efforts have not succeeded.

#### **LEADERSHIP SKILLS**

Different phases of a project often call for different skills or different personal characteristics. Therefore, different people are needed to carry out the various tasks. At the beginning, initiators who have sufficient respect in the community to rally others to their cause are needed. Next, people with analytical, planning and organizational skills are needed to chart the project's course. These may or may not be the same people who initiated the project. Communication skills, both verbal and written, are called for to carry the group's message to the public. (See MontGuide 8303 HRD, "Talk About Listening," and Montana Cooperative Extension Service Circulars I291—1292, "Effective Communication" and "Group Communication.") Later, technical

writing skills may be required to prepare grant proposals.

In addition to these "task" skills, all groups need leaders with "maintenance" skills to hold the group together. (See MontGuide 8404 HRD, "Choosing Leadership Styles," and MontGuide 8402 HRD, "The Individual and the Group.") Maintenance skills help ensure an open flow of communication and help keep the group's morale high.

Maintenance skills also help the group cope with internal conflict. Group members are likely to hold a variety of expectations and individual agendas they hope will be satisfied by the project. Group leaders need to recognize the potential for conflict raised by the differing expectations in the group and be able to handle conflict successfully. Probably more community projects fail because of personality conflicts within the group than for any other reason. (See MontGuide 8515 HRD, "Conflict Management.")

Group leaders need to understand that a variety of skills and several different types of people may be called on in different situations. They must be willing to delegate responsibility and authority to others at those times. Group leaders and members need to embrace the concept of shared leadership.

#### **CREDIT**

The last step in the community action process is credit distribution. A wise man once said that credit is divisible by infinity. Another said that credit is like fertilizer: It's no good unless it is spread around. A wise group will be sure to give credit where credit is due, to everyone who was involved in a successful community action process. As with the other phases planned, a systematic recognition program is likely to be the most successful.

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**Attachment 1-B  
Mission Statement**

## **MISSION STATEMENT**

The Mission of the Community Tourism Action Committee is to assess the potential for tourism development of (community name), and evaluate the social, environmental and economic impacts of proceeding with developing that potential.

# Lewistown selected for tourism assessment effort

by DORI LYNN JACOBS

Lewistown has been selected as one of three communities in the state to take part in the Tourism Assessment Program.

Glendive and Libby were also chosen.

Twelve communities applied for the program, which is designed to assist rural communities considering tourism as an economic stimulus.

"It's a blueprint for tourism development with specific steps, specific people, and specific markets identified," said Lewistown Area

Chamber of Commerce Executive Director Webb Brown.

"It means we find out what we have, who to attract and how to do it. We're already doing this, but without specific direction and much coordination."

The program is the combined effort of the Montana State University Extension Service, U.S. Forest Service, the Institute for Tourism & Recreation Research, and Travel Montana.

Representatives from those groups will meet with a local group in Lewistown Feb. 17.

"They'll outline what they want us to do," said Brown. "We've identified 24 people we'd like to serve on the committee and anyone who would like to is welcome."

The year-long program will cost about \$3,000, which includes the hiring of a quarter-time secretary/coordinator. Funding for the program is being raised through a cruise raffle, donations, the city, and other chamber programs.

The Lewistown group will follow a 14-step process that includes a community survey to find out residents' attitude about tourism, goal-setting, inventory of attractions and facilities, potential products and projects, and marketing.

"What we hope to gain is for the community, as a whole, to understand tourism and the opportunities that already exist," said Brown.

"We want to get more informa-

tion out about what is here and how to promote it better."

According to Matthew Cohn, Travel Montana director, "The dynamics will be different in Lewistown than in Libby and Glendive. It will be a matter of trial and error.

"Tourism is one of the top aspects of the economy and Montana is becoming more and more attractive to tourists. The problem is getting people to the smaller towns. We want to help those towns figure out how to handle it before it happens."

Cohn said Lewistown was selected by a panel of seven people.

# Libby selected for tourism study

Study designed to help learn how community may develop tourism

BY JOE CHOPYAK  
News Staff Writer

Libby was selected as one of three Montana cities to host a study of tourism by the state Department of Commerce.

Travel Montana, an office within the department, is funding the study that could take more than a year, said director Clint Blackwood.

"The intent is to work with the community to learn how it may develop tourism," he said.

Lewistown and Glendive are the other two cities that will be included in the project, a cooperative effort of Travel Montana, Montana State University's Extension Service, the U.S. Forest Service and the Institute for Tourism and Recreation Research and the University of

Montana.

The study is still under development, Blackwood said. He completed one in Choteau last year and is using that experience to help with the new study, he said.

The first step is to form a community task force to spearhead the project.

Libby Chamber of Commerce Manager Janice Wood, who applied for the study, is in charge of finding the volunteers and is looking for 20-25 people of varying backgrounds to participate. They will meet once a month to discuss the direction of the study, she said.

The group will brainstorm and prioritize short and long term projects based on a survey of area residents. It will map attitudes toward tourism, the economic, social and environmental impact of tourism and plot a course for developing the industry.

After coming up with a list of tourism projects based over 10, five and three years, the committee will assess each one using the survey as its guide in determining feasibility and need, Blackwood said.

"They're not detailed or complicated plans, but maybe it raises a flag," he said. "For the environment, maybe they have to do an environmental impact statement. Socially it changes the way of life and we'd take a better look at it.

"It's a sifting process and we will pick ones that will work," he said.

With the watered-down list, the committee will develop an action plan for implementing the projects. It may seek funding sources for some or turn the projects over to the community or the private sector.

"It's not the kind of thing of 'here's what you need to do,'" he said.

## **Responsibilities of a Chairperson**

### **Know Your Committee**

- Clarify how long you will be chairperson.

### **Prepare for Meetings**

- Prepare an agenda.
- Notify all members well in advance.
- Find a meeting location and ensure that it is adequate and comfortable.

### **Facilitate the Committee Meetings**

- Open the meeting and go over the agenda. Ask members to add any additional items to the agenda. Know what you hope to accomplish at the meeting.
- Follow the agenda, when discussion gets off track, bring it back to the topic.
- Ensure there is free and open discussion--don't let some dominate, encourage quiet members to participate.
- During the meetings, treat every member as an important part of the committee. Use their talents. Delegate responsibilities. Establish a team.
- Be prepared to deal with disagreements and/or conflict situations.
- Know when to make decisions.
- Develop consensus on decisions.
- Summarize discussions and decisions made.
- At the end of the meeting, summarize the evening's major decisions. Set the next meeting date, when, where and its purpose. Summarize tasks to be done before the next meeting and who will do them.

### **Get Your Committee Working**

- Develop an orderly agenda or approach to accomplish the goals.
- Identify the interests, skills, talents, expertise of each committee member and their unique contribution to the committee.
- Identify specific tasks to be done.
- Assign individual members tasks according to their interests, skills, knowledge or expertise.
- Identify resources needed to accomplish the task.
- Develop a time frame by which to accomplish the tasks.

### **Keep the Committee Going**

- Follow through with members to assist, support and encourage.
- Communicate frequently with committee members to give them up-dates and get their in-put.
- Communicate with the larger organization to keep them informed of the committee's progress.
- Ensure that tasks are completed on time.
- Thank members for their contributions.

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## Completing Your Job

- If the committee is on-going, identify someone early in your tenure as chairperson to take your place and work closely with them.
- Ensure tasks are accomplished in a timely manner and in the manner expected by the larger organization.
- Deliver final report back to the larger organization.
- Thank members for their contributions to the committee. Point out the committee's accomplishments and how they were received by the larger organization and/or the community.
- If a new chairperson continues the committee, work with him/her to ensure an easy transition that does not disrupt the functioning of the committee.



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# Responsibilities of a Committee Member

## Know the Purpose of Your Committee

- What is the purpose of the larger organization?
- What is the task or purpose of this committee?
- How does this committee relate to the other committees of the organization?
- Who are the other members of the committee?
- Who or how will a chairperson be chosen?
- How often will the committee meet?
- What is expected of "me"?
- How do we communicate with each other?
- What is the expected outcome of the committee?
  - Written report? To whom? By when?
  - An oral report? To whom? By when?
  - Recommendations for policy? To whom? By when?
  - Action?
- When is the committee expected to complete its task?

## Participate in Committee Meetings

- Attend all possible meetings.
- Be prepared before you go to the meeting.
  - Know the purpose of the meeting.
  - If any assignment was given, have it accomplished.
  - If known, give thought to the agenda and issues to be discussed.
- Participate actively (but don't dominate) at the meeting.
- Be on time.
- Be enthusiastic.
- Listen to others.
- Pay attention.
- Try to understand the topic.
- Express your ideas concisely.
- Encourage others to participate.
- Don't tell stories which take the meeting off track.
- Don't complain.
- Support committee decisions.
- Be willing to serve at times as a leader, other times as a supporter to others.

## Follow Through on Your Assignment

- If you have been asked to do something, or you volunteered, do it!
- Inform others of your actions.

---

## Conducting Effective Meetings

One of the best ways to involve people in a community is to encourage them to participate in community meetings. Knowing how to set up and conduct meetings is an important tool. How YOU act before, during and after the meeting will determine how successful you are at maximizing citizen participation. Here are some points to keep in mind:

### Before the Meeting

- Establish a time, date and place which you feel would be most convenient to as many of the people as possible. Keep in mind such things as parking, air conditioning, other community activities scheduled for the same night, etc.
- Send out notices to everyone on the committee giving them details of the meeting and a meeting agenda at least 10 days prior to the meeting. Follow up with a second notice two or three days before the meeting date.
- If outside resource people or speakers are involved, be sure to give them the vital statistics as to date, time, place and how to get there well in advance of the meeting.

### At the Meeting

- Be sure you come early enough to get the room set up the way you want it. Remember, people participate best when they can see each other! If possible, put the chairs in a circle rather than straight rows.
- If the participants don't know each other, provide name tags or make introductions.
- Start on time!
- State the purpose of the meeting as briefly as possible. Use a large sheet of paper or a blackboard to list some of the points to be covered in the meeting.
- Speak confidently, but don't be too formal; try to help others feel at ease.
- The best way to stimulate discussion is to ask questions, not make statements. Remember, people prefer to be asked, not told!
- Sometimes it's helpful to have a "coffee break" during the meeting. It gives people time to visit informally about what is being discussed. This is especially true before important decisions are going to be made, five or ten minutes will usually get it.
- At the end of the meeting, try to summarize briefly what's been talked about. Get some idea from the participants about what to do next and where to go from here.
- Remember, the success of a community meeting is everybody's responsibility. If you are the discussion leader or chairman, your job is to help create the environment for interaction and stimulate discussion rather than dominate the discussion.

### After the Meeting

*(The follow-up that's done after a committee meeting is very important.)*

- Visit informally with some of the committee members a few days after the meeting. Get their impressions of what happened during the meeting.
- You might try sending out a follow-up report to those attending the meeting, simply "putting to paper" what was discussed during the meeting.

---

Committee Self-Evaluation

YES

NO

Is the meeting place comfortable, accessible, attractive?

\_\_\_\_\_

\_\_\_\_\_

Does the committee understand its assignment?

\_\_\_\_\_

\_\_\_\_\_

Is the agenda carefully planned and thoughtfully worked out by the whole committee?

\_\_\_\_\_

\_\_\_\_\_

Do members transact their business efficiently?

\_\_\_\_\_

\_\_\_\_\_

Does the committee represent different viewpoints?  
Is the focus on ideas--not personalities?

\_\_\_\_\_

\_\_\_\_\_

Do members feel they really *belong* and are *a part of* the committee? Do they think of it as *their* committee?

\_\_\_\_\_

\_\_\_\_\_

Are members satisfied with the way decisions are made in the committee?

\_\_\_\_\_

\_\_\_\_\_

Is the committee willing to be accountable to the parent group?

\_\_\_\_\_

\_\_\_\_\_

Does the committee spread its work assignments to others?

\_\_\_\_\_

\_\_\_\_\_

Can the committee make constructive use of conflict, opposition, or criticism?

\_\_\_\_\_

\_\_\_\_\_

Is the committee flexible and adaptable?

\_\_\_\_\_

\_\_\_\_\_

Does the committee obtain facts, study and analyze them, make decisions as a result of full discussion--and then take appropriate action?

\_\_\_\_\_

\_\_\_\_\_

Do members feel that time is used wisely and have a sense of real achievement?

\_\_\_\_\_

\_\_\_\_\_

Do meetings start and stop on time?

\_\_\_\_\_

\_\_\_\_\_

Good committees have "yes" answers to most or all these points. A "no" answer indicates a point that needs improving. How much improvement does your committee need?

# Form #1-1

## Checklist for Committee Member Recruitment

Recruitment List	Names of People to Contact
Local economic development organizations	
City and county elected officials	
Regional tourism organizations	
County extension agents	
Planning boards	
Land use agencies	
Transportation authorities (e.g. highway dept.)	
Public works departments	
Emergency and rescue services	
Retail business operators	
Other businesses that benefit from tourism	

Recruitment List	Names of People to Contact
Museums	
Parks and recreation departments	
Tourist attractions	
Potential "entrepreneurs"	
Historical societies	
Civic organizations	
Ethnic/Minority organizations	
Cultural groups (e.g. theatre troupes)	
Craft/art guilds	
Sportsmen or other clubs	
Agricultural organizations	
Media	

Recruitment List	Names of People to Contact
Educational leaders	
Clergy	
Youth groups	
Elderly and retirees	
<i>Community influentials</i>	
Other	

Two

# CURRENT VISITOR & ECONOMIC PROFILES

**H**ow big a role does tourism currently play in your local economy?

*What is the starting point for your tourism economic development strategy?*

*How does tourism compare with other parts of your local economy in terms of jobs, income, businesses, public revenues, etc.?*

*Who is already coming to visit your community and why?*

*How many people currently visit your community and its attractions each year?*

*Who are the potential "customers" for your tourism products?*

## PURPOSE

The purpose of this two-part step is to develop a description of the amount and current types of tourism in the local area and a sense of tourism's current place within the local economy. Profiles provide baseline information that will help you make decisions throughout the Community Tourism Assessment process. This information can assist you in setting goals for tourism as one or perhaps several diverse strategies within your community's overall economic development program. It is essential to understanding visitor

markets and characteristics, visitation levels, and infrastructure requirements and to assessing economic impacts of current and proposed projects. It can be used later to suggest potential markets and projects that are in demand and to provide background data for the project development and marketing steps. Furthermore, techniques you develop for estimating current visitation can also be used to monitor changes in the level of visitation and types of visitors over time.



## OBJECTIVES

By the end of this step, the action committee will have:

- created a picture of what types of people come to visit the community, for how long, to do what, and spending how much by analyzing visitor data on:
  - a. age
  - b. income
  - c. reasons for travel
  - d. places of origin
  - e. mode of travel
  - f. things they like to do
  - g. expenditures
- gathered information on what portion of the local economy (jobs, personal income, export sales) is attributed to the tourism industry in comparison to other major sectors like agriculture, government and manufacturing.
- accumulated vital data to use in the Economic Impact Assessment and Marketing phases of the tourism development process.

## SUMMARY OF STEPS

1. Read through the entire chapter to familiarize yourselves with the concepts presented and the type of information recommended for you to find and analyze.
2. Spend some time brainstorming how you think the concepts play out in your community.
3. Contact your local extension agent for references on where to go to find information, or people who can generate it with you, to analyze both the Current Visitor and Economic Profiles.

## HOW TO CONDUCT THIS STEP

Using existing data sources to develop estimates of these types of information quickly and economically is often sufficient, and is our recommended starting point for rural communities. After initial estimates have been made, it will be worthwhile to consider ways to improve estimates and monitor changes.

Attachment 2-A contains contact listings and some of the types of available data for most states in the western region. These contacts can provide valuable insight on statewide and local conditions as well as up-to-date reports that can be used in the visitor description process. They should be consulted at the outset of this step.

## PART A: PROFILE OF CURRENT VISITORS

This part results in three types of information. The information includes:

- The Visitor Population
- Visitor Expenditure Estimates
- Visitor Market Profile

The combination of these three types of information will be used throughout the Community Assessment Process and beyond as you continue to plan for and develop your tourism market. Figure 2-1 is a flow chart depicting how the information will be integrated within the total Community Assessment Process. Attachment 2-B presents samples of visitor profiles containing the types of information that can be helpful.

## Developing Initial Estimates

The following is an outline for meeting short-term information needs using existing data sources and procedures for developing more accurate estimates over the long-term. It will be helpful if the team conducting this step has some background in market research and/or statistical analysis, even when relying on existing data sources.

If you decide to collect primary data to improve the estimates, you will need the skills of someone familiar with the techniques of designing and conducting a long-term market research project. Assistance in these areas may be found at local colleges, private consulting firms, your local and state extension service offices, and the state tourism research offices. More information on improving estimates through primary data collection is provided in Attachment 2-C.

### *The Visitor Population*

Ideally, you should find an estimate of the average number of visitors per day in the region for each month or quarter of the year. This will allow you to compute total visitor days for a given time period.

You may rely on annual averages to determine total visitation rather than monthly or quarterly averages, but visitation rates usually differ greatly by season. Establishing a practical way to measure visitation levels will allow you to monitor changes and determine the potential for success of future development.

### ■ Define the Boundaries

You need to define the boundaries of your local area in order to decide who you will consider as *visitors*. It is important to carefully consider how you define your local region. While it may be desirable for planning and marketing to limit your geographic region to your immediate community,



it is often more practical to develop visitation and impact models at the county level. At the county level, you will find more sources of secondary data than at the community level. In addition, as you refine your model to derive more precise estimates, it may be easier to identify visitors if they do not include people from your county.

■ **Identify Sources of Information**

You will want to identify all existing sources of visitation-related data for the local area. You can then compile statistics from the sources that seem most relevant.

A first place to look is your state travel office for estimates of nonresident visitation. Many state and federal sources, as well as consulting firms, produce a variety of periodic estimates at the county level. Statewide data also can be broken down into regions, sub-regions and counties. These estimates would be very helpful for a community developing initial visitor estimates.

Other potential sources for visitor population estimates include:

- special event attendance records
- local attraction attendance
- hotel and campground occupancy
- accommodation and other sales tax collections
- highway department traffic counter data
- nearby state and national park attendance
- public transportation passenger counts from air, train, bus or ferry

■ **Refine the Data to Better Fit the Local Situation**

You will need to determine the relationship between available data and actual visitation. For example, statewide visitation figures only represent visitation from outside of the state, while communities also have in-state visitors from outside their immediate region. You will want to modify such state-level estimates based on your knowledge of the in-state/out-of-state ratio of visitors to the area.

Also, not all visitors stay in commercial lodging, so many would be missed in hotel and campground records. For example: Suppose there were 100 room nights sold in your local commercial lodging facilities from June through August. You assume that half of the visitors staying over in

your county in the summer months spent the night in commercial lodging, the others staying with family and friends. From this data, you estimate there were 200 visitor groups who spent the night in your area from June through August.

Initially, you may consult with business and community leaders familiar with the local tourism market to develop the assumptions about how existing data relate to actual tourism numbers. The more assumptions versus hard data that you rely on, the less precise your estimates will be. However, reasonable assumptions provide estimates that are acceptable for your immediate decision needs.

*Visitor Expenditure Estimates*

It is important to develop estimates of average and current total expenditures made in the area by visitors. This information is needed to conduct an economic analysis that will estimate levels of employment and other impacts. Economic impact analysis will allow comparisons of the importance of tourism to other local industries and with the levels of tourism in competing locations. Visitor expenditure estimates are also helpful when assessing the feasibility of new businesses or potential attractions. The most accurate way to determine visitor expenditures is through primary data collection. More information on this methodology is provided in Attachment 2-C.

The expenditure estimates ideally include detail by type such as lodging, restaurant/bar, groceries, gas, and retail. This is necessary for reliable impact analysis and will help determine who directly and indirectly benefits from tourism spending. The detailed expenditure information can also be useful for comparing diversity in the local economy with the economic structure of similar communities.



**Table 2.1: Sample Visitor Expenditure Data - Slough County, MT**

Expenditure Categories	Per Group (2.3 persons)	Total (164,001 groups)
Hotel and Camping	\$9.49	\$1,556,369
Gasoline	\$10.95	\$1,795,811
Restaurants	\$13.14	\$2,154,973
Groceries	\$6.57	\$1,077,487
Other Retail	\$26.28	\$4,309,946
Services	\$6.57	\$1,077,487
<b>TOTAL</b>	<b>\$73.00</b>	<b>\$11,972,073</b>

Table 2.1 is an example of the specific data you might collect from visitors. This survey showed that 164,001 groups of on average 2.3 persons per group passed through fictitious Slough County, Montana, in 1994. Each group spent an average of \$73 for a total of \$11,972,073.

Primary data collection is, however, a time consuming and expensive task. The following are a couple options you can use to estimate visitor expenditures from other economic data already collected for your area.

1. *Sales by the lodging sector* can be used to generate a ball-park estimate of the total expenditures by visitors in the local economy. This method is known as the Expenditure Ratio Model (Frechtling, 1987). Sales by the lodging sector are used as the basis for estimating total expenditures because it sells almost exclusively to people from out-of town. Visitors spend money on a wide variety of goods and services in the local area. However, most economic sectors do not sell exclusively to tourists. For example, while many of the sales by local restaurants are visitor related, local residents also eat out.

Lodging sales by county are reported in the *Census of Service Industries, Geographic Area Series* available from the U.S. Department of Commerce, Bureau of Census, or any government document depository library. This information when combined with two other percentages can be used to estimate total tourist expenditures. The other two items you need are the:

- percentage of lodging sales that are to tourists versus business travelers, and
- percentage of visitors' total expenditures that were made on lodging.

Most states have state-wide visitor profile reports like the examples in Attachment 2-B that contain this type of information.

Table 2.2 gives an example of how total tourism expenditures were estimated using total lodging sales for fictitious Buzzard's Breath, Wyoming for 1992. **You can use Form 2-1 to make these calculations for your area if you have access to lodging sales records.**

**Table 2.2: Total Estimated Tourism Expenditures - Buzzard's Breath, Wyoming**

Total Lodging Sales:	\$10,542,000
Percent from Tourists:	_____ x 60%
Tourist Lodging Sales:	\$6,325,200
% Expenditure to Lodging	_____ ÷ 17.7%
Total Tourist Expenditures	\$35,735,593

2. If your area collects an *accommodations tax*, you can use it to determine lodging sales and then to estimate total visitor expenditures. This information is usually available on a monthly or quarterly basis from your State Department of Revenue. The following is an example of this method.

- Slough County, Montana, generated \$67,084 in accommodations tax during 1992. With a 4% lodging tax, this represents \$1,677,100 of expenditures on lodging ( $\$67,084 \div 0.04$ ).
- The current profile of visitors to the state reports that 61% of the travel groups came to Montana for a vacation as one purpose of their trip. This represents a nonresident tourism lodging spending level of \$1,023,031 during 1992 in Slough County ( $\$1,677,100 \times .61$ ).
- The current state visitor profile reports that 18% of nonresident expenditures are made on lodging. Assuming that the state-wide visitor profile is a good indicator of average tourism visitors to Slough County, it can be calculated that nonresident pleasure visitors to the county spent \$5,683,506 during the year ( $\$1,023,031 \div 0.18$ ).

**Use Form 2-2 to calculate visitor expenditures from accommodations taxes in your area if you collect such a tax.**

**Note:** Another method to estimate expenditures by visitors involves the use of *general sales tax data*. The technique compares sales taxes generated in the local area during high and low periods of visitation and the difference is attributed to tourism. This method, known as the Seasonal Difference Model, allows you to develop visitor expenditure profiles based on the distribution of sales tax revenues by business sector (Frechtling, 1987). A journal article by Sanders *et. al.*, 1993, provides a thorough discussion of this methodology.

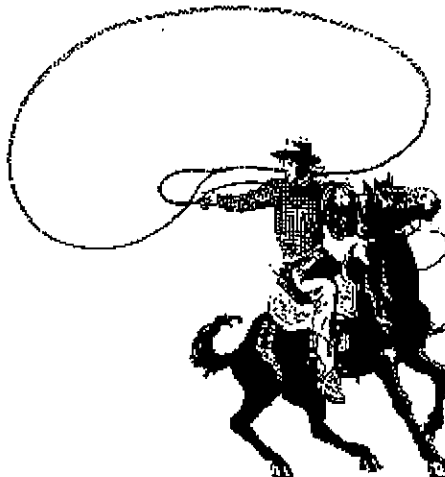
### Visitor Market Profiles

Find and review existing sources of information to develop a description of current visitors. It is desirable to know demographic information about the visitors (residence, age, education, income, type of travel group), and trip specific information (activities, accommodations, purpose of trip, destination attractions).

Sources of secondary data for visitor market profiles include:

- local business information collection sources like hotel registration and customer surveys
- visitor market profiles through state travel promotion offices (see Attachment 2-B for examples)
- local Convention and Visitor Bureau market and special event studies
- market studies done in similar communities
- studies by consultants for local area businesses or agencies
- local visitor center and museum registration and comment logs

**Take some time to discuss the visitor profile information you have gathered. How does it compare with your perception of current visitors to your community? Do you think the picture developed from secondary data accurately describes your visitors? Or, do you feel a need to gather primary data for a clear profile?**



## PART B: CURRENT ECONOMIC PROFILE

Before developing a tourism plan or deciding whether to add facilities which would increase tourism potential, it will be helpful for you to have some sense of the existing structure and trends within the local economy and how tourism already fits within your overall local economy. You will want to learn how many jobs and what portion of local personal income can be attributed to tourism. Even a very rural economy may be fairly complex involving numerous businesses, thousands of individuals, and millions of dollars in business activity. This economic report describing the local economy can improve your decision-making by providing a stronger perspective on your area's present economic structure and overall trends within that structure.

### Estimating the Economic Role of Tourism

As with the Visitor Profile, you probably will not want to try to collect this baseline information on your own unless you have an economist on your committee. Ideally you will be able to find this type of information already collected and analyzed by a state agency or an institution of higher education that does research in the area of tourism. Some suggestions are listed in the box. Forms #2-3 and #2-4 provide you with a format to keep track of the information you gather and to make the same calculations for your area.

The option explained here involves using **income and employment ratios** from other studies. You will apply these ratios to local visitor expenditures to obtain a ballpark estimate of how tourism affects the local economy in terms of jobs and personal income. Follow Table 2.3 as you read through this section. It presents the sequence of calculations for our sample community, Buzzard's Breath, Wyoming, one line at a time.

### Suggested Institutions Where Information Can Be Found

#### *Regional Tourism Organizations*

#### *State*

Department of Labor  
 Community & Economic Development  
 Departments  
 Travel & Tourism Departments  
 Parks & Recreation Departments  
 Fish & Wildlife Agencies  
 Highway & Transportation Departments

#### *Federal*

Department of Commerce/USTTA  
 Department of Labor  
 Parks & Recreation Departments  
 Fish & Wildlife Agencies  
 U.S. Forest Service

#### *University*

Tourism Research Centers  
 Colleges of Business  
 Economics or Agricultural Economics  
 Departments  
 Extension Services  
 Departments for Recreation/Leisure

- a. Find the figure you came up with for **total visitor expenditures** in the Visitor Profile section of this chapter. For example, in the preceding section, it was estimated that visitors to Buzzard's Breath, Wyoming spent \$35,735,593 in the area in one year.
- b. Look in Department of Commerce or Division of Tourism reports to get a number for the percent of expenditures that remain in the area as local income. For Buzzard's Breath, a study funded by the State Division of Tourism showed that about 38.1 percent of total visitor expenditures was retained as resident income.
- c. Calculate the amount of local earned income from tourism by multiplying total expenditures (line a) by percent retained locally (line b):

■  $\$35,735,593 \times .381 = \$13,615,261$

Table 2.3: Tourism Income and Jobs in Buzzard's Breath, Wyoming

a.	Total Visitor Expenditures	\$35,735,593
b.	% Local Income	38.1%
c.	Local Income from Tourism (line a x line b)	\$13,615,261
d.	\$ Income to Generate a Job	\$15,600
e.	# Tourism Jobs (line c ÷ line d)	873
f.	Total Local Earned Income	\$214,682,000
g.	% Total Area Income from Tourism (line c ÷ line f)	6.4%
h.	Total Employment	8,391
i.	% Total Area Employment from Tourism (line e ÷ line h)	10.4%

d. In the Department of Commerce reports also locate a figure for the amount of area income needed to generate a full-time tourism job. The same Buzzard's Breath study showed that, on average, it takes \$15,600 of area income to generate a job in the tourism sector.

e. Using this information, you can estimate the number of tourism-generated jobs by dividing total earned income (line c) by dollars needed to create a job (line d). Visitors to Buzzard's Breath generated:

$$\blacksquare \$13,615,261 \div \$15,600 = 873 \text{ full-time jobs}$$

f. Next find **total earned income data**. You will compare this information to the resident income from tourism number you just calculated to gain a perspective of the role of tourism in the local economy. One place to find this data at the county level is the U.S. Department of Commerce's Regional Economic Information System. For the county where Buzzard's Breath is located, total earned income was \$214,682,000 in 1992.

g. Calculate percent total local earned income by dividing local income from tourism (line c) by total earned income (line f):

$$\blacksquare \$13,615,261 \div \$214,682,000 = 6.4\%$$

h. Now find total employment data for your area in the same source you used for total income data. In our example, total employment stated in number of *full-time equivalents (FTEs)*<sup>1</sup> was 8,391.

i. Calculate percent total jobs from tourism by dividing tourism jobs (line e) by total area employment (line h):

$$\blacksquare 873 \div 8,391 = 10.4\%$$

<sup>1</sup> The total employment was 9,557, but not all jobs were full-time. The national average in 1992 was .878 full-time equivalents per job according to the Survey of Current Business:  $9557 \times .878 = 8391$ .

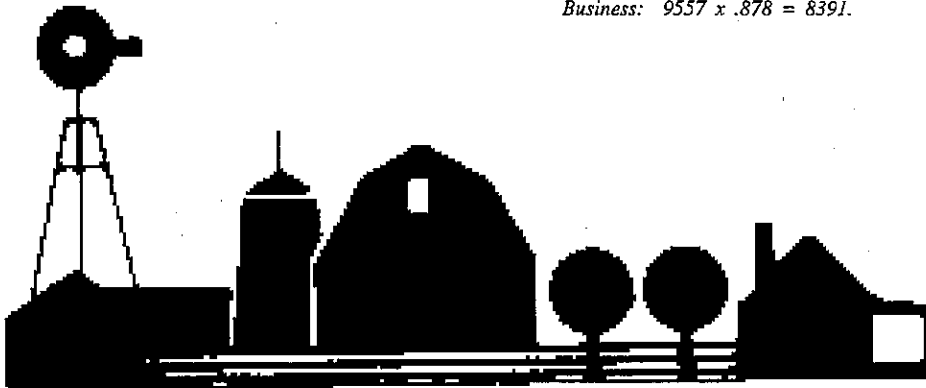


Table 2.4: Employment and Earned Income for Buzzard's Breath, Wyoming - 1992

Sector	# Jobs	% of total	Income	
			'000\$	% total
Farm	533	5.6	14,356	6.7
Ag Services/Forest/Fish/Other	144	1.5	997	0.5
Mining	744	7.8	35,489	16.5
Construction	428	4.5	9,689	4.5
Manufacturing	673	7.0	22,803	10.6
Transportation/ Public Utilities	808	8.5	33,014	15.4
Wholesale Trade	175	1.8	5,264	2.5
Retail Trade	1618	16.9	18,887	8.8
Finance/Insurance/ Real Estate	508	5.3	3,438	1.6
Service	1788	18.7	22,189	10.3
Government	2138	22.4	48,555	22.6
<b>TOTAL</b>	<b>9,557</b>	<b>100.0</b>	<b>214,682</b>	<b>100.0</b>

Source: Bureau of Economic Analysis, US Department of Commerce.

Table 2.4 shows employment and income figures for other sectors within the Buzzard's Breath, Wyoming economy. One source of these figures is the Department of Commerce, Bureau of Economic Analysis reports. You can use this type of information to compare the role of tourism in the local economy with other sectors in terms of employment and income.

One thing you will note right away is that there is no separate *tourism* sector. Instead, the 873 tourism jobs and \$13,615,261 in tourism income are spread across several sectors, primarily retail trade and service. From this example, you can make a general comparison of the employment and income from tourism with other sectors of the local economy, such as agriculture, mining, and manufacturing.

The following subsection will describe a methodology to sort out the tourism numbers to gain a more accurate picture. This initial level of analysis does, however, offer you some valuable insight into the diverse elements of your local economy and the current role tourism plays within it.

### Improving Economic Estimates with Input-Output Models

A more accurate approach to determining the relative role of tourism in your area's economy is to use an input-output model such as IMPLAN. IMPLAN is a powerful computer program used to analyze current impacts of individual economic sectors on the overall economy.<sup>2</sup> Attachment 2-A lists names of IMPLAN experts from around the western region who can help you gain access to help in doing Input-Output analysis.

IMPLAN will tell you how much money spent in one sector is passed onto other sectors to be used in their production or services. It keeps track of the amount spent from sector to sector in a county and how much is spent in other counties or states for input goods and services. In other words, IMPLAN keeps track of sector-to-sector economic activity until the dollars leave the county. It gives you information on how much remains in the local economy and in which sectors. It also provides information on the number of jobs in each sector.

<sup>2</sup> IMPLAN, originally created by the US Forest Service, and its associated databases are now developed and maintained by a private company, the Minnesota IMPLAN Group, St. Paul, Minnesota.

IMPLAN shows county-level economic activity in 528 categories ranging from *poultry and eggs* to *logging camps* to *dolls* to *legal services*. Every economic activity at the county level is placed into one of these 528 categories. Of course, no county will have all 528 categories. In the Rocky Mountain West, for example, counties have a few dozen to a few hundred categories.

In order to report the results in a manageable format, the 528 categories in IMPLAN are collapsed into aggregated sectors, such as *agriculture, mining, construction, manufacturing, transportation/public utilities, wholesale trade, retail trade, finance/insurance/real estate, services, and government*. For example, range livestock and hay production go into *agriculture*, logging and sawmills go into *timber*, and legal services and hospitals go into *services*. The IMPLAN program includes templates to assist in this aggregation process. However, custom templates can be developed by someone familiar with IMPLAN. The following table gives an example of information generated using IMPLAN for Ravalli County in southwestern Montana. For this example, the aggregated sectors used by Montana's Dept. of Labor were used to develop the template.

As you can see from the sector names in Table 2.5, IMPLAN does not generate a separate tourism sector. Instead IMPLAN separates the jobs and income associated with tourism activity from the broader sectors to build a description of the tourism industry. This data shows you that tourism accounts for 6.4% of local employment in Ravalli County, with the largest percentage of tourism jobs being in the retail, service and trade sectors. Table 2.6 indicates that 5.2% of local income can be accounted for by tourism activity (\$19,000 ÷ \$362,800).

IMPLAN estimates of the effects on individual sectors of the economy can be helpful in determining which parts of the local economy are most affected by tourism and which parts are less affected. IMPLAN also is helpful in explaining why individuals associated with certain sectors tend to support tourism development while others do not. Overall, the IMPLAN approach provides a much more complete and accurate picture of the role of tourism in the local economy.

**Table 2.5: Tourism Jobs in Ravalli County, Montana**

Sector	# Jobs	% of total	# Tourism	
			Generated Jobs	% of total
Service	2997	26.7	199	6.7
Retail	1995	17.8	399	20.0
Government	1703	15.2	14	0.8
Agriculture	1135	10.1	6	0.5
Timber	758	6.8	1	0.0
Finance/Insurance/ Real Estate	625	5.6	30	4.8
Transportation/ Communication/Util	579	5.2	22	3.4
Wholesale Trade	354	3.2	20	5.6
Construction	493	4.4	0	0.0
Manufacturing	421	3.7	23	5.5
Mining	145	1.3	1	0.0
<b>TOTAL</b>	<b>11,205</b>	<b>100.0</b>	<b>715</b>	<b>6.4</b>

Source: IMPLAN

Table 2.6: Tourism Income in Ravalli County, Southwestern Montana

Sector	Total Income 000\$	Tourism Income 000\$
Service	80,500	5,300
Retail	37,600	7,500
Government	36,100	300
Agriculture	28,600	200
Timber	35,100	0
Finance/Insurance/ Real Estate	72,300	3,500
Transportation/ Communication/Util	24,900	900
Wholesale Trade	10,300	600
Construction	16,700	0
Manufacturing	12,400	700
Mining	8,300	0
<b>TOTAL</b>	<b>362,800</b>	<b>19,000</b>

Source: IMPLAN

### USING THE TWO PROFILES

*Short-run:*

Discuss the visitor and economic profiles you have generated during this step.

- How close does the information collected match your impression of your local economy and visitor activity?
- Decide if you are comfortable with the findings or if you need to explore further, perhaps through primary data collection (see Attachment 2-C).

Review the description of your local economy and acknowledge where your community is economically as you begin to explore tourism as an economic development or revitalization strategy. Discuss the impacts of tourism activity on different sectors of your economy. Try to anticipate what sectors will be supportive of tourism development projects and which will not. Work this into your education and public relations efforts as you did with the information from the attitude survey in the next step.

Reaffirm decision to investigate tourism versus other strategies at this time.

**Have the Local Coordinator or a designated Record Keeper keep the information compiled in a central location for later use.**

*Later on:*

You will use the visitor information extensively in the economic impact step below as you determine the costs and benefits from specific tourism development projects. The visitor information also will be very important as you develop a marketing plan for your specific tourism products.



**Citations**

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Backman, K. F., Uysal, M. and Backman, S. J. (1992). "Index numbers: a tourism managerial and policy-making tool," *Journal of Applied Recreation*, 17(2), 158-177.

DeLa Vina, L. Y., Hollas, D., Merrifield, J. (1994). "A principal components-based tourism activity index," *Journal of Travel Research*, 32(4), 37-40.

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Hogan, T. D. and Rex, T. R. (1984). "Monitoring current activity in Arizona with a quarterly tourism model," *Journal of Travel Research*, 23 (1), 22-26.

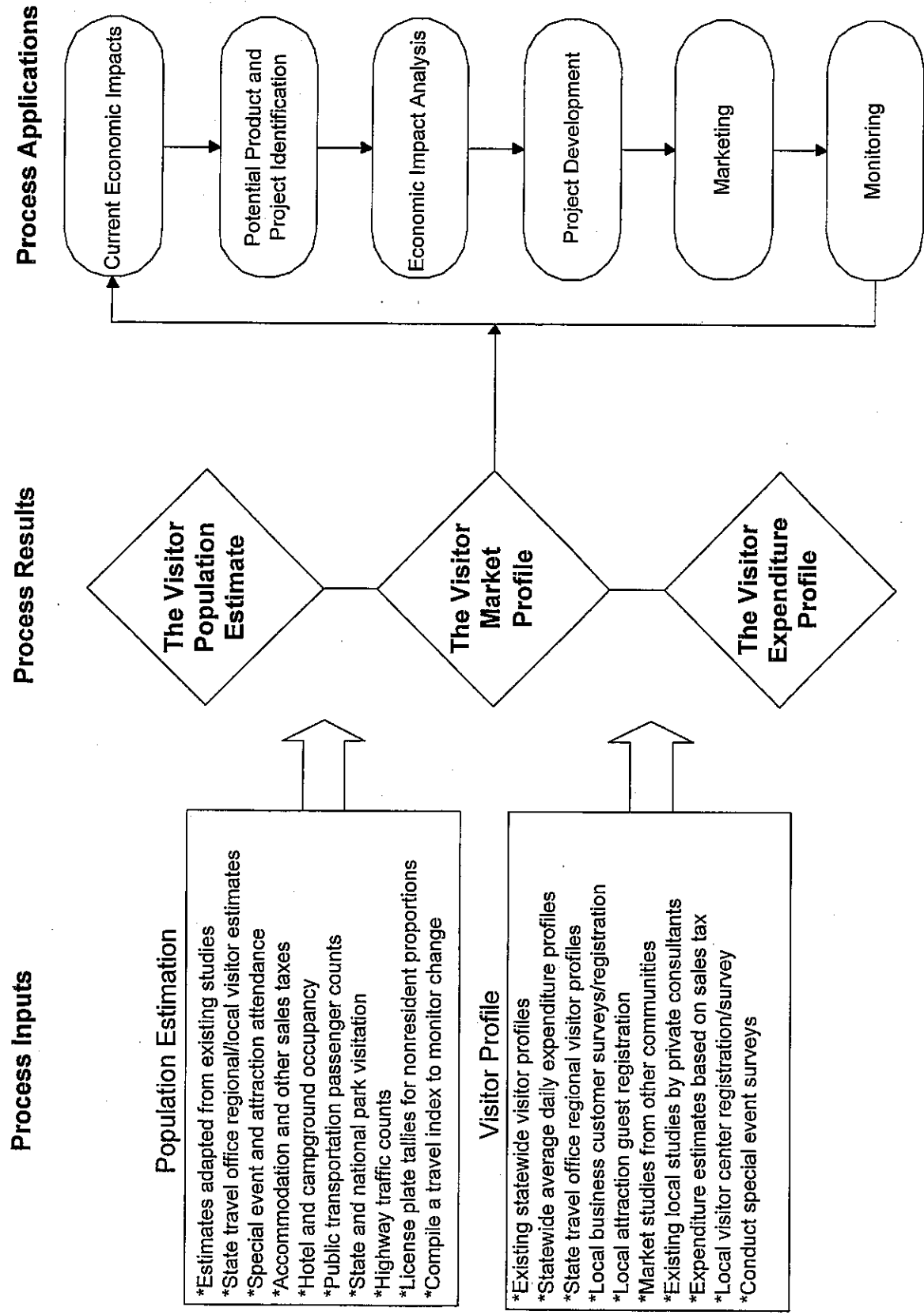
Jud, G. D. and Rulison, M. V. E. (1983). "An index of North Carolina travel and tourism," *Journal of Travel Research*, 21 (3), 13-15.

Richards, J. F. (1991). *Evaluating Locally-Sponsored Special Events*, RR14, Institute for Tourism and Recreation Research, The University of Montana, Missoula, 59pp.

Ritchie, J. R. B., Goeldner, C. R., Editors (1987). *Travel, Tourism, and Hospitality Research, A Handbook for Managers and Researchers, Second Edition*, New York: Wiley, 516pp.

Sanders, T. B., Beard, S. J., Levesque, D. and Smith, G. III (1993). "A new index of tourism: the case of Maine and the Canadian provinces," *Journal of Travel Research*, 32 (2), 49-53.

**Figure 2-1: Current Visitor Profile - Data Sources and Applications**



## Attachment 2-A

### Western States Tourism Research Resources

State	Research Department	Contact/Address
Alaska	Alaska Division of Tourism in the Dept. of Commerce	Pete Carson, Tourism Development P. O. Box 110801, Juneau, AK 99811 Phone (907) 465-2012
Arizona	Arizona Office of Tourism	Robert McCracken, Research Oversight, 1100 W. Washington, Phoenix, AZ 85007 Phone (602) 542-8687
California	The California Division of Tourism	Tiffany Urness, Research Manager 801 K Street, Sacramento, CA 95814 Phone (916) 322-2881
Colorado	Colorado Travel & Tourism Authority	Steve Wyatt P.O. Box 3524, Englewood, CO 80155 Phone (303) 779-5965
Hawaii	Hawaii Visitors Bureau	Barbara Okomoto, Director of Market Research 2270 Kalakaua Ave., Suite 800, Honolulu, HI 96813 Phone (808) 923-1811
Idaho	Idaho Department of Commerce, Division of Tourism Development	Patty Bond, Development Specialist P. O. Box 83720, Boise, ID 83720-0093 Phone (208) 334-2470
Montana	Institute for Tourism and Recreation Research	Norma Nickerson, Director S. C. 443, The University of Montana, Missoula, MT 59812 Phone (406) 243-5686
Nevada	The Nevada Commission on Tourism	Ken Evans, Public Information Officer Capital Complex, Carson City, NV 89710 Phone (702) 687-4322
New Mexico	The New Mexico Department of Tourism	Chris Cordova, Research Manager 491 Old Santa Fe Trail, Santa Fe, NM 87503 Phone (505) 827-7400
Oregon	Oregon Tourism Division	Julie Curtis, Assistant Director 775 Summer Street NE, Salem, OR 97310 Phone (541) 986-0000
South Dakota	Center for Business and Tourism	Randelei Ellis, Director Black Hills State University Spearfish, SD, 57799-9006
Utah	The Utah Travel Council	Randy Rogers, Research Director Council Hall, Salt Lake City, UT 84114 Phone (801) 538-1030
Washington	Washington State Tourism	Betsy Gabel, Research Coordinator P. O. Box 42500, Olympia, WA 98590 Phone (360) 753-5600
Wyoming	Department of Commerce, Division of Tourism	Gene Bryan, Director I-25 at College Drive, Cheyenne, WY 82002 Phone (307) 777-7777

For other states, refer to the Survey of State Travel Offices published each year by the U.S. Travel Data Center, Washington, D.C.

## Attachment 2-A Western State Tourism Research Resources (continued)

State	Sample of Information Available
Alaska	Alaska produces estimates of visitation and surveys visitors to determine trip characteristics, expenditures and satisfaction. The information is mostly available at the statewide level.
Arizona	Do visitor surveys with profiles and expenditures for a number of markets. A lot of the information is available at the regional level. Northern Arizona University produces a travel barometer.
California	Produce visitor expenditure and economic impact estimates monthly. County level data is also available. They also produce a monthly travel barometer.
Hawaii	In-flight surveys for all in-bound markets, expenditure diaries to measure visitor spending characteristics, mailback questionnaires to determine travel activities and satisfaction, yearly inventory of lodging facilities - available by county.
Idaho	Large nonresident survey effort, includes visitor and expenditure profiles as well as regional travel patterns, visitation levels, and detailed road section use level estimates.
Montana	Nonresident survey program includes visitor trip and expenditure profiles to the state, travel patterns in regions, economic impact estimates to the state by season.
Nevada	Collects information about tourist activities including hotel occupancy, gaming levels, conventions, tourism employment, airport volume and public park use. This information is reported in a quarterly statistical outline.
New Mexico	Bi-yearly state and county level estimates of jobs and other economic impacts. The state participates in a nation-wide travel study and also surveys users of visitor centers. Other market info is also available.
Oregon	Conducts visitor intercept and welcome center user surveys. Visitor profile data is collected for nine key regions and reported at least twice per year. Economic estimates are available for the state.
South Dakota	Community tourism development, market segmentation studies, trends analysis and forecasting, business planning, hospitality training, and other research.
Washington	Produces economic impact estimates and participates in nation-wide international origin study.
Wyoming	Conducting studies on economic impact and visitor characteristics. Some Regional and local information available including local option accommodations taxes, visitor and traffic counts.

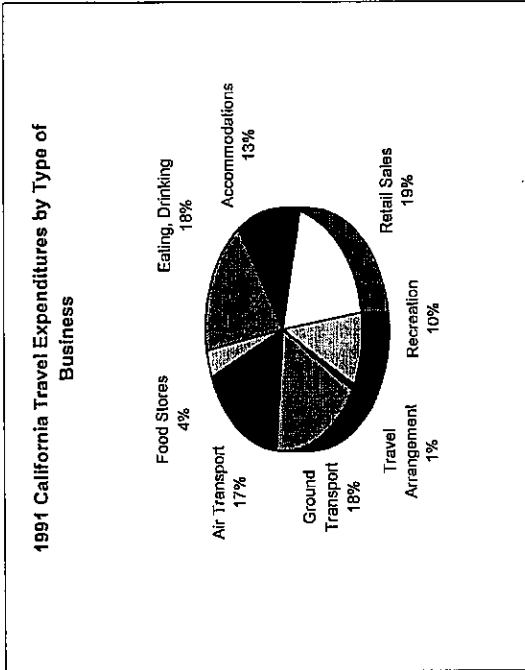
## Attachment 2-A Western States Tourism Research Resources: IMPLAN Specialists

State	Contact/Address	
Alaska	Anthony Nakazawa Cooperative Ext. Service University of Alaska 2221 E. Northern Lights, Suite 132 Anchorage, AK 99508-4143 (907)276-2433	
Arizona	Julie Leones University of Arizona Department Agricultural Economics 208 Economics Building Tucson, AZ 85721 (602)621-6255	
California	George Goldman University of California Department of Ag & Resource Economics 207 Giannini Hall Berkeley, CA 94720 (510)642-6461	
Hawaii	Linda Cox University of Hawaii Department of Ag & Resource Economics 3050 Maile Way, Gilmore 115 Honolulu, HI 96822 (808)956-6755	
Idaho	Stephen C. Cooke University of Idaho Department of Ag Econ & Rural Sociology Moscow, ID 83843 (208)885-7170	
Montana	Shannon Taylor Montana State University College of Business Bozeman, MT 59717 (406)994-6197	Neal Christensen / ITRR The University of Montana Science Complex 443 Missoula, MT 59812 (406)243-5686
Nevada	Thomas R. Harris University of Nevada - Reno Department of Agricultural Economics Mail Stop 204 Reno, NV 89557-1342 (702)784-1681	

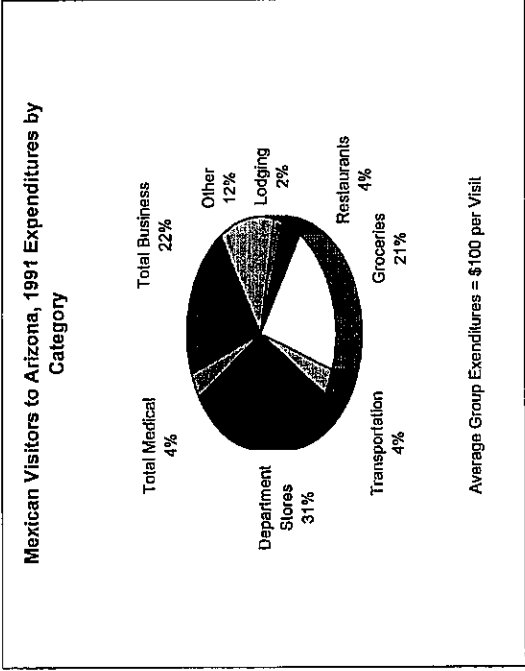
**Attachment 2-A  
Western States Tourism Research Resources:  
IMPLAN Specialists (continued)**

<b>State</b>	<b>Contact/Address</b>
New Mexico	REDTT New Mexico State University College of Agriculture and Home Economics PO Box 30003, Dept. 3HTS Las Cruces, NM 88003-0003 (505)646-3742
Oregon	Rebecca Johnson Oregon State University Department of Forest Resources, Peavy Hall 109 Corvallis, OR 97331 (541)737-1492
Washington	Dave Holland Washington State University Department of Agricultural Economics 103 Hulbert Pullman, WA 99164-6210 (509)335-2570
Wyoming	David "Tex" Taylor University of Wyoming Department of Agricultural Economics Laramie, WY 82071 (307)766-5682
Minnesota IMPLAN Group	MIG, Inc. 1940 South Greeley St., Suite 201 Stillwater, MN 55082 (612)439-4421

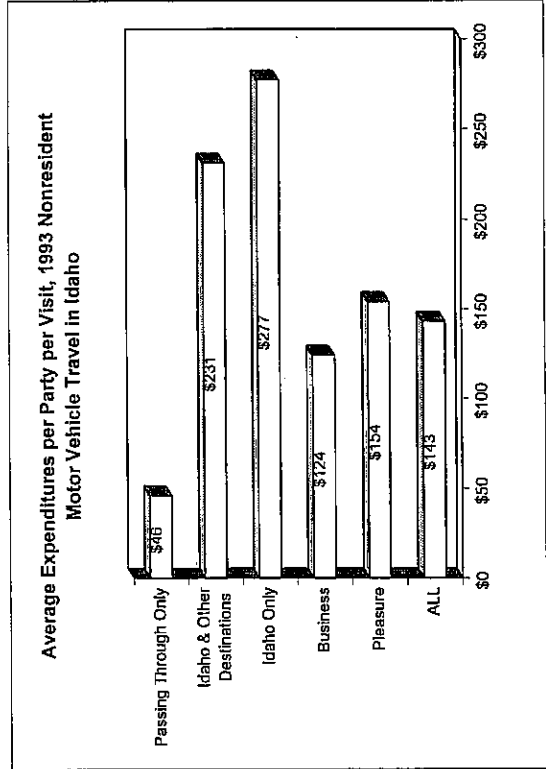
**Attachment 2-B: Samples of State Visitor Profile Information**



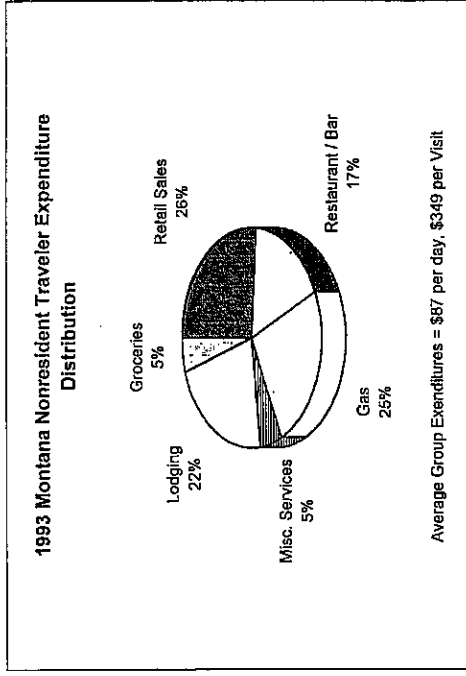
From: California Travel Impacts by County, 1991, prepared for The Office of Tourism, California Trade and Commerce Agency, by Dean Runyan Associates, April 1993



From: The Economic Impact of Mexican Visitors to Arizona, College of Business and Public Administration, The University of Arizona, September 1992.

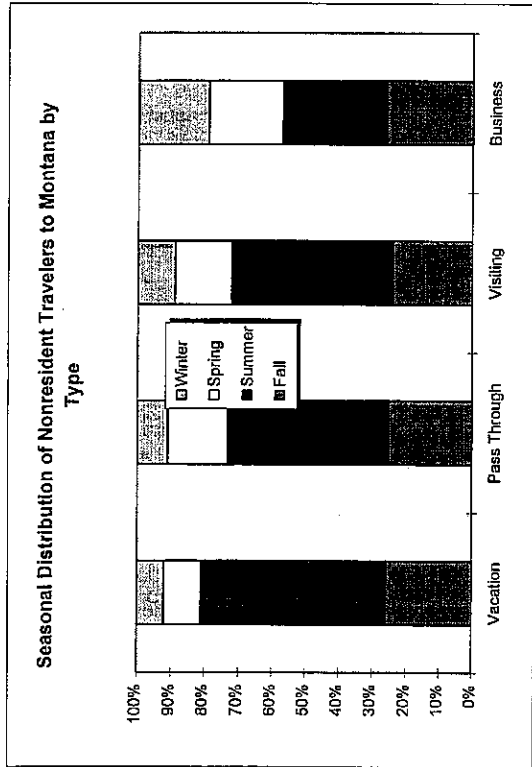


From: 1993 Nonresident Motor Vehicle Travel in Idaho, by the Department of Resource Recreation and Tourism, University of Idaho.

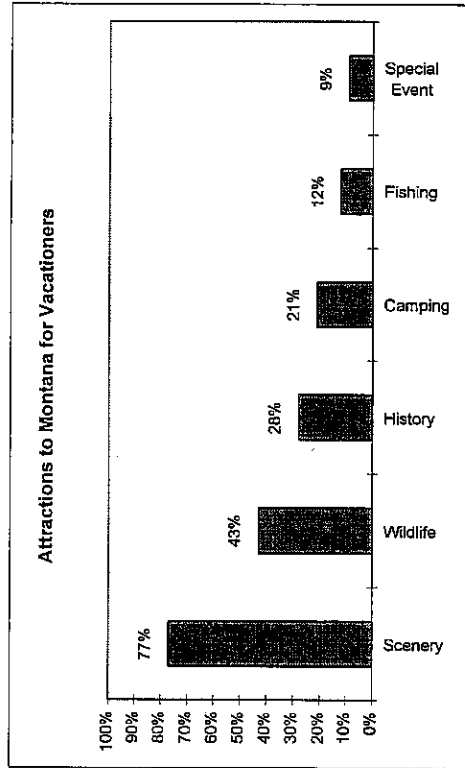


From: 1993 Nonresident Travel to Montana: Characteristics of Visitors, by Season, Institute for Tourism and Recreation Research, The University of Montana, February 1995.

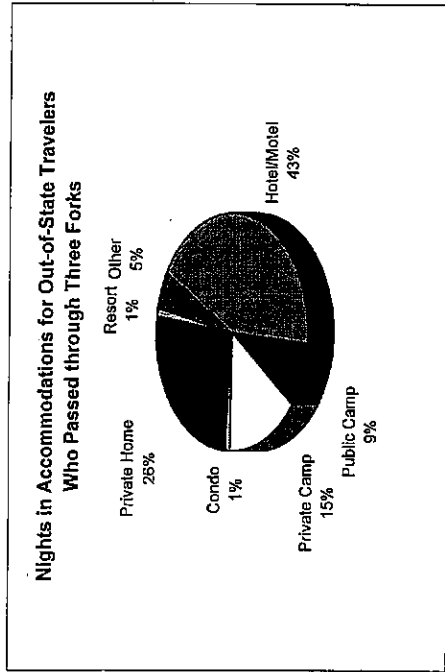
**Attachment 2-B: Samples of State Visitor Profile Information**



From: 1993 Nonresident Travel to Montana: Characteristics of Visitors, by Season, Institute for Tourism and Recreation Research, The University of Montana, February 1995.



From: 1993 Nonresident Travel to Montana: Characteristics of Visitors, by Season, Institute for Tourism and Recreation Research, The University of Montana, February 1995.



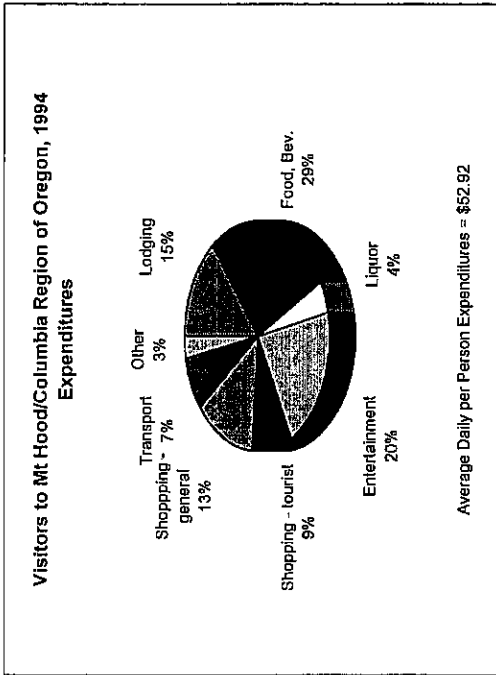
Community Tourism Assessment Process, Institute for Tourism and Recreation Research, The University of Montana, April 1995.

Travel Group Profile for Out-of-State Travelers Who Passed Through Ravalli County	
Group Type:	Ravalli All Nonresident Travelers
Family	64%
Alone	24%
Friends, F & Family	10%
Other	2%
Group Size:	
Adult Males	2.1
Adult Females	0.9
Children	0.3
Mean Adult Age	51
Have Visited Montana Before	80%
Will Return w/in 2 Yr.s	89%
Median HH Income (\$1,000)	\$40 - \$60
Retired	22%
	\$40 - \$60
	25%

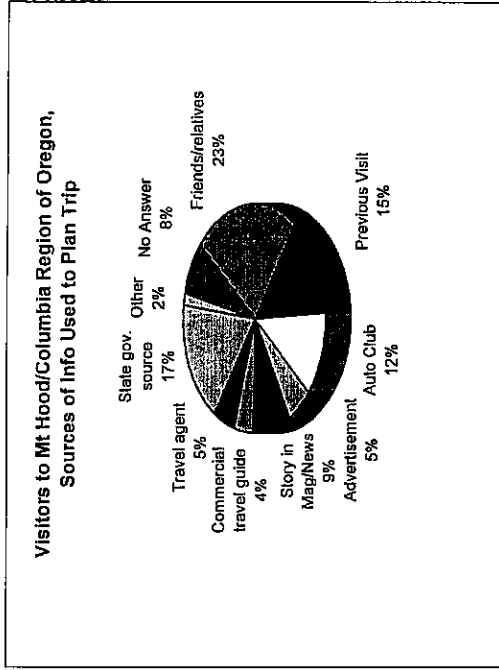
From: 1993 Nonresident Travel to Montana: A Profile of Current Visitors, The Ravalli County Community Tourism Assessment Process, Institute for Tourism and Recreation Research, The University of Montana, April 1995.



**Attachment 2-B: Samples of State Visitor Profile Information**



From: Mt. Hood/Columbia River Gorge Regional Visitor Profile. Conducted for Oregon Tourism Division, Economic Development Department. Conducted by Davidson-Peterson Associates, Inc., April 1995.



From: Mt. Hood/Columbia River Gorge Regional Visitor Profile. Conducted for Oregon Tourism Division, Economic Development Department. Conducted by Davidson-Peterson Associates, Inc., April 1995.

**Travel Group Profile of Visitors to Oregon**

Trip Purpose	Out-of-State Visitors	In-State Visitors
Pleasure	76%	89%
Convention/meeting	10%	2%
Business	5%	2%
Combination w/ pleasure	7%	4%
Activities Engaged In		
Dining out	61%	44%
Shopping	56%	44%
Visiting friends/relatives	53%	34%
Visiting attractions	50%	43%
Engaging in outdoor activities	47%	51%
Relaxing and sightseeing	31%	29%
Group Size	3.1	2.6
Nights for multi-day visitors	7.5	3.1
Expenditures /person/day	\$84	\$52
Average Age	45.5	42.7
Average HH Income	\$55,600	\$47,600

From: Oregon Visitor Profile. Conducted for Oregon Tourism Division, Economic Development Department. Conducted by Davidson-Peterson Associates, Inc., April 1995.

## Attachment 2-C

### **IMPROVING ESTIMATES WITH PRIMARY DATA**

Developing accurate visitation counts can be a difficult task. It is important to know something about the size of your existing tourism market, but precise estimating procedures are expensive and time consuming. It is necessary to balance the investment with information needs. While using existing sources of data to develop visitor profiles is inexpensive and will meet short-term planning needs, the extra effort and investment in a primary study may have long-term payoffs for your planning and marketing efforts. Developing a primary data collection effort to describe visitors will greatly improve your understanding of the magnitude, type, and economic contribution of tourism in your area.

#### ***Traffic Counter Data***

Traffic counter data supplied by the state highway department may be used to estimate visitation in some areas. If your county has only a few access points, and there are traffic counter data available near those access points, this may be a good option. In most cases the counter data will represent traffic in both directions. The amount of traffic coming into the area during a particular time period can be estimated by dividing the traffic counter number in half. In order to calculate visitation from this data it is necessary to know the ratio of resident/nonresident traffic at the counter locations. This can be determined by periodically conducting a vehicle license plate survey at those locations. This method works well in states that have license plates that identify the county of residence, because all visitors from outside the immediate area can be identified. In states having plates that do not identify counties, only in-state/out-of-state ratios can be determined. Attachment 2-D is an example of a form that could be used to systematically conduct license plate counts at a specific location. This data can be supplemented with traffic counter data and survey estimates of the number of people per vehicle and the length of stay in the area to determine total visitor days.

#### ***License Plate Counts***

Special events attract nonresidents to the area. If total attendance at an event is known, one simple way to estimate nonresident attendance is to determine the ratio of resident/nonresident vehicle licenses in the parking lots of the event using a form similar to that in Attachment 2-D. As with traffic estimation, this method works well in states having vehicle license plates that distinguish the county of residence. If this is not the case, you will only be able to estimate the amount of out-of-state attendance. An alternative to sampling license plates would be to poll a sample of attenders as they enter the event. This could be relatively easily accomplished by a gate keeper asking residence while taking tickets or by clerks at the point of ticket sales.

#### ***Surveys***

It is very important to develop a clear study plan with specific objectives at the beginning of this process. Doing so will allow you to determine what questions should be included in the questionnaire to obtain the desired final results. Attachment 2-E contains two examples of surveys that could be distributed at a local business, attraction or visitor center. These short questionnaires are designed to efficiently collect visitor data. They include questions about purpose of trip, group size and composition, length of stay and accommodations used, activities, and residence. The list of activities would be modified to reflect local availability and interest. Other items that could be explored include: sources of information, preferences and evaluations of attractions or events, types of transportation, and expenditure estimates. This data should be collected throughout the tourism season(s) to accurately represent the visitor population. This primary data can supplement the secondary data you collected to provide more meaningful estimates of total visitation.

By including expenditure generating activities in the list (i.e. Retail Shopping, Eating in a Restaurant and Purchase Gasoline) some information on expenditure profiles can be developed without including a full expenditure component in the

survey. Obtaining complete and accurate expenditure information from a short visitor questionnaire can greatly add to the complexity of the study effort. Using this simplified format will allow you to estimate what types of visitors are having the greatest impacts, and which specific areas of the local economy are most effected. Average expenditures from statewide or regional studies can be used to supplement the information about expenditure types collected in this questionnaire.

If survey research is new to the study team, it may be desirable to keep initial survey efforts small and manageable. Visitor surveying can then be expanded as the study team gains knowledge of what techniques work well and what information areas need further investigation. At any scale, plan to spend some time and money on this procedure. Survey research, done correctly, can be expensive and is certainly time consuming, but it is probably the best way to get accurate estimates you will need for future marketing and planning efforts. This type of study will require knowledge of questionnaire design, random sampling framework, survey administration, data analysis and interpretation. A good reference text such as *The Practice of Social Research* (Babbie, 1992) will provide background in these areas. It will be helpful to bring in some expert advise in the early stages of planning for this effort. Universities, state travel offices, private marketing or research firms, and cooperative extension offices are all possible sources for assistance in this step. It may be necessary to hire a professional to design and conduct this primary data effort.

The manual entitled, *Evaluating Locally-Sponsored Special Events* (Richards, 1991), would be helpful to a community setting up a special event study. See the List of References for more information on obtaining this manual. Another source that provides instruction in measuring visitor characteristics and impacts and also a good list of related literature is *Travel, Tourism, and Hospitality Research, A Handbook for Managers and Researchers* (Ritchie and Goeldner, 1987).

## MONITORING VISITATION OVER TIME

One tool that can be used to monitor changes is a composite index of activity. An index, such as the well-known Consumer Price Index, provides decision makers with a timely instrument to measure relative changes in phenomena that may be difficult to track directly. Developing a travel index is an effective way to combine various indicators of visitation into a comprehensive model that can be used to monitor relative changes over time.

There are advantages to relying on several indicators of travel activity, rather than just one. Variation in one indicator may be misleading when considered alone, but when combined with other data sources, each measuring different components of travel, a more reliable account of actual change in visitation may be obtained. For example, accommodations tax revenue is often used as an indicator of travel activity. However, tax revenue can grow for several reasons besides the number of rooms sold. A ten percent increase in tax revenue may, or may not, indicate a similar change in travel activity. A ten percent increase in both room tax revenue and vehicle traffic counter data is a better indication that overall travel activity actually grew by ten percent.

There are many sources that describe travel indexes (e.g. Backman, Uysal and Backman, 1992, Hogan and Rex, 1984, Jud and Rulison, 1983). Attachment 2-F illustrates the essential elements of an index. The example includes only four indicator variables; you may want to include more indicators in the index if they are available and appropriate. A similar index could also be used to compare the relative level of tourism in your area to visitation in competing areas.



Q-1 What is the **primary** purpose of your visit to Clear Springs? (circle one number only)

- 1 Vacation or recreation
- 2 Visit friends or relatives
- 3 Business
- 4 Shopping
- 5 Special Event \_\_\_\_\_
- 6 Short stop/just passing through (list destination) \_\_\_\_\_
- 7 Other purpose (please describe) \_\_\_\_\_

Q-2 How many are in your travel group? (include yourself)

\_\_\_\_\_ Adult Males \_\_\_\_\_ Adult Females \_\_\_\_\_ Children

Q-3 How long are you staying in Clear Springs?

\_\_\_\_\_ Hours or \_\_\_\_\_ Days

Q-4 If staying **Overnight** in Clear Springs, enter the number of nights you are spending in each of the following:

_____ Hotel	_____ Bed & Breakfast
_____ Motel	_____ Private Campground
_____ Private Home	_____ Public Campground
_____ Other (specify) _____	

Q-6 Check all of the activities listed below that members of your group are doing in the **Clear Springs area on this trip**:

- Retail Shopping (clothing, art, souvenirs etc.)
- Eating in a restaurant
- Purchase gasoline
- Picnicking
- Day hiking
- Bicycling
- Fishing
- River floating, rafting, boating, canoeing
- Hunting
- Visit L&C Caverns State Park
- Visit Headwaters State Park
- Visit Buffalo Jump State Park
- Visit the Clear Springs Museum
- Visit historic/interpretive sites
- Visit family or friends who live in the area
- Golfing
- Gambling
- Attend a sporting event
- Attend a special event (fair, show etc.) (name) \_\_\_\_\_
- Other \_\_\_\_\_

Q-5 Is this your first visit to Clear Springs?

1 Yes                    2 No

Q-7 Where do you live?

City \_\_\_\_\_, State/Province \_\_\_\_\_

**Please write comments on the back and leave the completed form with the visitor center attendant - Thank you!**

## Attachment 2-E

### A VISITOR QUESTIONNAIRE<sup>1</sup>

---

Thank you for participating in our visitor survey. Your answers will be held in confidence; however, summary statistics will be used to improve services for you and other visitors.

1. How many times, including today, have you visited our area during the past 12 months?

2. Other than today, when did you visit our area?

Spring       Summer       Fall       Winter

3. What was the main purpose of your visit?

- attending the conference or meeting (what months \_\_\_\_\_)
- other business (what months \_\_\_\_\_)
- visiting friends/relatives (what months \_\_\_\_\_)
- pleasure/vacation (what months \_\_\_\_\_)
- just passing through (what months \_\_\_\_\_)
- other (please specify purpose and what months \_\_\_\_\_)

4. Which of the following activities have you participated in during the past year in this area?

- outdoor recreation (specify activity and season \_\_\_\_\_)
- cultural events (specify activity and season \_\_\_\_\_)
- museums/historical sites (specify activity and season \_\_\_\_\_)
- other tourism attractions (specify activity and season \_\_\_\_\_)
- other? (specify activity and season \_\_\_\_\_)

5. Usually, what is your main mode of transportation in this area?

commercial airline       personal car       other (please specify \_\_\_\_\_)

---

<sup>1</sup> Sample survey form from *Rural Tourism: Marketing Small Communities* by Arlene Hetherington. n.d.

6. How many days and nights did you stay in our area during the last year?

Trip 1: \_\_\_ days \_\_\_ nights      Trip 2: \_\_\_ days \_\_\_ nights      Trip 3: \_\_\_ days \_\_\_ nights

If you stayed overnight, how many overnights did you stay:

\_\_\_ in a motel or similar lodging facility?      \_\_\_ with friends/relatives?  
\_\_\_ at a bed and breakfast?      \_\_\_ other (please specify \_\_\_\_\_)

7. Approximately how much money did you spend during your longest visit to our area?  
Please exclude transportation costs to and from and money spent elsewhere for purchase of services here.

In total, I, and members of my party, spent approximately \$ \_\_\_\_\_.

8. Indicate the breakdown of your total spending:

Lodging	approx. \$ _____
Restaurants/meals	approx. \$ _____
Tourism attractions/entertainment/recreation	approx. \$ _____
Retail stores	approx. \$ _____
Gas and auto service	approx. \$ _____
Local transportation/taxis/car rental	approx. \$ _____
Other (please specify _____)	approx. \$ _____

9. The expenses in the last two questions were for how many persons?

\_\_\_ adults plus \_\_\_ children (less than 18 years old) for \_\_\_ days.

10. What three things do you like most about visiting here?

1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_

11. What three things do you NOT like about visiting here?

1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_

For classification purposes, your answers to the following questions would also be much appreciated.

12. Your approximate yearly income (before taxes):

- |  |  |
|--|--|
| <input type="checkbox"/> less than \$10,000            | <input type="checkbox"/> between \$30,000 and \$50,000 |
| <input type="checkbox"/> between \$10,000 and \$20,000 | <input type="checkbox"/> over \$50,000                 |
| <input type="checkbox"/> between \$20,000 and \$30,000 |  |

13. Your approximate age:

- |  |  |
|--|--|
| <input type="checkbox"/> less than 25 years      | <input type="checkbox"/> between 45 and 55 years |
| <input type="checkbox"/> between 25 and 35 years | <input type="checkbox"/> between 55 and 65 years |
| <input type="checkbox"/> between 35 and 45 years | <input type="checkbox"/> over 65 years           |

14. Identify your lodging facilities:

15. If you attended a conference or meeting, which one?

16. In which city and state do you currently reside? (please include zip code):

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Thanks again for your cooperation!

Date:



Attachment 2-F: Sample Tourism Development Index

Year (base year = 1987)	Room Tax -		Gambling		Rec. Service		Outfitters &		Weighted % Change in Tourism	OG Weight	Tourism Development Index
	% Change (AT)	AT Weight	Tax - % Change (GT)	GT Weight	Workers - % Change (RW)	RW Weight	Guides - % Change (OG)				
1987											100
1988	10%	0.40	2%	0.15	-3%	0.25	15%	0.20	7%	0.20	107
1989	5%	0.40	15%	0.15	2%	0.25	2%	0.20	5%	0.20	112
1990	-17%	0.40	-10%	0.15	-12%	0.25	-5%	0.20	-12%	0.20	98
1991	12%	0.40	15%	0.15	5%	0.25	-5%	0.20	7%	0.20	106
1992	-7%	0.40	1%	0.15	-5%	0.25	2%	0.20	-4%	0.20	102
1993	3%	0.40	5%	0.15	1%	0.25	1%	0.20	2%	0.20	104
1994	2%	0.40	12%	0.15	6%	0.25	6%	0.20	5%	0.20	110

**Equations:**

$$\text{Weighted \% Change in Tourism (WCT)} = (\text{AT} * 0.40) + (\text{GT} * 0.15) + (\text{RW} * 0.25) + (\text{OG} * 0.20)$$

$$\text{Tourism Development Index (TDI)} = (\text{WCT} * \text{Previous TDI}) \quad (\text{base year} = 100)$$

**Standardized Variables:** Variables to be included in the index need to be standardized so that each is in comparable units of measure. In this example each variable is expressed as the percent change from the previous time period.

**Variable Weighting:** Each variable must be assigned a weight that represents its relative importance compared to all other variables in the equation in terms of its contribution to measuring the overall phenomena represented by the index. All of the weights added together equal 1, and therefore, each represents the percentage of their contribution. In the above example, Room Tax Change with a weight of 0.40 is assigned twice the influence in the model as Change in Outfitters and Guides (with a weight of 0.20). A variable weight will be the same for all observations of that variable. Weights are determined outside of the index model. There are a number of ways to assign weights to variables. The simplest way is to assume that each variable contributes equally to the model (in the above table each variable would have been given a weight of 0.25). A second method of assigning weights is to base them on informed opinion, research or intuition. Thirdly, weights can be based on empirical assessment of the data (this method is outlined by De La Vina et al, 1994).

**Interpretation of the Index:** The index is intended to be compared to the base year to assess relative change in tourism. In the above example, the index suggests that in the year 1994 the level of tourism was at 110% of the level that occurred in 1987. The model suggests that the highest level of tourism occurred in 1989 when the level reached 112% of the base year.

**Form #2-1**  
**Estimating Visitor Expenditures from Lodging Sales**

1. Total Lodging Sales \$ \_\_\_\_\_
2. Percent Lodging to Pleasure, not  
Business, Visitors \_\_\_\_\_%
3. Tourist Lodging Sales  
(#1 x #2) \$ \_\_\_\_\_
4. Percent Expenditures on Lodging \_\_\_\_\_%
5. Total Visitor Expenditures  
(#3 x #4) \$ \_\_\_\_\_

## Form #2-2 Estimating Visitor Expenditures Using Accommodations Tax Data

1. Accommodations Tax Collected \$ \_\_\_\_\_
2. Tax rate \_\_\_\_\_%
3. Total Lodging Sales \$ \_\_\_\_\_  
(#1 ÷ #2)
4. Percent Expenditures on Lodging \_\_\_\_\_%
5. Total Non-Resident Expenditures \$ \_\_\_\_\_  
(#3 x #4)
6. Percent Lodging to Pleasure Visitors \_\_\_\_\_%
7. Total Visitor Expenditures \$ \_\_\_\_\_  
(#5 x #6)

## Form #2-3 Calculating Resident Income and Employment from Tourism

1. Total Visitor Expenditures \$ \_\_\_\_\_
2. Percent Expenditures retained as Resident Income \_\_\_\_\_ %
3. Resident Income from Tourism (#1 x #2) \$ \_\_\_\_\_
4. Income Required to Generate a Full-time Tourism Job \$ \_\_\_\_\_
5. # Full-time Tourism Jobs (#3 ÷ #4) \_\_\_\_\_ FTEs

[Note: #2 and #4 can be found in Division of Tourism or Dept. of Commerce reports.]



## Three

# RESIDENT ATTITUDE SURVEY

**H**ow do local people feel about tourism growth?

*Are there certain groups within the community that are less supportive?*

*What specific issues or concerns do residents have that must be taken into consideration in the community tourism assessment process?*

### PURPOSE

This snapshot of community residents' attitudes is key to determining local receptivity to tourism development and promotion. It is the baseline from which to build a broad network of support for and participation in the tourism assessment, planning, and implementation process. It will provide you with information to help direct any tourism development into projects that are acceptable to residents and identify the role that residents see for tourism in the community.

### OBJECTIVES

After conducting the resident attitude assessment survey, your action committee will have:

- determined the level of community support or lack of support for tourism development.
- identified concerns of residents about tourists and tourism development.
- determined whether residents perceive that they benefit personally from tourism.
- identified specific places or events that local residents do not want promoted to tourists.
- identified residents' perceptions of the best opportunities for future economic development.
- identified residents' perceptions of the extent tourism should contribute to the diversity of the local economy.

- Compared attitudes of residents based on length of residence, occupation of principal wage earner, and socio-demographic characteristics.



### GETTING ORGANIZED

#### 1. Determine who will conduct the survey and analysis: local volunteers or hired professionals or a combination of the two.

Outside technical assistance may be available through state agencies, like a Division of Tourism within Departments of Commerce and Economic Development, or through institutions of higher education. For example, the Institute for Tourism and Recreation Research (ITRR) at the University of Montana has conducted tourism attitude surveys in rural communities. Private consultants offer this survey service for a fee. Public agencies may also charge for their services. Attachment 2-A lists tourism research resources you may wish to contact for assistance.

#### *Why consider hiring outside assistance?*

- Reduced time commitment on part of volunteers, who already are quite busy.
- Limited local expertise/experience in designing, conducting, and analyzing surveys.
- Sometimes it is felt that if local people conduct the survey, the results will be less objective or less valid because personal interests may be infused into the results. If you anticipate some groups within your local population might voice such skepticism you would be wise to invest in outside technical assistance to help legitimize the process. Outside assistance would add validity to the survey process.

#### *Areas where the community might need outside assistance or have to have local expertise*

- Choosing questions and wording those questions in an unbiased manner.
- Printing of materials used in the attitude assessment.

- Analysis and reporting of the data if it is done using a computer program.

**2. Establish a survey task force to oversee the survey process or assist the people from outside the community that are brought in to work on the attitude assessment.**

The survey task force will need a chairperson who has good organizational skills. The members of this subcommittee will perform various tasks depending on the level of involvement of the community and the level of outside assistance. The time line for completing the attitude assessment is short and it is very important that the deadlines be met. The attitude assessment is designed to be completed in a two month time frame. This begins with the meeting to identify the relevant questions and ends with the reporting of the results to the committee and the community.

**HOW TO CONDUCT THE ATTITUDE SURVEY**

The mail survey method described in this chapter of the manual is obviously not the only way to conduct an attitude assessment. It is however, a relatively cost effective way for a community to complete an attitude survey with a minimum of outside assistance and volunteer time. Three alternatives or options for a mail survey are described in Attachment 3-A. They vary in the amount of outside assistance the community uses to complete the attitude assessment and in the degree to which the community follows the procedure recommended in this chapter.

If you are concerned that people will not respond to a mail survey, you may need to consider options like phone surveys or face-to-face interviews. One method that some communities have used to increase response rates is to take the surveys to households on an evening and then return to pick up the completed forms a couple hours later. The desirability of this option will, of course, depend on the size and layout of your survey population.

The methodology presented in this chapter is a way to conduct the attitude assessment using the survey instrument provided in the manual. The survey will be conducted using a mail questionnaire sent to a random sample of local residents. Communities are given the opportunity to identify additional issues or questions for inclusion in the questionnaire.

**1. Adapt the survey form included in this manual, as needed, to best suit your local conditions and interests.**

The survey included in this manual (Form #3-1) was adapted from previous surveys used by ITRR to assess Montanans' attitudes about tourism. The survey was designed to specifically address the objectives in this manual. Some questions or groups of questions address single specific objectives. Other questions or groups of questions address more than one objective. If questions or groups of questions are removed from the survey or are substituted for, the objectives can change or may not be fully addressed.

We feel this survey, as written, is general enough to be relevant to most communities. If you choose to make changes to the objectives or the questionnaire, outside assistance should be used to ensure that the objectives are focused and attainable and that the questions address the issues that they are intended to address. The wording of questions is very important to avoid introducing *bias*. It is suggested that assistance from someone with experience in social (or some other type of related research) be contacted for assistance.



**2. Generate a mailing list for the sample.**

In most cases you will not attempt to survey all community residents. That would take too many resources. Instead, you will survey a sample of residents selected at random to represent the community's attitude. Random samples sometimes are not appropriate. For example:

- Some communities prefer to make decisions by consensus. If this is the case in your community, you will need to survey all households. This is called a *census*.
- If you have some respected people in your community whose opinions are traditionally deferred to, such as *elders*, you will want to include them in your sample. These are *key informants*.

The method recommended in this manual uses the telephone book to select a systematic random sample of those listed. A detailed description of how to select the names from the telephone book is presented in Attachment 3-B. In areas with a large number of post office boxes or rural addresses, telephone directories may not provide correct mailing addresses. The local postmaster may be able to supply the correct mailing addresses for a list of names. Or, the local newspaper (or other businesses) may maintain a list of residents and their mailing addresses. For a fee, they may provide a random sample from that list.

You may have people who live outside the local area who are still considered community members. For example, not all enrolled members of tribes live on the reservation. And, some people may be temporarily away for work or education. If you feel it is important to include them in the survey, you will need to add their names to the list from which you draw your sample.

The minimum sample size recommended for the attitude study is 350. Using the survey methods suggested in this section, it is reasonable to expect a response rate of 60%, resulting in a final sample of approximately 210. Given a sample of 210, each question would have a precision level of plus/minus 4% to plus/minus 7%. In the worst case, if 50% of those surveyed responded "yes" to a question, we would feel confident that between 43% and 57% of the *entire community*

would respond "yes" to that same question. With a sample of 400 in the above example we would feel confident that between 45% and 55% of the entire community would respond "yes" - not a big improvement, and probably not worth the extra expense.

However, a larger sample size is important if you want to compare attitudes of two or more segments of the population. We may believe that mill workers and retail business people differ in their belief that tourism will improve recreation opportunities. In this case it would be necessary to have sufficient sample size for each group in order to statistically assess their differences.

The formula presented in the box below uses a confidence level of 95%. This means that we can be 95% confident that something is within plus/minus a given level of precision. This is an arbitrary, yet commonly accepted, level of confidence.

**Determining Sample Size for a Binomial (yes/no) Response**

$$n = \frac{4pq}{L^2}$$

where  $n$  = the sample size needed to attain the desired level of precision  
 $p$  = the estimated true percentage  
 $q$  = 1 -  $p$   
 $L$  = the desired level of precision at the 95% level of confidence

*Example:* We believe that the community is about evenly divided on the issue of whether tourism development will improve their recreation opportunities. We want to determine how many completed surveys would be necessary to say with 95% confidence (we would be wrong 5% of the time due to chance) that the community feels a particular way. We decide that we can tolerate a precision level of 7%, so that we will be confident that our results are within plus or minus 7% of what the entire community would say if we asked everyone. We could use the above formula to determine the necessary number of *completed* surveys ( $n$ ):

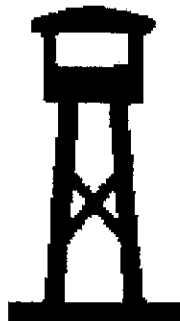
$$n = \frac{4*(0.50)*(1-0.50)}{.07^2} \quad n = \frac{4*0.25}{.0049} \quad n = 204$$



**3. Announce the survey in the local newspaper and perhaps over the radio to generate interest and help encourage a high response rate.**

(See sample press releases, Attachment 3-C)

Press releases included in this manual can be modified to fit the community. Since the Community Tourism Action Committee should and probably will have at least one member from the local media, this person can be responsible for editing and placing the press releases at the proper time. The first press release should be timed to precede the first mailing of the questionnaires by one or two days. There is a second press release designed to be in the local media one or two days before the second mailing of the survey.



It is also possible to use press releases weeks before the questionnaires are mailed. These press releases would be to inform the residents of the beginning of the process, that their participation in the process is important, and that in the future some of them will be requested to complete a short survey about their attitudes concerning tourism.

**4. Conduct the survey**

The time of year to conduct the attitude survey is not of extreme importance except that December should be avoided due to the high volume of mailing done then. A timeline for the attitude survey process is provided in Attachment 3-D.

Each questionnaire is mailed with a postage paid return envelope. Also included is a cover letter that explains the importance of resident participation in the survey. The cover letter is printed on city/community letterhead and signed by a city official, preferably the mayor. An example of a cover letter is provided in Attachment 3-E.

The first mailing of questionnaires should be done on a Tuesday to allow time for completion and return of the questionnaire before the weekend. As the questionnaires are returned, the name of the respondent is removed from the mailing list so as not to duplicate mailings or responses.

**Note:** The survey forms do not have the person's name on them. They do have a code to let you manage the mailing list (see Attachment 2-B).

One week after the first mailing of questionnaires, a reminder postcard is sent to those who have not returned their completed questionnaires. An example of the reminder postcard is shown in Attachment 3-E.

Two weeks after the first mailing, a replacement questionnaire packet is mailed to those who have not returned a completed questionnaire. This packet includes a slightly different cover letter that again requests the resident to participate in the survey.

Cover letters provided in Attachment 3-E are only samples and can be modified to fit the community or personality of the local official who is signing them. There are, however, certain parts that should remain in tact. These are the sections referring to there being no assumption of tourism being good or bad for the community and that the purpose of the survey is to gain an understanding of the residents' support for tourism as one possible alternative for economic development.

A problem that could come up when using a local figure such as the mayor to promote response to the survey is if and when the local figure is not popular or if politics come into play. This might cause some community residents not to respond or to respond negatively to questions they might ordinarily respond to with a positive reaction. There was no indication of this occurring in the seven Montana pilot communities, but you will have to act in accordance with your local political situation.

**5. Compile and report the data collected.**

Recruit a local teacher or student to enter the data. A simple data entry and analysis program can be designed by someone familiar with computers and spreadsheets. The questionnaire is also short enough and designed so data can be tabulated by hand (Option 2 on Attachment 3-A).

Check accuracy of data entry at the beginning of the process to correct mistakes that might occur. The problem of incorrect entry of data should not be great since the surveys are easy to read and interpret.

Analysis of the data for the initial report to the committee and community will consist of reporting frequencies for each variable on the questionnaire. Appendix 3-F contains examples of survey results from three pilot communities. Frequencies are the percentage of respondents that listed each possible answer for each question on the survey. For example, for the statement, *Most of the jobs in the tourism industry are low paying*, respondents could Strongly Disagree, Disagree, Agree, Strongly Agree, or state No Opinion. Assume 200 people responded to that statement with one of the five answers above. To find the frequency of response for each answer, divide the number of people who listed each answer by the total number who responded.

Forexample:

Strongly Disagree	2 answers/200 respondents = 1%
Disagree	20 answers/200 respondents = 10%
No Opinion	28 answers/200 respondents = 14%
Agree	96 answers/200 respondents = 48%
Strongly Agree	54 answers/200 respondents = 27%

**EVALUATING THE SURVEY RESULTS**

Evaluating the survey results can be complicated. The results will probably not provide a clear yes or no on whether or not the community supports tourism. They will provide a general overview of residents' sentiments and will identify specific areas of concern. A good starting point for analyzing the results is to refer back to the study's objectives.

**Overall Support**

First, try to answer questions like: What was the general feeling of the people surveyed? Were the responses overwhelmingly positive or negative, or somewhere in between? These will help you to assess the overall support for tourism in the community. You can answer these questions by looking at the data on responses to survey statements like:

- The overall benefits of tourism outweigh the negative impacts.
- Increased tourism would help our community grow in the 'right' direction.
- How positively or negatively are you personally affected by tourism?

Also, because economic gain/diversification is usually the primary reason for pursuing tourism, it is important to know the role residents feel the industry should play in the local economy. Do they see it as a good opportunity for future development? Compared to other industries, do they think it should play a minor, equal, or dominant role? To answer these questions, look at the responses to statements including:

- Which industries provide the best opportunities for future economic development?
- Compared to other industries, how important a role do you think tourism should have in the community's economy?

In addition to understanding how much and what kind of tourism is desired, it is important to know how residents feel it should be managed. The results will indicate the level of support for planning, zoning, citizen involvement, and restriction of tourism development. Here you should look at responses to the statements:

- It is important that community residents be involved in decisions about tourism.
- The community should develop plans to manage the growth of tourism.
- The number of jobs produced by tourism is the best measure of success for the community.

**Caution:** Simply because a majority of survey respondents feel that the overall benefits of tourism outweigh the negative impacts, the committee should not feel it has free-reign to develop tourism as it sees fit. Likewise, if a majority feel that the overall benefits of tourism do not outweigh the negative impacts, the committee should not necessarily abandon tourism planning efforts. You will want to look at the data more closely to find out what specific concerns what residents have so that the committee can address them as part of the overall assessment and decision-making process. This closer analysis will better help you determine how to proceed at this early stage.

**Specific Disadvantages and Advantages**

In addition to understanding overall support, it is also important to know how residents feel tourism affects specific aspects of the community. Look at the frequency of perceived potential negative impacts--traffic congestion, crowded recreation areas, higher taxes, etc. Written comments are also a good source for identifying potential problems, and determining which areas/attractions residents do not want promoted. Also look at the percentage of respondents perceiving potential advantages--more employment, better parks and recreation facilities, overall appearance of the community, etc.

**Varying Attitudes Among Community Segments**

While it is useful to obtain community-wide averages regarding perceptions of disadvantages and advantages and overall costs and benefits of tourism development, it is also beneficial to know how different segments of the community feel. Your analysis should compare attitudes of people in different occupation groups, age groups, and educational levels. Other comparisons could include attitudes of residents whose jobs are dependent on tourism versus those whose are not dependent, and residents who have lived in the community for a large portion of their life versus those who have recently moved to the community.

You can do this comparative analysis by dividing respondents into segments. For example, if you wanted to examine how peoples' job dependence on tourism influenced their attitudes toward tourism, you would first separate those respondents whose job depended on tourism from those whose job did not depend on tourism (based on question #3 in Part 5 of the survey contained in Form 3-1). Then, for each segment, you would compute frequencies for all answers in the survey, and compare the results.

For example, for the statement, *The overall benefits of tourism outweigh the negative impacts*, the frequencies for the two job dependency segments may look like this:

	Job dependent on tourism	Job not dependent on tourism
Strongly Disagree	1%	20%
Disagree	10%	35%
No Opinion	15%	10%
Agree	44%	25%
Strongly Agree	30%	10%

If you find different levels of support or areas of concern among the different segments, you should make focused efforts to address the issues in order to keep widespread community involvement in the assessment process. These efforts might include public education via the media or facilitated community meetings. For example, you may want to meet with representatives of segments who feel they will be negatively affected (e.g.: anglers who feel tourism will cause overfishing on local waters, long time residents who feel they will be displaced by rising property values caused by tourism, etc.). These meetings can help you better understand these groups' concerns--concerns which should be detailed in your tourism plan. If you show these groups that you will take steps to mitigate the problems they think tourism will cause, you may eventually win their support.

**INTEGRATING THE RESULTS INTO A MANAGEMENT PLAN**

Integrating the attitude survey results into a tourism management plan can be a difficult step. It requires careful consideration and understanding of the "big picture."



The following thoughts can help in this integration.

### Should the Majority Rule?

Deciding what percentage constitutes general support or general disagreement is difficult. A simple way to treat the issue is as a vote—that is, the majority rules. However, doing so tends to ignore the complexities of tourism development, and may result in a decision that is not best for the community.

Unless there is very strong support or disagreement (over 70% or so), it is wise to look at the spread of the responses. In other words, do people strongly agree or disagree, or are their opinions more moderate? A community strongly polarized may have more difficulty reaching a compromise about the issues.

Also, consider if a lot of people have no opinions about statements/questions. People may have no opinion for several reasons: the issues may not be relevant to them; they do not know enough about the issue and are deferring making an answer; or they simply may not have made up their minds about the issue.

### Weighing Overall Support Against Specific Concerns

Weighing overall support for tourism against specific concerns and goals is part of seeing the “big picture.” Several scenarios, and some suggestions for management plans, are outlined below.

### Positive Overall Support, Few Specific Concerns

If the community generally sees tourism positively, and has few specific concerns, then the committee can probably proceed with its tourism planning efforts. You should manage your tourism development effort with two primary goals:

1. Enable those who had negative attitudes to see benefits in the future.
2. Give those who expressed positive attitudes no reason to change them!

**Remember:** residents may feel positively about tourism simply because they have had no exposure to it. If exposed to negative impacts, they may quickly change their attitudes.

### Positive Overall Support, Some Specific Concerns

If the community generally sees tourism positively, but has concerns about how it will impact specific aspects of the community, then the committee should proceed with special caution. In this instance, as with many industries, the community may want the jobs that tourism will provide, but do not want the negative “side-effects” that may result from the industry.

The goal of the committee in this case may be to help manage tourism so that it provides economic gain to the community, but does not cause residents to have negative attitudes about its “side-effects.” Negative attitudes can be prevented in two ways: ensuring that tourism does not negatively impact the community in the manners feared; and, educating the community about the impacts that are and are not caused by tourism.

### **Perceptions and reality**

*When residents identify their perceptions of negative impacts, the committee often wonders, “Do those perceptions reflect reality, or are they misconceptions?” This is directly tied to the question, “Do we change negative attitudes through education or by fixing a real problem?” The answer to both questions usually is, “A little of both.”*

*Start with the assumption that nobody wants negative impacts to occur, or even be perceived, in a community. This is regardless of whether one is “pro-tourism” or “anti-tourism”. Obviously, a community goal is to reduce the negative impacts from any industry or activity on its residents.*

### Negative Overall Support, Specific Concerns

If the community generally sees tourism negatively and has specific concerns about the negative impacts it will cause, the committee should probably not continue with its tourism planning efforts. However, this may be a great opportunity for the committee to redirect its focus, perhaps to fixing some of the community concerns identified in the study. In other words, a problem identified as potentially being caused by tourism may be a sensitive issue because it already is a problem.

For example, if the community already feels burdened by traffic congestion, people may fear tourism because it could worsen that burden. In this case, the committee (or a whole new committee) could work to alleviate traffic congestion. If, in the future, the concerns identified by the community are at an acceptable state, attitudes toward tourism could again be assessed and tourism development could be reconsidered.

### Equity Among Community Segments

Ideally, the costs and benefits of tourism should be distributed equitably among all portions of the community. While not everyone will receive the same benefits, it should be ensured that one segment will not bear the burdens of tourism without receiving a fair share of the benefits. Examining attitudes and perceptions of different segments can help identify groups who feel they are not receiving an equitable share of tourism's benefits.

For example, suppose that those whose jobs are not dependent on tourism feel that they do not receive their "fair share" of benefits from tourism, but bear many of the impacts of tourism (traffic congestion, crowded recreation areas, etc.). You can approach this group with two strategies. First, you can educate them about the overall community benefits of tourism. You can show that many industries provide direct economic benefits to only a few workers, but general benefits to many. For example, the timber industry in a community may employ relatively few people and cause community-wide impacts to natural resources and recreation. But, it also provides inexpensive wood

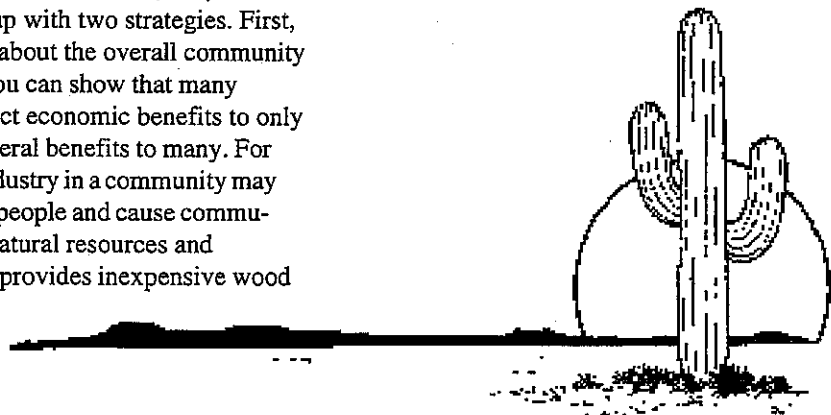
products, and helps the community's economy through indirect expenditures and taxes. A similar case could be made for tourism.

A second strategy could be to provide these groups with a tangible benefit from tourism. For example, some communities have a resort tax—a tax on goods and services usually purchased by tourists. The funds from this tax will often go to a community infrastructure project, such as a new park, sewer system, or sidewalks. A simpler technique may be to solicit donations from local tourism businesses. These donations could fund an end-of-the-tourist-season community picnic—or some other event/project that provides a tangible return to all community residents.

### Education and the "Big Picture"

Integrating the results of the attitude assessment is not an easy task, and it will be revisited later in this Assessment Process. In Section 9, the committee will perform an Impact Analysis to help identify measurable and *unmeasurable* benefits and costs of specific tourism development projects. When the costs and benefits are clearly identified, and put in perspective with each other, residents can better make a decision on whether or not tourism is a good choice for the community. The results are perhaps the best educational tool the committee can use to keep the broader community informed of the tourism assessment process.

At the present time, however, the committee should pursue education and communication strategies within the community to address concerns expressed in the survey. If these opinions are (perceived to be) ignored, groups could become even more negative and try to obstruct your community development effort.



# Attachment 3-A

## Mail Survey Options

### OPTION 1

See text of this chapter.

### OPTION 2

For this option, data entry and analysis is done by hand. This option is included for communities that do not have the computer skills or hardware to do data entry and analysis.

Analysis of questionnaire data by hand is relatively simple. To determine percentages of specific responses to questions, simply divide the number of specific responses by the total number of people who answered that question. For example, if the number of people who answered the question is 200 and the number of those that answered the specific response for "Strongly Agree" is 50, the percentage of "Strongly Agree" would be 25%. Since the questionnaire is designed to be easy to interpret and analyze, hand tabulation of the data is not seen to be a problem. It is however, slower than using the computer program.

### OPTION 3

Some communities might see the attitude assessment as a step they want to have outside assistance do completely for them. This option would be to contract a public or private agency, such as ITRR, to do all the work and report the results. The contracted agency follows the steps in the manual.

### OPTION 4

This option is similar to option 3 in that an outside agency would be used to complete the attitude assessment. The difference is that the outside agency could redesign the survey with different objectives or use a different methodology such as telephone interviews or face to face interviews. This option would increase the cost to the community.

### Costs of Survey

#### Option 1

Costs are estimated with 350 questionnaire packets in the first mailing, 350 reminder postcards and 250 replacement questionnaire packets. Each questionnaire packet is mailed with a postage paid business return envelope.

#### Printing costs

Questionnaires	600 at \$0.21 @ =	\$126.00
Cover letters	600 at \$0.07 @ =	\$42.00
Postcards	350 at \$0.05 @ =	\$17.50
Envelopes	1200 at \$0.12 @ =	\$144.00
<b>Total</b>		<b>\$329.50</b>

#### Postage costs

Initial outgoing questionnaires	350 at \$0.55 @ =	\$192.50
Outgoing postcard	350 at \$0.20 @ =	\$70.00
Replacement questionnaires	250 at \$0.55 @ =	\$137.50
Incoming return questionnaires	227 at \$0.32 @ =	\$72.64*
<b>Total</b>		<b>\$472.64</b>

(\* This assumes a 65 percent response rate.)

Reformatting of questionnaire if needed to add question(s). \$50.00

**Total estimate of costs \$852.14**

#### Option 2

Costs would be the same for option 2 as for option 1 except for increased volunteer time to tabulate and analyze surveys by hand.

#### Option 3

Printing and postage costs for option 3 would be the same as those for option 1. There would be a dramatic increase in total costs due to agency salaries. Estimates of salary costs to the community are \$4,500.00. This plus the \$852.14 in printing and postage gives a total of \$5,352.14.

#### Option 4

It is impossible to estimate costs for this option with any degree of accuracy.

## Attachment 3-B

# Creating a Mailing List from the Telephone Book

1. Determine if the telephone book contains one or several communities. If there are several communities, the procedure is to only count those listings from the community involved in the assessment.
2. Determine the number of full pages in the telephone book for your community only.
3. Divide the number of pages into 400 to determine the number of names per page to be selected for sampling. This will account for businesses and government listing that will randomly be selected by the process.
4. Estimate the average number of names on each page by counting the number of names on 5 pages of the book and averaging the total numbers per page. Count every number on the page in doing this.
5. Divide the average listings per page by the number of names to be selected per page to get the interval used (n) to select specific listings for the sample.
6. Randomly select a starting name then take every nth name. (The nth name is the interval from step 5.) Create a list of names and addresses to use for your mail survey list. Give each an identification number. You will mark this ID# on the surveys sent out to help you track responses.

**Note:** If a business or government number is selected, the procedure is to go to the nth listing that follows the business listing. Do not substitute the next listing for the business or government listing. When two names are listed for one phone number, one is randomly selected to reduce the chance of sampling bias.

# Attachment 3-C

## 1st News Release

FORRELEASE  
Date, 1996

CONTACT: JaneDoe  
OR 000-0000

### RESIDENTS ASKED TO VOICE THEIR OPINIONS OF TOURISM IN UPCOMING MAIL SURVEY

Recently the Community Tourism Action Committee was formed to investigate developing a local tourism industry in order to strengthen the local economy through diversification. This group needs broad input from local residents in order to decide whether or not to further pursue this strategy. The committee also needs to know what local concerns must be addressed in any strategies that are adopted. They need to know how local citizens see tourism affecting their own life, local business, access to services, taxes, costs of living, etc.

In the next few days a randomly-selected sample of households will receive a questionnaire in the mail. Please take the time (10-15 minutes is all) to fill out and return it. All your responses will be kept confidential, so we ask you to be frank. Help your community help itself!

If you were not selected for the random survey and want to be involved in this community effort, we encourage you to attend, the next committee meeting at ? pm on ??, ?? th.

**2** Lewistown News-Argus Wednesday, March 2, 1994

## Tourism survey being distributed

Your view counts on an upcoming survey regarding tourism development. Lewistown was recently selected as one of three Montana communities to undergo a year-long tourism program, assisted by Travel Montana, MSU Extension Service, US Forest Service and the Institute for Tourism & Recreation Research.

In the next few days, a randomly-selected sample of households will receive a questionnaire from the ITRR and the Lewistown Area Chamber of Commerce. Please take the time (about 10-15 minutes) to fill out and return the survey to ITRR. All responses will be kept confidential, so please be frank.

The Central Montana Tourism Assessment Committee was formed to investigate developing the local tourism industry in order to strengthen the local economy. This

group, comprised of Central Montana residents, needs input from area citizens in order to decide whether or not to pursue this strategy.

The committee also needs to know what local concerns must be addressed in any strategies that are adopted. They need to know how local citizens see tourism affecting their own life, local business, access to services, taxes, costs of living, etc.

If you were not selected for the random survey and want to be involved in this community effort, you are encouraged to attend the next committee meeting at 7 p.m. Thursday, March 17, at the Yogo Park Inn, or call Webb Brown at 538-5436.

The local committee is funded by the chamber, City of Lewistown, and Bureau of Land management.



# Attachment 3-C

## 2nd NEWS RELEASE

FORRELEASE  
Date, 1996

CONTACT: JaneDoe  
OR 000-0000

### TOURISM SURVEY CONTINUES COMMUNITY MEMBERS ASKED TO RESPOND

The survey of local residents' opinions about tourism is continuing. A number of local residents were selected at random and asked to complete a questionnaire that will provide information to the Community Tourism Action Committee. If you have not yet returned your questionnaire, you will be receiving a replacement questionnaire in the mail.

Please take the time (10-15 minutes is all) to complete and return your questionnaire. All your responses will be kept confidential, so we ask you to be frank. Help your community help itself!

If you were not selected for the random survey and want to be involved in this community effort, we encourage you to attend, the next committee meeting at ? pm on ??, ??.

**8** Lewistown News-Argus Wednesday, March 16, 1994

### Local response crucial

# Complete, mail now tourism surveys due

The questionnaires mailed recently by the Lewistown Area Chamber of Commerce and the Institute for Tourism & Recreation Research should be completed at this time.

A number of local residents were selected at random and asked to complete a survey regarding tourism impacts. If you received a survey and have not returned it yet, a replacement will soon be mailed to you.

The survey is the first step of the Central Montana Tourism Assessment Program. Lewistown was selected as one of three Montana communities to undergo the year-long program. The local committee, funded by the Lewistown Area Chamber of Commerce, the

City of Lewistown, and the Bureau of Land Management, is assisted by Travel Montana, MSU Extension Service, US Forest Service, and the Institute for Tourism & Recreation Research.

Local response to this survey is crucial. According to Webb Brown, local coordinator, "We need area residents to tell us how we proceed with tourism as an industry. No one else can do it for us."

About 10-15 minutes is required to complete the survey, which then will be returned to the ITRR.

If you were not selected for the random survey and would like to be involved, call Brown at 538-5436 or attend the next committee meeting at 7 p.m. Thursday, March 17, at the Yogo Park Inn.

# **Attachment 3-D**

## **Timeline for the Resident Attitude Survey**

### **Based on Option 1**

#### **WEEK 1 AND 2**

Selection of task force to conduct the attitude assessment.

Identification of community specific question.

Preparation and printing of questionnaires, cover letters, reminder postcards, and envelopes.

Generation of mailing list.

ID numbers matched to names and placed on questionnaires.

Preparation of questionnaire packets for first mailing.

#### **WEEK 3**

Press release in media.

First mailing of questionnaires.

Removal of names from mailing list as surveys returned.

Start of coding and data entry.

#### **WEEK 4**

Reminder postcard sent to non-respondents.

Removal of respondents names from mailing list.

Coding and data entry.

#### **WEEK 5**

Replacement questionnaire sent to non-respondents.

Removal of respondents names from mailing list.

Coding and data entry.

#### **WEEK 6**

Removal of respondents names from mailing list.

Coding and data entry.

#### **WEEK 7**

Data analysis and preparation of results for report to committee.

## **Attachment 3-E**

### **Example of first cover letter**

[Note: Put on community letterhead if available.]

Dear Community Member:

I want to take this opportunity to encourage you to complete and return the enclosed questionnaire. I support the Community Tourism Action Committee's effort to determine the potential for tourism development in our community. My support is based upon the process being followed by the committee, which does not assume up front that tourism will be a good option for us. Rather, the process seeks the answer to the question, "Is tourism good for us or not?" Or, in other words, "Is tourism an economic development strategy our community should pursue?"

The enclosed questionnaire is really the first step in the assessment process. The committee seeks to gain an understanding of the level of support for a local tourism industry and the concerns you may have about such a development. The results of this survey will tell the committee if it should proceed or not. And, it will reveal what concerns must be addressed along the way.

There is an identification number on the questionnaire that will allow us to remove you from our mailing list when you return the questionnaire. We will not associate your answers with your name.

Please take this opportunity to express your opinions and concerns. Take part in this process that seeks to benefit the entire community. It can only succeed with widespread community input and support.

With sincere thanks for your interest and effort.

, Mayor (or other local official)

## **Attachment 3-E**

### **Example of second cover letter**

[Note: Put on community letterhead if available.]

Dear Community Member:

In the past two weeks you should have received a questionnaire from the local Community Tourism Action Committee. I hope that you took the time to complete the questionnaire and return it to the committee to help them gain an understanding of the level of support for a local tourism industry and the concerns you may have about such a development. The results of this survey will tell the committee if it should proceed or not. And, it will reveal what concerns must be addressed along the way.

If you have already returned a completed survey, let me express my sincere gratitude. If you have not yet returned your survey, allow me to encourage you to do so. This is your opportunity to give frank, confidential input to a process that seeks to benefit the entire community.

Let's get a 100% response on this survey so that the effort can proceed in full recognition of our community's perspectives, issues, and concerns. Thank you for your time and effort.

Sincerely,

Mayor ( or other local official)

## Attachment 3-E

### Example of reminder postcard

Dear Community Member:

Last week the Community Tourism Action Committee mailed you a questionnaire concerning your attitudes toward tourism. It is very important to our community's tourism assessment process that we receive responses from all residents that were mailed surveys. Only a sample of people in our community were chosen to participate and everyone's response is very important. Please respond as soon as possible.

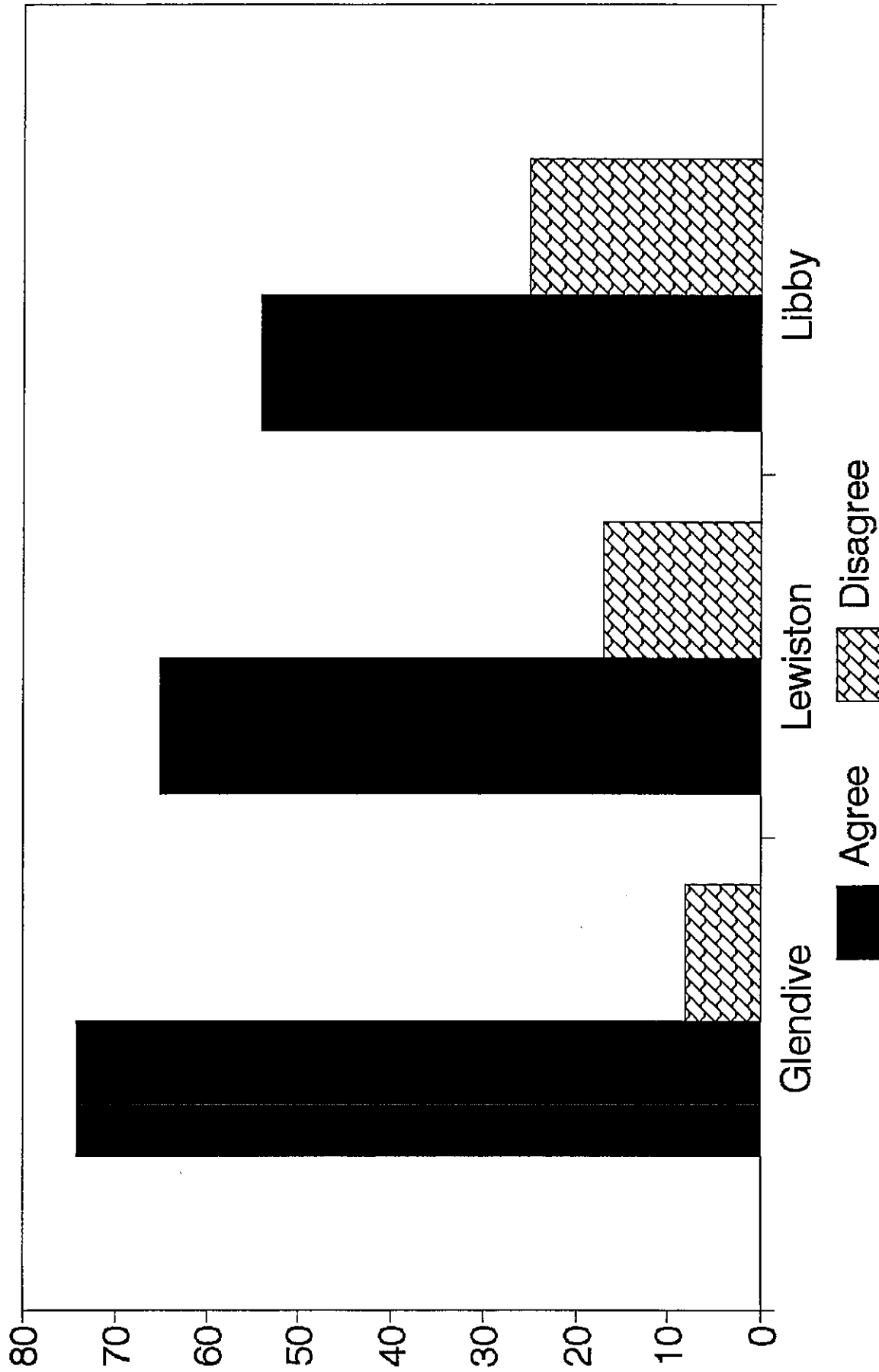
I appreciate your cooperation in the study and look forward to receiving your completed questionnaire. If you have already responded, thank you.

Sincerely,

John Doe  
Community Tourism Action Committee

# The Overall Benefits of Tourism Outweigh the Negative Impacts

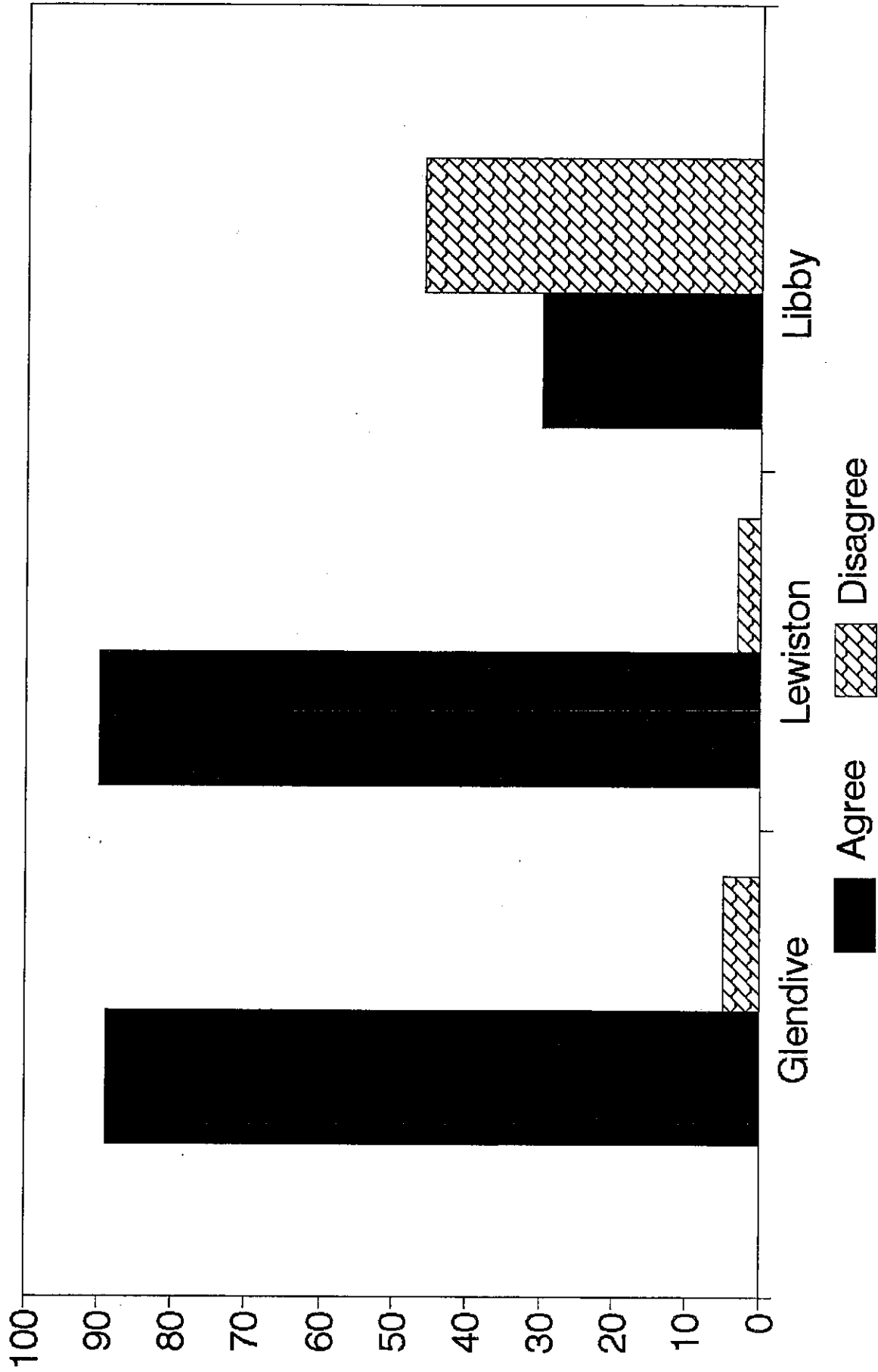
Attachment 3-F



Do not add to 100% because "unsure" and "no opinion" responses not included.

# It is Important Community Residents be Involved in Decisions about Tourism

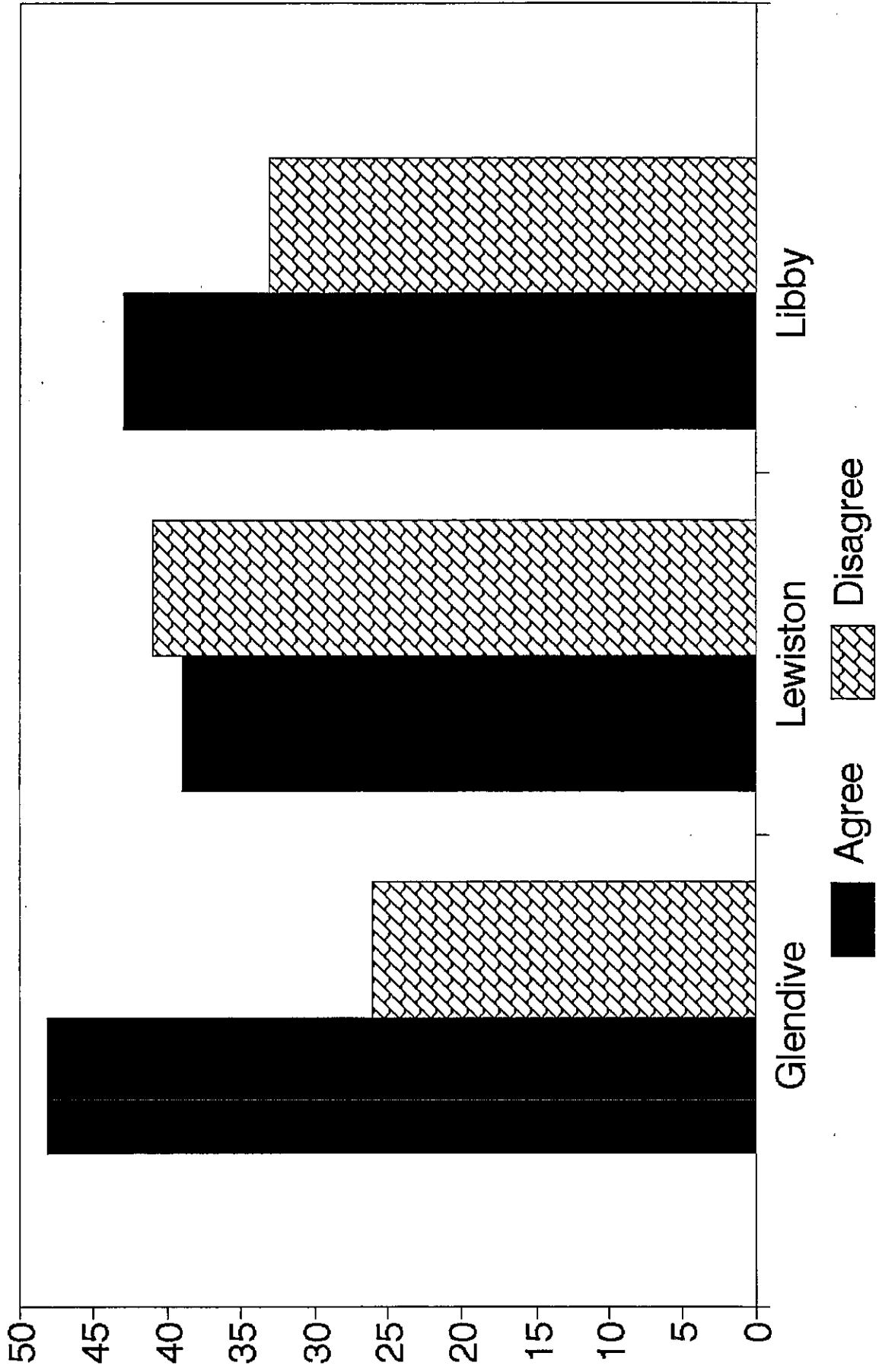
Attachment 3-F



Do not add to 100% because "unsure" and "no opinion" responses not included.

# Number of Jobs Produced by Tourism is Best Measure of Success for Community

Attachment 3-F

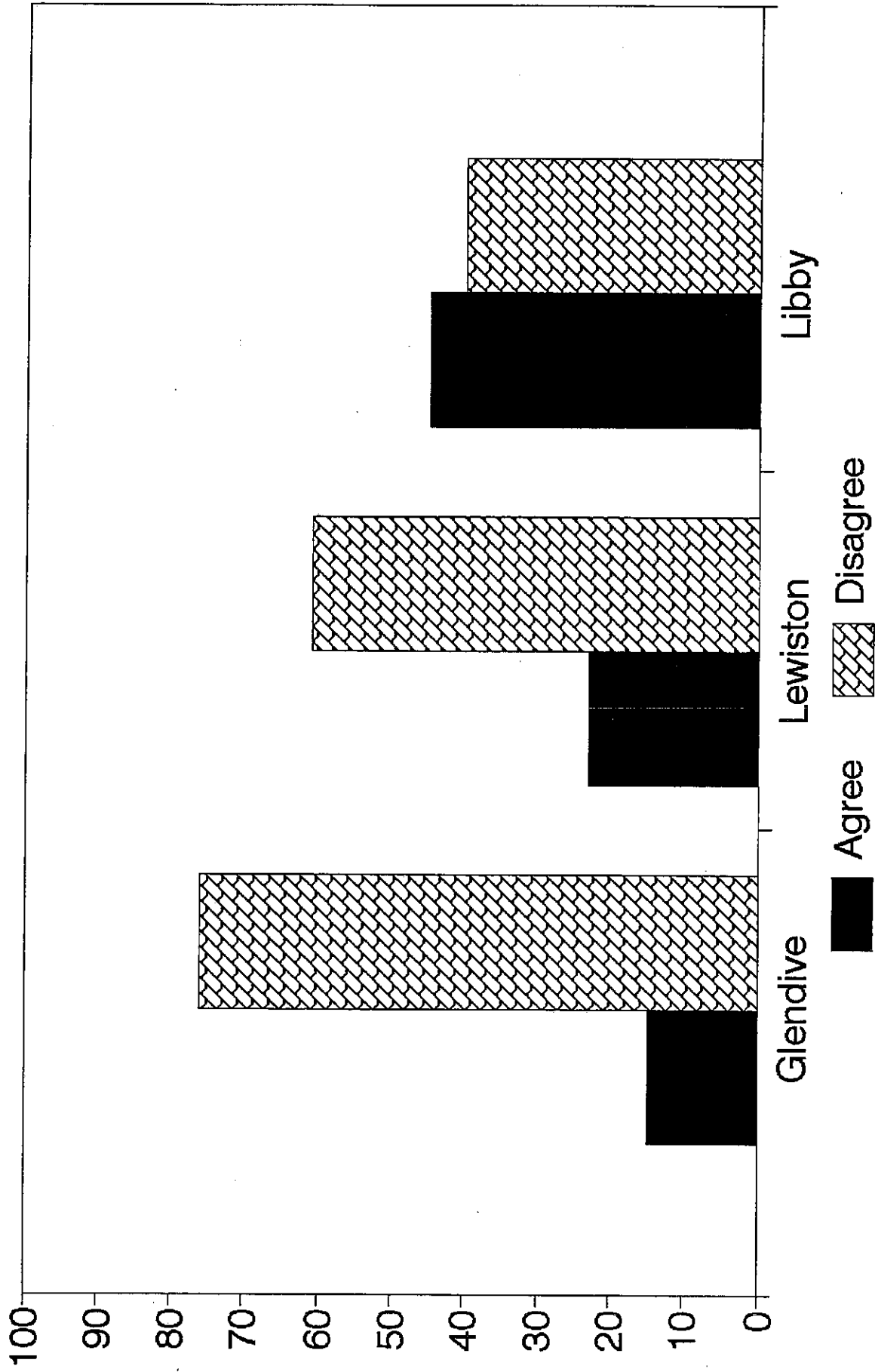


Do not add to 100% because "unsure" and "no opinion" responses not included.



# Tourists Add Greatly to the Traffic Problems in My Community

Attachment 3-F



Do not add to 100% because "unsure" and "no opinion" responses not included.

**Form #3-1**

---

**RESIDENTS' OPINIONS  
ABOUT TOURISM  
IN THE  
COMMUNITY**

---

**Part 1: Your Opinions About Tourism in the community**

Please indicate the amount you agree or disagree with each of the following statements about tourism in the Community. There are no right or wrong answers, we only want your opinions.

Please check (✓) one response for each statement. If you have not formed an opinion about an issue, please check the response in the far right column — "No Opinion".

NOTE: In this survey, "tourists" refer to visitors to the Community who live outside the Valley.

	STRONGLY DISAGREE	DISAGREE	AGREE	STRONGLY AGREE	NO OPINION
1. The tourism industry provides many worthwhile employment opportunities for Community residents.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Tourism encourages investment in our local economy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Most of the jobs in the tourism industry are low paying.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The environmental impacts resulting from tourism are relatively minor.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The overall benefits of tourism outweigh the negative impacts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. A good way to manage development in the Valley is through land use zoning.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Tourists add greatly to traffic problems in the Community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. The Community is becoming overcrowded because of more tourists.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Tourism is responsible for too fast a rate of development in the Community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Tourism has increased the number of crime problems in the Community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Tourists crowd out local residents in good recreation areas.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Part 2: Specific Concerns About Tourism**

Listed below are possible disadvantages that you or the Community may experience as a result of increased tourism.

Please choose the three (3) biggest disadvantages and write the letters in the appropriate boxes.

- A Traffic congestion
- B Crowded recreation areas and facilities
- C Higher prices for goods and services
- D More crime
- E Higher taxes
- F Environmental impacts
- G Overdevelopment
- H An increase in the cost of real estate
- I Too many out-of-state hunters
- J Out-of-staters relocating to the area
- K Other: \_\_\_\_\_

BIGGEST  
 DISADVANTAGE

NEXT BIGGEST  
 DISADVANTAGE

THIRD BIGGEST  
 DISADVANTAGE

- STRONGLY DISAGREE
- DISAGREE
- AGREE
- STRONGLY AGREE
- NO OPINION

- 12. Tourists are a burden on the Community's services.
- 13. Our household standard of living is higher because of money tourists spend here.
- 14. The quality of life in the Community has improved because of tourism.
- 15. Tourists do not pay their fair share for the services they use.
- 16. I would prefer that tourists visit our area but not move here.
- 17. Increased tourism would help the Community grow in the "right" direction.
- 18. The Community should take steps to restrict tourism development.
- 19. It is important that Community residents be involved in decisions about tourism.
- 20. Decisions about how much tourism we should have in the Community are best left to the private sector.
- 21. The most important factor in determining how much tourism to have in the Community is the impact on local quality of life.
- 22. The Community should develop plans to manage the growth of tourism.
- 23. The number of jobs produced by tourism is the best measure of success for the Community.

**Part 3: Specific Goals For Tourism**

Listed below are possible advantages that you or the Community may experience as a result of increased tourism.

Please choose what you feel are the three (3) biggest advantages and write the letters in the appropriate boxes.

- A Employment opportunities
- B More or better parks and recreational facilities
- C A more vital and active local economy
- D Social or cultural interaction with people from other states and countries
- E The overall quality of life in the community
- F The overall appearance of the community
- G An increase in the value of real estate
- H Other: \_\_\_\_\_

BIGGEST  
 ADVANTAGE

NEXT BIGGEST  
 ADVANTAGE

THIRD BIGGEST  
 ADVANTAGE

**Part 4: The Role of Tourism in the Community Economy**

1. In your opinion, which of the following provide the best opportunities for future economic development in the Community?

Please rank, 1 through 6, with "1" being the best opportunity.

- \_\_\_ Mining
- \_\_\_ Agriculture/Agribusiness
- \_\_\_ Tourism/Recreation
- \_\_\_ Wood Products
- \_\_\_ Manufacturing
- \_\_\_ Retail Sales
- \_\_\_ Other: \_\_\_\_\_

2. Compared to other industries, how important a role do you think tourism should have in the Community economy?

- \_\_\_ A minor role
- \_\_\_ A role about equal to other industries
- \_\_\_ A dominant role

**Part 5: Developing Tourism in the Community**

A local committee is assessing the Community's potential for tourism development as part of the Community Tourism Assessment Program. If the committee determines that there is potential for tourism development, as well as resident support, they will be identifying possible tourism development projects that will benefit the Community and its residents. *In the space below, please offer any ideas you may have for tourism development projects in the Valley.*

**Part 6: About You**

1. How much do you feel tourism affects you personally, either positively or negatively, in terms of economics, culture, and recreation? How much do you feel you are affected overall? (Please check (4) one response for each item.)

	VERY NEGATIVELY AFFECTED	SOMEWHAT NEGATIVELY AFFECTED	NOT AFFECTED	SOMEWHAT POSITIVELY AFFECTED	VERY POSITIVELY AFFECTED
ECONOMICS:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CULTURE:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECREATION:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OVERALL:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. What is your current occupation? (Please indicate what kind of work you do, not for whom you work. If you are a student, a homemaker, unemployed, or retired, please so indicate.) \_\_\_\_\_

3. If you are employed, in which of the following industries do you work?

- Agriculture
- Mining
- Forestry
- Education
- Government
- Other, please specify \_\_\_\_\_
- Retail/Wholesale Trade
- Services (incl. health/professional/lodging/recreation)
- Finance/Insurance/Real Estate
- Manufacturing/Construction
- Transportation/Communications/Utilities

4. If you are employed, to what extent do you feel tourism affects your job? Is your job dependent on the tourism industry? Or, do you feel that tourism negatively impacts your job? (Please check (✓) one response.)

	VERY NEGATIVELY IMPACTED	SOMEWHAT NEGATIVELY IMPACTED	NOT AFFECTED	SOMEWHAT DEPENDENT	VERY DEPENDENT
MY JOB IS:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Were you born in this state?  Yes  No

6. How many years have you lived in this state? \_\_\_\_\_

7. How many years have you lived in the Community? \_\_\_\_\_

8. What is your age? \_\_\_\_\_ Your gender?  Male  Female

9. What is the highest level of education you have already completed?

- Grade school (1-8)
- High school (9-12)
- Vocational school
- Some College
- College graduate
- Post-graduate study

10. (Optional) What was your approximate annual household income in 1994, before taxes?

- less than \$10,000
- \$10,000 to \$19,999
- \$20,000 to \$29,999
- \$30,000 to \$39,999
- \$40,000 to \$49,999
- \$50,000 to \$59,999
- \$60,000 to \$69,999
- \$70,000 or more

11. Do you have any other concerns related to tourists or tourism development that were not addressed in this questionnaire? For example, are there places or events that you would or would not want promoted as tourist attractions?

12. What is your vision of the Community's future and what role should tourism have in that future?

Please place your completed questionnaire in the postage paid envelope provided and drop it in any convenient mailbox.

**Thank you!**

Four

# VISIONING AND GOAL SETTING

**H**ow do you see your community after tourism development?

*What do you want to see happen?*

*What is an acceptable level of change in your community?*

*How much of what type of tourism development fits with your image of your community's future?*

## PURPOSE

Through visioning you will lay out an image of what you would like your community to look like in the future. This image will help guide you in selecting tourism projects that will lead to the desired future rather than those that are likely to lead away from it.

Goal setting will establish a target level for community tourism development. Goals will help you know if your efforts are actually succeeding in achieving your vision.

## OBJECTIVES

At the end of this section, the task force will have:

- developed a vision statement.
- articulated and agreed upon the overall goals for the program.
- expressed strong commitment to work to achieve their vision.

## INTRODUCTION

Visioning and goal setting are extremely important steps in the community assessment and development process. In the visioning step community members attempt to look into the future and imagine what they would like their community to be. Such an effort involves identifying what is really valued or desired and trying to include those elements in a shared image of their community "being as good as it can be." The image can help community leaders decide among alternatives that are likely to lead to the desired future and those that are likely to lead away from it. It helps a community decide how much of any type of development will fit within its vision and determine what levels of change are acceptable. For example, the decision that preserving their small town atmosphere was most important to them led Townsend, Montana residents to scale back their tourism promotion plans.

Precisely defining goals means deciding what the community really wants out of tourism. For example:

- How many jobs, for whom, at what pay scales, for what seasons?
- What levels of income increase for community members?

Without set goals the community will not be able to monitor if its efforts are actually succeeding or not. Nor will it know when to stop further efforts. And, without clear goals it is difficult to select between alternative development projects.

Once goals have been agreed upon the community can develop the plans necessary to achieve them. Community members can decide what needs to be done to accomplish each goal, develop timelines and assign responsibilities to ensure the goals are met.



*Some communities have combined the visioning process with a local celebration, barbecue, or other social event to encourage attendance.*

## GETTING ORGANIZED

Since a vision is only as strong as those who share it, the action committee will want the broadest possible community participation at the visioning session. A concerted effort will be needed to get diverse representatives from throughout the community to turn out for the visioning session. Representatives from the following categories should be personally invited and encouraged to participate. (Also refer to the lists on Form #1-1 and Form #9B-3 for more groups to consider.)

- Historians
- Ministers
- Planner
- Local government
- Health field
- Agriculture
- Environmental Groups
- Newspaper/media
- Educators
- Native groups
- Elderly/Youth
- Industries
- Social Services
- Male/Female

Some communities have combined the visioning process with a local celebration, barbecue, or other social event to encourage attendance. Others have arranged car pools to help people attend.

## HOW TO CONDUCT THIS STEP

### *The Visioning Process*

Thorough community visioning efforts can take from one to three years. Indeed some like Goals for Milwaukee and Goals for Dallas have become ongoing programs with annual updates.

The process suggested here, however, is an abbreviated one incorporating one community wide meeting with a month for gathering community response to the draft vision statement. At the next meeting, the draft statement will be revised and adopted. A vision formed through even this abbreviated process can provide guidance to the action committee in establishing tourism development goals.

**Note:** If your community already has created a vision statement, then spend time reviewing that statement. Reconfirm it. Then move onto the task of Finding Tourism's Fit which is described at the end of this section (just before The Goal Setting Process) on page 4-3.

Attachment 4-A contains examples of vision statements written by some of the pilot communi-

ties. You may want to refer to these as you begin this process to get a better idea of the type of statement you will want to create.

## 1. Hold a Visioning Session

Ideally seek out an Extension agent or other experienced person in your area to facilitate the visioning process.

### *Facilities and Materials*

- A room large enough to sit all participants around tables is required. The room will need lots of wall space for hanging flip chart paper. Five or six sheets of flip chart paper will be needed for each small group of six to ten participants. Felt tip pens for each group are also needed. Index cards for individual writing and some extra pens or pencils help.

### *Meeting Agenda*

#### **Set the stage:**

- The person leading the session (a facilitator or the Local Coordinator) should introduce him/herself and have the participants introduce themselves, tell why they came and what they expect from the meeting.
- The leader should briefly explain the purpose of the meeting - to develop a shared vision of what residents would like their community to be ten to twenty years from now rather than looking at a set of disconnected problems and opportunities.

#### **Looking at the present:**

- Divide the participants into groups of four or five by asking people to count off by the number of groups. Counting off tends to mix people with others they may not know as well as the ones with whom they were originally sitting.
- Provide each group with flipchart paper and felt tip pens. Ask them to draw pictures with no words of their 5 favorite things to do and 5 favorite places to go in the area. An alternative is to have them list three reasons why they live in the community, why they want to stay.

- When finished, tape the sheets of paper to the wall and ask a representative from each group to explain their drawings. Leave the drawings on the wall for now.

**Looking back:**

- Have the whole group brainstorm their visions of the community in “yesteryear.” This should be a quick exercise to produce a list of impressions that the leader/facilitator records on newsprint
- Tape lists to the wall.

**Keeping the good:**

- Quickly review the sheets on the wall.
- Ask the group to identify what is the good they want to preserve in their community. What don’t they want to see lost or changed?
- Mark these items on the lists or add them if they aren’t already listed.

**Building the vision:**

- Ask participants to return to their small groups to complete the statement: “This is the year 2010 and (name of community) is as good as it can be. It is the kind of place where —” Suggest they consider the social, economic, and physical aspects of the community in their descriptions. Provide flipchart paper and pens for them to record key ideas.
- Have a representative from each group report back to the full group. Tape all pages on the wall.

**Creating the common vision:**

- Ask the whole group to pick out the commonalities of the visions from the small groups. Record them on separate sheets of flipchart paper, one each for social, economic, and physical aspects.
- Write a common vision statement.

**2. Seek out Additional Community Response to the Draft Vision Statement**

Between the visioning session and the next action committee meeting, the Local Coordinator will share the draft vision statement with members of the community who did not participate in the visioning session to gather wide public reaction to the statement. Copies can be sent or taken to other community groups to obtain their responses. It can be publicized by local media asking that reactions be channeled to the Local Coordinator.

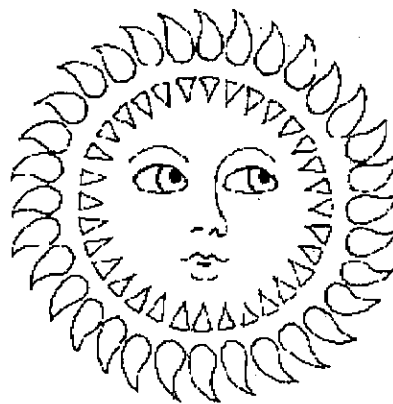
**3. Revise the Vision Statement**

At the next action committee meeting, the Local Coordinator will review with the members all input gathered since the visioning session. The committee will decide how and to what extent to revise the draft statement to reflect these responses. The revised vision statement will be used as the foundation for the goal setting process.

**4. Finding tourism’s fit**

- Ask the group how tourism can fit with the vision.
  - How can tourism help create the vision?
  - How might it hurt?
  - What forms of tourism, if any, would fit best with the common vision?
- Record the responses to keep for future consideration of tourism development.

The examples in Attachment 4-A show how some communities have integrated tourism into their vision for their future.





### **The Goal Setting Process**

The goal setting session is accomplished by conducting a "Nominal Group Process" to identify and prioritize project goals followed by small group descriptions and action committee agreement of desired goal levels. The nominal group technique was developed to involve all members in determining group goals. The technique is termed "nominal" because much of the work is done independently by group members. While conducted in a group setting, a good deal of the discussion that is part of normal group meetings is avoided. Since members initially identify ideas individually and are not influenced by group discussion, a broader range of ideas is likely to be suggested.

By involving all members in a highly structured exercise, the technique tends to reduce the influence of dominant personalities. From the start rules are listed stating "No criticism" of anyone's ideas and "No lobbying" for your own ideas. Thus a safe climate is established in which all members feel free to express themselves. The technique produces a large number of ideas and reduces them to a few top priorities much faster than a typical group discussion.

#### **1. Hold a goal setting session**

##### *Facilities and Materials*

A room large enough to sit all participants around tables is required. The room will need lots of wall space for hanging flip chart paper. Five or six sheets of flip chart paper will be needed for each small group of six to ten participants. Felt tip pens for each group are also needed. Index cards for individual writing and some extra pens or pencils help.

##### *Meeting Agenda*

- Review information gathered in previous steps of this assessment process.

The goal setting session begins with review of the attitude survey results, discussion of the visioning session, vision statement review and discussion of responses to the vision statement. The committee should also re-examine the Current Economic Profile and consider unemployment and migration figures available from the Department of Labor.

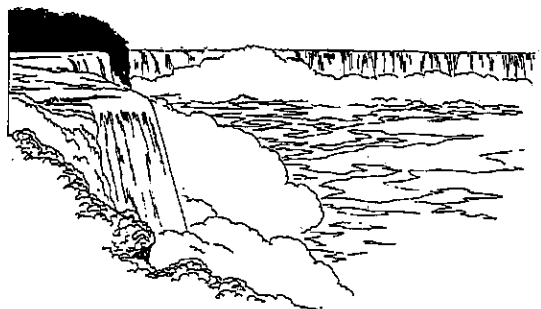
Attachment 4-B contains examples of goals written by some of the pilot communities. It would be helpful to review these samples as you begin this process to get a better idea of the type of statements you will want to write.

- Complete a nominal group process to define goals.
1. Ask group members to individually and silently write down all the ideas they can think of in response to the question:

What should the goals of our community tourism assessment and development project be? Think about economic, social/cultural, and physical/environmental goals.

Break the entire group down into groups of 6-10 to facilitate discussion and recording of ideas.

3. Ask each group to select a recorder. The recorder writes on the flipchart one idea at a time from each member going around the group in a "round robin" fashion. The rounds continue until all ideas have been recorded. There is no need to record the same idea more than once. While lobbying and criticism are to be avoided it is important for group members to ask clarifying questions if they don't understand an idea. The ideas should be numbered, and recorded large enough so they can be read by the entire group once they're taped on the wall.



4. Have each group examine its list of ideas to determine if any are so similar that one action would accomplish them both. If so, combine them into a single idea.
5. As each group finishes, ask its members to individually vote for the four ideas they feel are most important.
6. Next the recorders tally the votes for each idea, voting off ties until each group has arrived at four top priorities.
7. A second round of voting is conducted by the facilitator with the entire group voting on the top four ideas from each of the smaller groups. Again each individual gets four votes. No more than 6 top priorities should be identified for the entire group.
8. Once the top priorities have been identified, assign one table to each and ask participants to go to the goal that interests them most.

9. These new work groups are asked to describe their goal in as much detail as possible. Try to make goals quantifiable within a specific timeframe.

For example, increase family wage jobs by 10% over the next year. Attachment 4-B has more examples of the active nature desired in this goal writing process. The more concrete your goals, the easier it will be for you to build strategies to achieve them. For example, a Jobs Goal might be described as follows:

Total Number of Tourism Jobs To Be Created	_____
Number of Jobs at Specific Annual Wage Levels	
Under \$20,000	_____
\$20,000 -35,000	_____
\$35,000 and over	_____
Numbers of Seasonal Jobs	
Winter	_____
Spring	_____
Summer	_____
Fall	_____

What types of tourism development might provide the desired jobs?

# Attachment 4-A

## Sample Vision Statements

### COMMUNITY 1

The center of a diversified economy which operates compatibly with our long standing resource related industry, provides a stable, comfortable lifestyle for our families. Our communities are clean, green and healthy with forests and surrounding areas accessible to humans who respect the natural beauty and available opportunities. Our county has strong educational, cultural, social and recreational organizations and facilities that are attractive to residents and visitors.

### COMMUNITY 2

A small but safe, positively progressive community offering a strong economic base for individuals of all ages, receptive to all visitors, having modern transportation systems, endless recreational opportunities and a plethora of retail and service outlets for tourists and members of the community. It will also house and maintain exceptional medical, educational, business and cultural services for everyone.

### COMMUNITY 3

In the year 2010, our community is the best it can be. It is the kind of place where:

Scenic beauty is noticeable and cherished; we experience a high quality of life such as a clean and well-developed city and downtown area with strong business and agriculture climate. Diversity and sustainability of industry provides economic opportunity for good jobs and high pay.

Our natural resources are protected and preserved and our Big Spring water is plentiful and natural. Maintaining good clean air, environment and natural beauty of the area for all to enjoy.

The way of life is friendly, secure, comfortable and relaxed with a closeknit hometown atmosphere. Cooperation and acceptance among all people and an active community welcomes all well-behaved visitors.

History and heritage of the area is appreciated and maintained. People enjoy excellent schools, an

excellent hospital, and a variety of excellent cultural amenities; visitors are welcome, appreciated, and leave refreshed and ready to return.

Agricultural production is the core of the local economy and also shares in the tourism/visitor industry; children grow in a healthy and safe environment, with many recreational and cultural activities that are strongly supported by residents and visitors alike for the betterment of the community. Where we have in place the visual, functional, and historical features that make our town and region attractive areas to do business and live or visit.

### COMMUNITY 4

Any tourism development will:

- support multiple use of the resource base and thus be an integral part of a diversified economy
- foster synergy between tourism and other economic development strategies.
- include strategies to help ensure ability of locals to afford land and housing.
- retain access to traditional uses of public lands.
- preserve cultural heritage.
- create family wage paying jobs that will allow local residents, especially youth to remain in the community.
- keep benefits (\$) local by promoting local ownership.
- focus on projects developed in accordance with local culture and tastes.

Tourism will mean small numbers of people (no more than 15 at any one place at any time):

- coming on a year-round basis
- to enjoy and learn about the natural resources and cultural heritage
- through a wide range of activities (recreational, educational, etc.)
- carefully managed by a business organization that includes local residents
- who will share the economic benefits of preserving our environment.

## Attachment 4-B

### Sample Goal Statements

Note: Some statements would fit in more than one category.

#### ECONOMIC

- Minimum 10% increase in tourism-related jobs, personal income, and number of businesses within 4 years.
- Lengthen tourism season to 6 months, May through October.
- Continue to strive to attract light industry by emphasizing our tourism attractions.
- Capture 50% more tourist dollars within 4 years.
- Develop 400 unit RV park for snowbirds.
- Make our community a destination point.
- Get people to stay in area another day.
- Create more diversified jobs in the area.
- Local people should do the teaching, be tour guides, have other preferential economic opportunities and determine the scope and future direction of tourism activities.

#### SOCIAL/CULTURAL

- Provide a number of social activities, such as festivals, that would draw a wide range of tourists and residents.
- Celebrate our ethnic diversity.
- Organize more recreational offerings, concerts, and plays monthly.
- Afford increased social contacts to improve social skills for youth.
- Educate local residents about existing attractions.
- Develop intergenerational activities.
- Construct a community building.
- Educate local residents and visitors about natural resource management to foster respect for natural beauty.
- Seek to attract tourists who are respectful, tolerant, and interested in the local environment and quality of life.

#### PHYSICAL/ENVIRONMENTAL

- Increase transportation stability, i.e. air, bus, road, rail, and maintenance of same.
- Pursue quality/zoned growth in area.
- Install new water system.
- Undertake long-term cleanup of entrances to town.
- Complete restoration of downtown within 10 years.
- Make better access to the river/safety factor.
- Provide more amenities with campgrounds.
- Improve the appearance of human-related visual pollution along travel routes.
- Improve sidewalks.
- Push for planned growth with complete county wide plan.
- Make special efforts to preserve sensitive areas that relate to plant and wildlife and historical significance.

## Five

## TOURISM MARKETING BASICS

**H**ow does a community effectively attract tourists and at the same time benefit from tourism?

What is the difference between supply and demand driven marketing?

Why is it important to consider tourism from the demand perspective?

What are five basic questions to consider when undertaking tourism marketing?

### PURPOSE

Studying key marketing basics will help your community action committee to view tourism development from the tourists' perspective and consequently to more effectively market the area to tourists while enhancing the community's well-being.

### OBJECTIVES

By the end of this step, the community action committee will be able to:

- preliminarily assess tourism development projects from a demand-driven marketing perspective.
- determine if potential development projects will bring value to both buyers and sellers.

### HOW TO CONDUCT THIS STEP

This step is a self-study type of step. It does not require your action committee to go out and gather any information or to make any decisions. You will need to:

- review the material contained in this section of the handbook.
- complete an activity to help make the ideas more concrete for your community.

You can simply study through the information on your own. However, you may want to invite a College of Business marketing professor, an Extension Business Specialist, or a professional from a marketing service, the state tourism office, Small Business Development Center, or a tourism attraction to come talk with you about the issues contained in this section. Their personal experiences and examples can help you better understand the concepts and how they relate to your community's tourism development process.



### STUDY MATERIAL

In tourism markets the buyers are the tourists and the sellers are private businesses or government organizations. Marketing consists of activities that facilitate *satisfying exchange relationships* between the buyer and seller. A satisfying exchange relationship provides good value. A product, service or experience has value when the benefits are greater than the costs.

A satisfying exchange relationship involves all parties. This societal marketing concept embraces the needs of the buyers, in this case tourists, the community at large, and the public or private sector seller. **Effective marketing thus results in consumer satisfaction, protection of the public interest, and profit or other desirable outcomes to the provider.** According to this concept, the community needs to assess both the positive and negative impacts of any potential tourism development over the long run and not in just the near term.

To develop a harmonious tourism economy in your community you will need to consider several issues. Many of these issues will deal with effective marketing. This section of the handbook presents the concept of *demand driven marketing* and discusses five key questions you need to answer to assess the market potential of any tourism development.

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*The recipe for failure is the notion of I will build it and they will come.*

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### Supply and Demand Driven Marketing

Many communities are interested in tourism as an economic development tool. Local committees interested in tourism often start by looking solely at what the community currently has to offer.

This supply driven approach adopts the following philosophy: I have something to sell, and if I offer it, someone will want to buy it. While this may be a useful initial exercise for getting the committee thinking about tourism development, it can also lead the community in the wrong direction.

The lessons of marketing indicate that the most successful economic development activities will be consumer or demand driven and not attraction or supply driven. **Your community action committee should focus on what tourists need and want in a vacation experience.**

There are several reasons why demand driven tourism development is more likely to succeed than supply driven development. Consider the following reasons.

#### ■ *Tourism is DISCRETIONARY.*

Tourism is perhaps one of the most discretionary and voluntary purchases you and I make. As tourists you and I will only give of our time and money when it suits us. There are many choices available for tourists to spend their discretionary time and money. Local communities will only be successful in competing for the discretionary dollar by offering what tourists want, what is of value to them.



#### ■ *PREFERENCES of tourists rule.*

Successful tourism development hinges on fulfilling the interests of the tourists first. When considering tourism development, you may think to develop an attraction which is of local cultural or historical interest. For instance, Uncle Herman may have a rock collection and Aunt Martha a doll collection. People in your community know that the collections are the finest in the area and that considerable time and effort has been put into them. You feel sure that they have merit as a tourism attraction. The type of tourists that come to your area, however, may not be interested in rock or doll collections nor in the effort involved in assembling the collections. To determine the success of using the collections as the basis for a museum you need to assess tourists' interests in such collections. If demand is lacking, then the collections will not provide a successful basis for a tourism attraction.

#### ■ *COMPETITION for tourists is strong.*

Other communities in your area besides yourself may be considering tourism as an economic development tool. If so, the competition for the tourist discretionary dollar and time is likely to increase. Your community will need to offer something that is different from, equal or superior to what neighboring communities offer to entice sufficient numbers of visitors to your town to make tourism an effective tourism strategy. For example, if every community within a hundred miles of yours has an amusement park, then developing an amusement park is not likely to be an overwhelming success unless it's superior in some way.

### Five Basic Questions

To pursue a demand driven development strategy, five main questions need to be addressed.

1. Is the development going to provide value to the tourist?
2. Is the development going to provide value to the community?
3. Will the development have a competitive advantage?
4. What is the size of the potential market?
5. How does the development fit into the overall community tourism system?

### Value to the Tourist?

Many residents have a proud parent syndrome about their community. Initial tourism promotion activities often consist only of identifying the existing features that residents see as interesting and trying to market them. These features, however, may or may not have attraction to potential visitors.

Tourism marketing needs to begin with the question, *Does the development provide value to the tourist?*, to focus the product evaluation in terms of the probable interest to the consumer. Visitors are more likely to engage in activities and experiences in your community if they perceive them as meeting their personal motives and reaping real benefits to them.

A good way to think about this is to remember some of your own favorite tourism experiences.

- What did you do?
- Who was involved in the experience?
- Where did it occur?
- Would you go back and do it again if you could?
- Why?

Probably in answering these types of questions you came up with some of the tourism motivations identified by marketers. People vacation for a variety of reasons. Some of the most popular motives include:

- social interaction with family and friends
- experiencing different cultures
- sightseeing
- to be pampered
- get a break from the routine and stress
- achieve certain goals or experiences
- learn new things

Whatever tourism development your community considers, it should fulfill one or more of the tourism motives of typical visitors to your area. Then, the product will hold value to the tourist and be in demand.

One other critical point on value is that the benefits perceived by the tourist must outweigh the perceived costs in order for them to decide to spend some of their discretionary money and time

to visit your community. Tourists must feel that the experience they will have in your area is worth both the actual dollar expense and the trade-off of visiting another area instead. When the benefit-cost relationship is positive, tourists will voluntarily share of their dollars and time with your community. However, when the relationship is neutral or negative, then tourists are likely to spend their time and money elsewhere. Figure 5-1 shows some important factors for destination decisions from a recent survey of Montana visitors.

This concept ties back to the information you gathered on the reasons why people come to your area for your Visitor Profile. You will address this value issue further during the Attractions Inventory when you ask yourselves the question of *Is this attraction likely to be of interest to more than just local people?*

### Value to the Community?

As stated above, marketing deals with providing satisfying exchange relationships. So far we have considered this relationship from only the buyer's, or tourist's, perspective. But, a satisfying exchange relationship must provide value to both the buyer **and** the seller. As the seller, your community must also benefit from tourism development. Your community will benefit when the economic, social, and environmental impacts are more positive than negative, as you will explore in depth in Section 9. The vision statement and goals you have established will give you a strong foundation for weighing whether a proposed development will provide your community with what it values. They also are a basis from which you can build rules or guidelines for tourism development to better insure benefits accrue to the community and that residents feel positive about this economic development strategy, thus making them *willing hosts*.

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*Tourism development must provide value to both buyer and seller.*

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### Competitive Advantage?

Once your community has identified one or more tourism developments that you think will have value to the tourist and value to the community, then you must consider competitive advantage. A competitive advantage exists when the community offers something that the tourist wants and the offering is superior to offerings in neighboring communities. If there are too many suppliers of the same product, then there may be insufficient demand, in other words too few tourists, to keep the development profitable. Thus your community needs to investigate and monitor the existing availability of specific types of tourism products within the area before deciding to develop a new one as your community's product.

How large an area you should monitor depends upon the type of tourism product you are considering putting on the market. The trade area or geographical market for a major tourism attraction such as a resort or amusement park is likely to be rather large (500 miles or more). A motel with 30 to 50 units, in contrast, is likely to have a much smaller trade area of 100 miles or less.

You will consider this issue of competition further in the Inventory (6), and Project Identification (7), and Scoping (8), steps later in this process.

### Size of Potential Market?

The size of your potential tourism market depends greatly on the flow of tourists in and around your community. Four main travel segment types exist (see box). If your community is near a major attraction such as a National Park or amusement park, the potential size of your market is likely to be larger. Or, if your community is near a large urban area or the interstate highway system, the potential market also will be greater. Sometimes festivals or other attractions can serve as a magnet for community tourism development even when there is not a natural tourism flow near the community. Think about what you know about the flow of visitors in your area from your own experience and from what you learned in the Visitor Profile Study.

#### Four Travel Segments

##### Pass Through

- on vacation and just passing through the state
- avoid stopping

##### Touring

- on vacation, stay in 3 or more locations in the state
- unplanned, spontaneous, impulse location choices

##### Visiting

- visiting friends and/or relatives
- family and friends influence choices

##### Destination

- on vacation, stay in 2 or less locations overnight
- use tour operators and other advertising to plan trip

Other important features for determining the size of the market include potential tourists' need, ability, willingness, and authority to purchase your specific product. Key indicators of need, ability, and willingness to purchase are visitors' average income and their current tastes and preferences. Authority to purchase becomes a significant issue for attractions and activities with legal age limits like gambling and the consumption of alcoholic beverages.

Different types of travel market segments vary in terms of income levels and how they spend their discretionary dollars (see tables 5.1, 5.2, and 5.3). You may choose to target particular segments who you see as most likely to help you achieve your vision and goals. Attachment 5-A includes some other types of tourism segments you will consider in the group activity at the end of this section.

Efforts should be made to estimate the size of the tourism market for any development to establish its viability. Refer to the visitation information you gathered in the Visitor Profile section for this estimation. You will think about this some more in the Product Identification (7) and Economic Impact Analysis (9) steps later in the assessment process.



Table 5.1: Demographics of Montana Visitors, 1995

Demographic	Pass Thru	Touring	Visiting	Destination
Avg. adult age	51	51	50	48
Age oldest adult	53	53	52	51
Percent Retired	37	30	27	22
Income (Thous. \$)	47	48	51	55

Source: unpublished data, ITRR.

Table 5.2: Attractions, Montana, 1995 (Participation by Percent)

Attraction	Pass Thru	Touring	Visiting	Destination
Scenery	76	85	77	75
Viewing wildlife	34	54	44	45
Historic sites	26	44	25	26
Camping	26	44	25	26
Fishing	5	19	16	13
Hiking	9	21	12	17
Skiing	<1	2	8	5
Snowmobiling	0	<1	4	7
No activities	21	2	5	5

Source: unpublished data, ITRR.

Table 5.3: Expenditures of Montana Visitors, 1995

Expenditure	Pass Thru	Touring	Visiting	Destination
Avg. daily	\$73	\$98	\$85	\$111
Hotels	19%	21%	12%	18%
Camps	5%	6%	2%	3%
Gas	35%	24%	25%	18%
Restaurants	16%	19%	22%	20%
Groceries	9%	10%	13%	11%
Retail	11%	15%	18%	19%

Source: unpublished data, ITRR.

### The Community Tourism System?

To have a viable tourism market, a community must have a complete tourism system, not just individual parts. The major integrated parts of such a system are attractions, services, infrastructure, hospitality, and promotional efforts. Figure 5-2 shows how these elements intersect with the community and the potential tourist market to create a tourism system.

- **Attractions** are the core product your community has to market. They are what satisfy basic motivations for travel. Tourism attractions include natural attractions, opportunities for recreation or leisure activities, and cultural events.
- Once at a locale, tourists need a variety of **services and infrastructure**. Services include lodging, restaurants, laundries, gift shops, drug stores, grocery stores, and perhaps health

care and police protection. Necessary infrastructure includes streets, parking areas, and rest areas.

- Your community also needs to be **hospitable** to the tourist if your tourism industry is going to thrive. Efforts should be taken to train people who serve tourists so that they can provide information about attractions and service in and around the community in a helpful and courteous manner.
- The community needs to **promote** itself through the use of signs, maps, brochures, and other appropriate advertising tools.

The local community should try to combine their marketing efforts so that they will serve all of the tourists' needs while they are in the area. This is most likely to occur when there are sufficient attractions, lodging, restaurants, service stations, shops, infrastructure, and community hospitality. If a community lacks any of these basic elements, then this will tend to reduce the length of time tourists will spend in your community, the likelihood of them being repeat visitors, and the chances of them recommending a trip to your community to their friends and relatives.

The Inventory process you will conduct next will help you evaluate the status of your local community tourism system.

### GROUP ACTIVITY

**Time required:** 45 minutes

**Materials needed:** Large pad, easel, index cards and marker pens for each group.

#### Instructions:

1. Divide the group into several small groups. Ideally, you want to have at least 4 people in each break-out group. Each group will need a facilitator. Groups can either come up with responses together or fill out individual cards and then post them on one big sheet.
2. Ask each group to pretend that they are a particular tourist market group, such as Families with Children, Generation X, Baby Boomers, Seniors, Domestic Business Travelers, Eco or Nature Tourists, Heritage Tourists,

or Outdoor Enthusiasts. These traveler types are described in Attachment 5-A. Your community may have an interest in a particular market that is not depicted in the attachment. If you have some information about who comprises that market, you could also include them in this activity.

Give the groups 5 minutes to read through the profile of their tourist market group, discuss it, and make their own observations about how they see themselves as members of this group. Then, have each group spend 10 minutes brainstorming in response to the following questions:

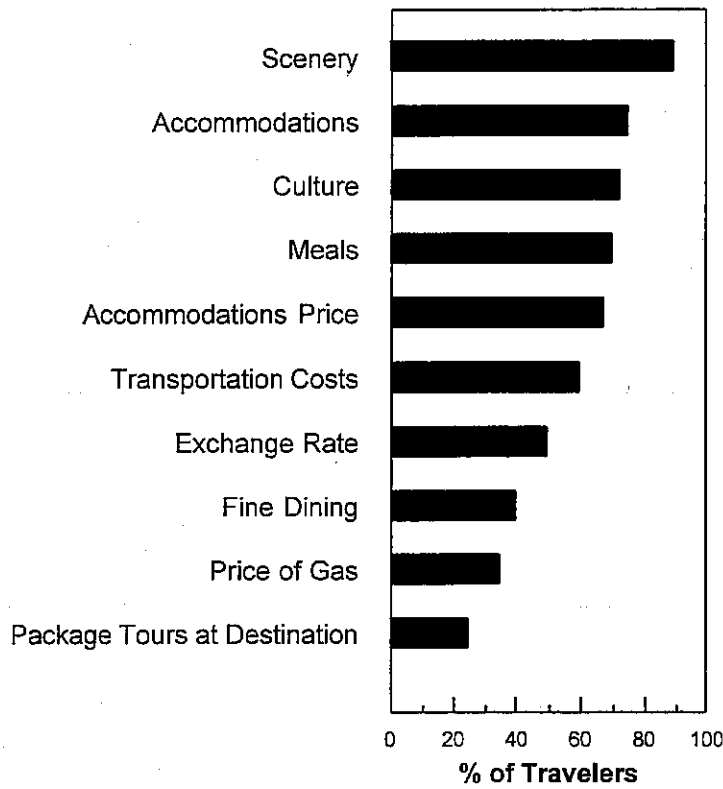
- What would you, as a visitor from this group, be most interested in seeing or doing here in this community? Are there any existing attractions or activities that especially appeal to you as compared to others in the area?
- What kinds of goods and services do you require during your stay in this community? What kind of special facilities, public or private, might you require? Do they exist in this area?

Write group ideas on the flipchart.

3. After responding to those questions in the role of *visitor*, return to your role of *community member*. Take another 5 minutes to consider any issues or concerns related to attracting the particular tourist group to your area. Record them on a separate flipchart page.
4. Next, give each small group 3-5 minutes to explain to the large group who they are, what they would like to do while visiting this area, what they need, and any community concerns about attracting these tourists to the area.
5. Finally, a facilitator can go through the material presented and ask participants to identify whether there are certain groups that might be more attracted to the community than others. The facilitator might also highlight common needs and interests across groups and point out needs and interests that make each group unique.

**FIGURE 5-1**

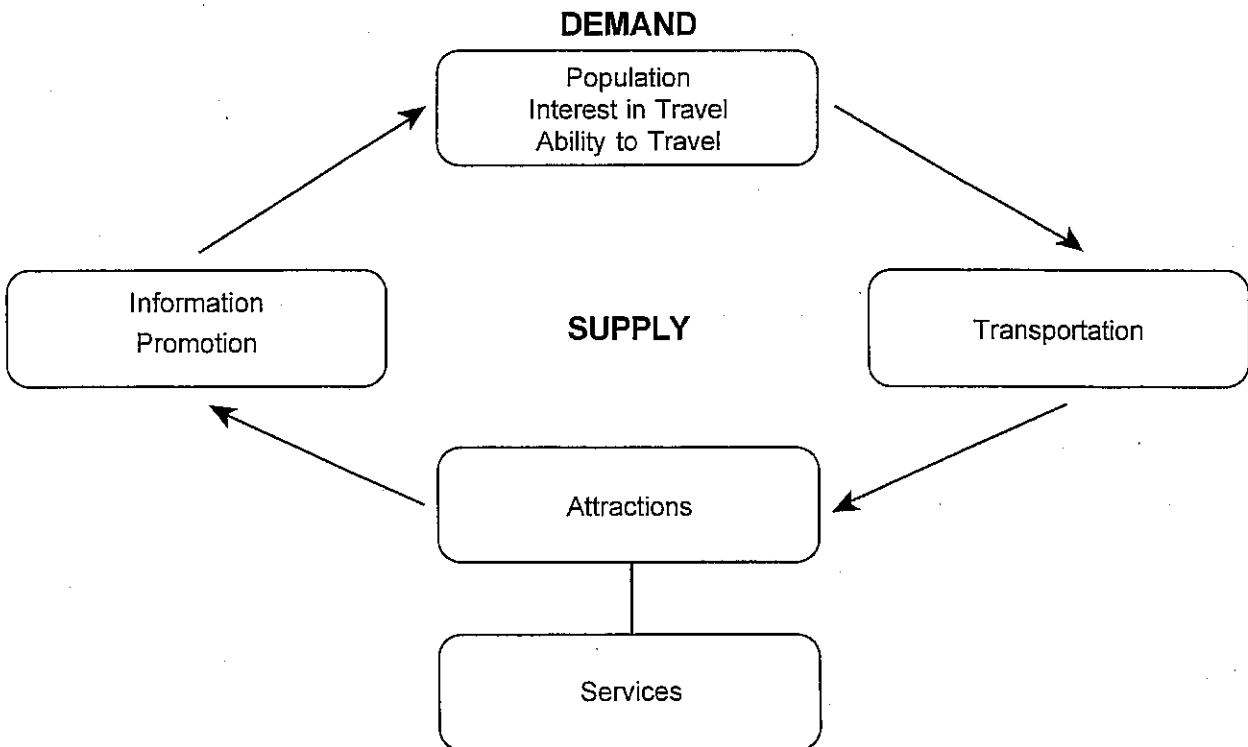
**IMPORTANT FACTORS FOR DESTINATION DECISIONS**



Source: unpublished data. ITRR.

**FIGURE 5-2**

**FUNCTIONING TOURISM SYSTEM**



## The Domestic Leisure Traveler

Just as business travel is changing, the dynamics of leisure travel is also evolving. "Virtual reality" has not yet become a popular option for travel, but the old reality is no longer the only game in town. Just as steamer trunks packed for a season's stay have disappeared from elegant resorts, so has the leisure visitor who books long-term stays.

Today's leisure traveler is on the move, visiting destinations more frequently but staying for shorter periods of time. Time truly is of the essence. Over the last five years the length of stay for the leisure traveler has declined from 6 days to just over 4, while the number of trips per year has increased. According to the U.S. Travel Data Center, in 1992, only 12% of those surveyed said they are scheduling vacations that last over 10 nights, and 39% of vacationers said they favor two to three night vacations. Still, most (49%) prefer vacations of 4 - 9 days.

Not surprisingly, the packaged tour group market also reflects this change in travel planning. Group tour operators now specialize in 3 and 4 day packages rather than 10-day and 2-week excursions which were common a decade or two ago.

Leisure travelers are value conscious. A 1992, Travel & Leisure Study reports that travelers spent 8% less on travel in 1993 than the previous year. Low-cost air fare or transportation packages are very important to them.

While travelers are attracted by bargains and beauty, the leisure domestic travelers increasingly voice concern over issues like safety and the environment. Research indicates that safety is a primary concern and natural beauty remains a powerful draw. Relatively few leisure tourists request itineraries which include famous cities.

### Travel Implications:

Frequent travel, shorter length of stay, low-cost air and ground transportation, and concern for safety and the environment, are important to the leisure traveler.

Basic to the 90's is "value". Travelers believe in spending hard-earned money on high-quality goods and services and are willing to spend more to get more quality, reliability and durability.

Arizona's rural communities can capitalize on these trends.

## The Domestic Business Traveler

The distinction between the leisure and business traveler is rapidly blurring. According to a 1992 Travel & Leisure Study by Louis Harris and Associates, Inc., more than half (53%) of the "very frequent" travelers, and 36% of the "frequent" travelers have taken a combined business-pleasure trip in the past year. Nearly one out of every four business travelers (23%) reported that they included some vacation time on the average business trip. A similar percentage takes another household member with them. Due to cost and time constraints, today's busy traveler seeks to "leverage" travel time.

For the last decade the growth of business travel has outpaced overall travel by more than 30%.

### **Who they are:**

Business travelers are most highly concentrated among adults between the ages of 25 and 44.

- They have higher levels of education
- They have high incomes
- Most are in managerial positions

### **When do they come?**

Whenever business dictates. Since they do travel year round, business travel is considerably more stable month to month than is leisure travel.

### **What do they do?**

They come for meetings, conventions and trade shows. The sales segment accounts for the highest average number of business trips to Arizona.

### **Travel Implications:**

In planning how to position rural Arizona for the 2000's, this important segment of the domestic tourism market should be considered. Rural communities can work aggressively to entice business travelers to extend their stays and explore outside the metropolitan areas.

## Generation X

(Born 1965-1976)

### Who they are:

- 41 million people or 17% of U.S. population -- bigger than all Canada
- Control an estimated \$150-\$200 billion annually
- Children of working mothers
- Used to controlling money because they have worked from an early age
- Many are children of divorce
- Entered school when schools being downsized and funds cut back
- Computer super-literate. They were first generation raised with computers
- Entered the social whirl in an age of AIDS
- Entering workforce at time of layoffs and upheaval

### What they do:

- Marry later
- Live at home longer
- Boomerang: leave home, return, leave again. They test life's waters rather than diving in

### What they care about:

- Genuinely concerned about the environment
- Experience which they can call "their own"
- Music. It is a unifying force
- The "bottom line". They evaluate with fresh eyes and are not married to old ideas

### Travel Implications:

They are very different from the Baby Boomers in terms of their values and experiences and are open to new ideas/experiences which make sense to them.

## Baby Boomers

The Baby Boomer and Post Boomer market, includes people born in 1946-1964, comprises the largest population segment. To effectively reach this group, communities are wise to focus on specific lifestyle interests of "Boomers".

### Who they are:

- The majority of the U.S. population
- Generally college educated, often professionals
- Enjoy increasing levels of education
- Historically higher income levels
- Exhibit above average desire for travel

### What they do:

- Take shorter, more frequent trips, use weekends as "get-aways"
- Hike, backpack, seek active outdoor recreation, golf, play tennis, jog, cycle, swim, etc. and shop
- Desire upscale shopping opportunities

### What they think:

- No longer the "Me" Generation, Boomers epitomize what trend watcher Faith Popcorn calls "Egonomics, a nicer narcissism"
- They value leisure time
- They are willing to spend money for quality and they like to be at the forefront of trends
- Since jet planes have always been in their lives, travel is a given
- Boomers are knowledgeable, sophisticated and casual about travel

### What motivates them:

- Value and fun
- Concern for the environment (43% took an eco-trip during 1992, according to the U.S. Travel Data Center.)
- Outdoor activities
- Status -- they like to do what's "happening"
- Self improvement and self gratification

### Travel Implications:

Boomers value indoor and outdoor activities and nature-based/eco tourism. Although personal income levels initially are lower in this group, cultivating this crowd builds loyalty. As income and buying power increase, this segment of the population will establish an affinity for Arizona which can translate into lifelong travel planning as well as business decisions.

## Families With Children

### *Who they are:*

- Well educated, often professionals who have fewer children later in life
- Nearly half are two-income households
- 48% have annual incomes of \$40,000 or more

### *What they want:*

- Quality time with their children
- Short vacations since it's difficult to coordinate long vacations
- Easy access to leisure activities
- Balance between work and family; to be together as a family
- Getting away from stresses of home and work. Restful and relaxing environments
- Seek excitement and new experiences
- Learn about new places and people; be physically active

### *What they do:*

- See continued increase in number of couples traveling with children
- Include children on trips to resorts
- Reduce hotel length of stay due to reduced free time
- Go to the ocean, historic sites, lakes, adventure vacations (camping, hiking, etc.)

### **Travel Implications:**

Both parents and children say a family vacation is an essential part of being a family. A driving force is an overwhelming sense of guilt on the part of many Americans today because they don't have sufficient time to spend with their families. As it becomes more difficult to coordinate long vacations and balance work and family, we will see the development of more getaway retreats near urban centers.



## Empty Nesters

(45 - 54)

### Who they are:

- Educated
- Growing, over the next 10 years, this segment will increase 48%
- Affluent, according to Research Alert, the Bi-Weekly Source for Research on Americans, June 19, 1992, they have highest incomes and spend the most - 30% more than average household in 1990
- By year 2000, nearly 1 in 4 households will have an income of \$75,000 or more. (Research Alert, June, 1992)
- They are still "young"

➔➔➔ ■ Fifty is what forty used to be

### What they care about:

- Cultural and historical attractions and personal growth experiences
- Outdoor activities.
- Health and fitness Golf Tennis Swimming Skiing
- Shopping and dining
- Quality and value
- Adventure
- New places

### Travel Implications:

Moving into the most productive years will increase the disposable income levels for the first time in 20+ years. The aging of this group bodes well for those marketing historical attractions and unique personal growth experiences. Physical, psychological & social concerns of middle age will become increasingly dominant in the market place. More sophisticated buyers will seek and recognize quality above all else. Romance and travel will shoot to the top of their priorities.

## Mature/Seniors Market (55 through active perpetuity)

### Who they are:

- The well to do
- Recent statistics show that the share of wealth controlled by working-age Americans is eroding; while the share controlled by elderly Americans is increasing.

### What they like:

- Travel ranks as one of the top leisure activities for men and women 50 and over. They travel more frequently than their juniors, and their stays tend to be longer. Two-thirds prefer booking their own travel arrangements, rather than going for a package tour.
- Collectively they spent close to \$500 million in the past year on vacation travel
- Warm weather
- New places and to try out new destinations from time to time
- Companionship, visiting family and friends and travel that facilitates social interaction
- Feeling well-taken care of
- Comfort convenience ease safety and security
- Culture and history Outdoor Recreation  
Natural wonders and parks
- Experiences rather than things

### What they do:

- Travel! More of this group travels by air (35%) than the under 50's (27%)
- Golf hike walk shop and dining
- Seek value and bargains
- Travel off season
- Learn educational experiences

### Travel Implications:

Change in focus in spending power from young to middle-aged and mature markets. Seniors love bargains and try to travel in the shoulder and off-season. The growth of Elderhostels points to the importance of education to this group.

Further subsets of travel interests have evolved. Some of the most important for the 90's are nature or eco travel, heritage travel, and the outdoor enthusiasts.

## Nature Or Eco Travel

Globally, nature travel has been growing at an annual rate of 10% -30%, compared to the 4% growth for mainstream tourism.

### Who they are:

- Well educated
- Over 40
- Outdoor oriented
- Relatively affluent
- Environmentally sensitive
- Lead more active lives
- Bored with beaches defining their vacations
- Women
- Older Americans and families with children who look for travel opportunities as learning experiences

### What they value:

- Preservation of the environment
- See and experience nature
- Comfort
- Outdoor active activity Hiking and climbing
- Exploring pristine or relatively untouched places
- Birdwatching cave exploring geology

### Travel Implications:

Ecotourism focuses on learning, experimental activities and efforts that support conservation. The increase in the number of travelers who are interested in more nature-oriented, educational and active vacations is a more recent travel trend. Many like to combine physical activities with environmental pursuits.

## Heritage Tourism

### Who they are:

- Well educated
- Over 40
- Culturally aware
- Relatively affluent
- Lead more active lives
- Bored with beaches defining their vacations
- Women
- Older Americans and families with children who look for travel opportunities as learning experiences

### What they value:

- Archaeology digs
- Work/study experiences
- Cultural and heritage sites

### Travel Implications:

Nineties travelers seek new destinations - cultural, historic and archaeological destinations. Nineties travelers want to understand the culture and history of an area. In comparing values of the 1980's and 1990's Frequent Travelers, fifty percent (50%) of the 1990's travelers stated that cultural, historical or archaeological treasures were "very important" to them, as compared to the twenty-seven percent (27%) of the 1980's travelers who rated these destinations as "very important".

## Outdoor Enthusiasts

### Who they are:

- One out of two Americans, or 46 million people between the ages 25 - 39, consider themselves as outdoor enthusiasts
- Engage in two or more outdoor activities
- Tend to be younger college educated male married and affluent

### What they value:

- Outdoor activities are extremely important
- Jogging running swimming snow skiing hiking backpacking camping mountain biking and conditioning
- Participation in outside sports is a social activity involving other people - family members and friends
- Personal accomplishment or freedom is important to them.
- Vacations that are novel
- Cycling is one of the country's fastest growing sports

### Travel Implications:

Most "outdoor enthusiasts" plan to become even more active vacationers in the future. Many would like to visit the Southwest. Communities who want to attract the outdoor enthusiast will need to cater to their specific interests. Motel rooms need to accommodate sports equipment, like bike and ski racks. Local restaurants could include natural, healthy foods.

## Six

# ATTRACTION AND FACILITY INVENTORY

**W**hat does your community have to offer tourists?

What attractions or facilities have good potential to meet market demand?

Is your community infrastructure ready to satisfy increased use?

## PURPOSE

Once you have an idea of your potential market, you need to know what product you have to offer to meet demand before you can start building an industry around it. This step will help you to identify what your current supply of tourism attractions is and what potential others might be. This step also will help you know how ready your community is to take on a new or increased tourism industry, which requires certain supporting facilities and public services.

## OBJECTIVES

At the end of this section, the community action committee will have:

- collected an extensive listing of the diverse tourism attractions that currently exist in the community/area and ones with potential of being developed for different markets.
- assessed the capacity of your community's supporting infrastructure including water, sewer, safety, health and transportation systems.

## GETTING ORGANIZED

Put together an Inventory task force to complete this step. These people will be the main group to brainstorm all the things that should be considered as part of your community's existing and potential tourism supply. Be sure that members of the task force have a deep knowledge of the community and surrounding area and personal knowledge of the area's attractions from having personally used them. This group should include *well traveled* people who can realistically compare your area's attractions to those in other parts of the country and world.

You may choose to split the task force into subgroups to take responsibility for various parts of the Inventory. For example, different groups could complete the attractions, lodging, food establishments, and public services forms.

## INTRODUCTION

Before we move onto how to collect the information needed to answer the questions listed above let's talk briefly about what we mean by tourism *Attractions and Facilities*.

*Attractions* include natural and man-made features that interest people to come visit your community. The Tourism Attractions Inventory form included in this manual breaks attractions down into the categories of nature based, recreation, culture and heritage, and special events to help you tally your existing and potential supply.



### Summary of Steps

Step	Description	Form #
Step 1	Convene meeting to complete attractions, accessibility and public service inventories	6-1, 6-2, 6-3
Step 2	Survey local lodging and food service establishments	6-4
Step 3	Summarize Attractions and Facility Inventory results	6-5

Read through the lists to familiarize yourself with the vast variety of things that can be considered as part of your community's inventory (Form #6-1).

*Facilities* means the roads, airports, railways, parking areas, water and power services, police, and hospitals that serve visitors as well as community members. These public facilities and services are necessary to get tourists to your community conveniently and to make their stay comfortable and secure. Another part of facilities is the lodging, restaurants, service stations, and other retail businesses that are needed to satisfy tourists' basic needs and consumer wishes.

**Note:** Be aware that visitors' needs are not exactly the same that residents have. Be sure your local economy remains diverse enough to make residents' stay there convenient and comfortable, too.

## HOW TO CONDUCT THIS STEP

### 1. Complete the Attractions, Accessibility, and part of the Public Services Inventory (Forms #6-1, 6-2, 6-3)

The inventory task force should get together for a meeting to complete the Attractions, Access, and Other Facilities/Services forms included in this manual. Feel free to make copies for all members to guide them through the brainstorming process. It would help to make large posters or overheads of the forms, too.

An alternative to completing the survey together at a meeting is to have task force members fill them out on their own. Then you can review and add to them as a group (see Step 3, p. 6-3).

The attractions part of the inventory process is a matter of determining if a particular attraction or event exists in the community or not. This requires putting a simple check in a box on the survey form or not. If there is more than one of an item, write in how many. You do not need to collect frequency and percentage data as you did in the earlier attitude survey. We are not concerned, for example, with how many people know about each attraction. One person knowing is good enough to know it exists. Similarly, it is enough to have a single answer to questions on accessibility of your community and the services available to visitors once there.

### Step 1a Complete the Attractions Inventory. (Form #6-1)

- Go through the entire Attractions lists and check off those items that you know of in your area. Write in how many of each item, if there are more than one.
- Add in any specific attractions that were not included on the lists under "Other."
- Rate all those attractions you checked as existing in your area.

The rating system will help you identify "star" attractions and suggest potential markets for each of your existing attractions. The system is defined as follows:

**L** stands for those attractions, or events that are most likely to be of greatest interest to **local** area residents. Some examples might be community parks, county fairs, and flea markets. Are these attractions things passerbys would turn off to visit?

**W** stands for **weekend** travel type attractions. These primarily draw in-state and surrounding state visitors who are within a day's drive of the site. Some examples include state parks, state fairs, smaller ski hills and major shopping centers.

**D** stands for **destination** resorts that will draw people from farther away, perhaps all over the country and even the world. They are also attractions that will keep people there for several days or more. Examples include major ski areas, national parks and monuments, and health spas.

- Make any special comments in the place provided on Form #6-1.



**Step 1b Complete the Accessibility and Other Public Services/Facilities Inventories. (Forms #6-2 and 6-3)**

- As a group, discuss each question and fill in all the blanks on Forms #6-2 and 6-3.

If certain questions are not applicable to your community, for example no local air service, simply right in NA.

Focus on finding Yes/No answers and avoid long discussions over quality at this point.

**Before leaving this task force meeting, initiate the Lodging and Food Service Inventories by completing steps 2a and 2b.**

**2. Conduct Lodging and Food Service Inventories. (Forms #6-4a and 6-4b)**

The Lodging and Food Service Inventories collect information specific to each business. Therefore, members of the task force will have to ask questions directly to someone at each business.

You may wonder why you need to collect this level of detail on these establishments at this point in the assessment process. The information will give you a much more accurate foundation for the benefit/cost calculations you will make in the Economic Impact Analysis. It is the type of primary data collection discussed in the Visitor Profile section as way to gain a more realistic picture of your current tourism economy.

**Step 2a Make a complete list of the lodging (motel/hotel, camping, Bed & Breakfast) and food service establishments in your area.**

**Step 2b Assign responsibilities and target dates for completing the inventories.**

- Divide the businesses among all task force members, providing one copy of either Form #6-4a or 6-4b for each. It would be a good idea to fill in the identification information at the top of the form before leaving the meeting to help make sure everyone is clear on assignments.

- Set a deadline for all inventory forms to be completed either in person or by phone.

**Step 2c Complete inventory forms through face-to-face or phone conversations with individual proprietors.**

When surveying business owners or managers, it is probably wise to explain that you are collecting very general information to help the community as a whole better understand its tourism supply. Let them know you are not collecting information like gross sales and profit, which business owners might consider to be sensitive or private. This introduction should help people feel willing to answer your brief questionnaire. If confidentiality is a problem, you can develop a tear-off cover sheet for the identification information that can be kept separately from the survey.

**3. Compile and review information as a group. (Form #6-5)**

Hold a task force meeting as soon as possible to review the information collected.

- Develop a summary of what the inventory shows to already exist in your area and what things are perceived to have good market potential for future development. This information is the basis for the next step in the process, Potential Project Identification. It would be a good idea to write up charts listing these results to present to the community action committee. (Use the Summary Worksheet provided in this chapter — Form #6-5)
- Review any issues of concern that are evident from the inventory process. For example, parking is already so limited that if any more vehicles, especially RVs come to town, there will be no place for them to park. Or, there is only one campground in the area and that already is overbooked in the high season.
- Report findings and conclusions to the full community action committee at its next meeting. Incorporate any feedback into the summary evaluation for use in the Project Identification process.



**Form #6-1**  
**Tourism Attractions Inventory**

Rating: **L** = local; **W** = weekend; **D** = destination

#	Cultural and Heritage Attractions	Rating			Comments
		L	W	D	
	Archaeological sites	L	W	D	
	Battlefields & old forts	L	W	D	
	Birthplaces/homes of famous people	L	W	D	
	Buildings of architectural interest	L	W	D	
	Burial grounds	L	W	D	
	Ceremonial dances	L	W	D	
	Churches, synagogues, temples	L	W	D	
	Conservatory	L	W	D	
	Early settlements	L	W	D	
	Ethnic celebrations	L	W	D	
	Exhibits	L	W	D	
	Folklore programs	L	W	D	
	Ghost towns	L	W	D	
	Historic districts	L	W	D	
	Historic theaters & opera houses	L	W	D	
	Historical tours	L	W	D	
	Interpretive centers	L	W	D	
	Landmarks	L	W	D	
	Libraries	L	W	D	
	Lumber and mining camps	L	W	D	
	Memorials and monuments	L	W	D	
	Missions and shrines	L	W	D	
	Military bases	L	W	D	
	Museums	L	W	D	
	Recreated villages	L	W	D	
	Re-enactment of events	L	W	D	
	Ruins	L	W	D	
	Ships	L	W	D	
	Walking tours	L	W	D	
	Waterfront restorations	L	W	D	
	Other	L	W	D	
	Other	L	W	D	
	Other	L	W	D	

Please add more rows to this table if you have additional items that do not fit on the form provided.

**Form #6-1**  
**Tourism Attractions Inventory**

Rating: **L** = local; **W** = weekend; **D** = destination

#	Nature-Based Attractions	Rating			Comments
		L	W	D	
	Arboretum and botanical gardens	L	W	D	
	Beaches	L	W	D	
	Bird watching areas	L	W	D	
	Canyons, caves, gorges	L	W	D	
	Deserts	L	W	D	
	Fall foliage, spring blossoms	L	W	D	
	Forests (National, State, other)	L	W	D	
	Environmental programs	L	W	D	
	Geological formations	L	W	D	
	Geysers	L	W	D	
	Islands	L	W	D	
	Lakes	L	W	D	
	Mountains, hills, cliffs	L	W	D	
	National Parks	L	W	D	
	Nature trails	L	W	D	
	Natural lookout points	L	W	D	
	Oceans	L	W	D	
	Prairies and grasslands	L	W	D	
	Protected wetlands	L	W	D	
	Rivers, streams, creeks	L	W	D	
	Sand dunes	L	W	D	
	Star gazing sites	L	W	D	
	State Parks	L	W	D	
	Volcanoes	L	W	D	
	Waterfalls	L	W	D	
	Waterways (canals, harbors, straits)	L	W	D	
	Wildlife sanctuaries/refuges/ preserves	L	W	D	
	Wilderness areas	L	W	D	
	Woodlands	L	W	D	
	Other	L	W	D	
	Other	L	W	D	
	Other	L	W	D	

Please add more rows to this table if you have additional items that do not fit on the form provided.

# Form #6-1

## Tourism Attractions Inventory

Rating: L = local; W = weekend; D = destination

#	Recreation	Rating			Comments
		L	W	D	
	Amusement or theme parks	L	W	D	
	Ball Parks, games, tournaments	L	W	D	
	Beaches	L	W	D	
	Bicycling	L	W	D	
	Bird watching	L	W	D	
	Boat rides	L	W	D	
	Camping	L	W	D	
	Canoeing	L	W	D	
	Dams	L	W	D	
	Dude ranches	L	W	D	
	Fish hatcheries	L	W	D	
	Fishing	L	W	D	
	Fishing derbies	L	W	D	
	Fossil hunting	L	W	D	
	Game ranches	L	W	D	
	Gliding	L	W	D	
	Golf	L	W	D	
	Hang gliding	L	W	D	
	Health resorts, beauty spas	L	W	D	
	Hiking, walking	L	W	D	
	Horseback riding	L	W	D	
	Hot air ballooning	L	W	D	
	Hunting	L	W	D	
	Kite flying	L	W	D	
	Local parks	L	W	D	
	Marinas	L	W	D	
	Marathons and triatholons	L	W	D	
	Mountain climbing	L	W	D	
	Parachuting	L	W	D	
	Picnic areas	L	W	D	
	Playgrounds	L	W	D	
	Racing and regattas	L	W	D	
	Rock climbing	L	W	D	
	Rock/ mineral hunting	L	W	D	
	Roller skating	L	W	D	
	Running areas	L	W	D	
	Sailing	L	W	D	

**Form #6-1**  
**Tourism Attractions Inventory**

Scuba diving, snorkeling	L	W	D	
Skeet/ trap shooting	L	W	D	
Skiing	L	W	D	
Snowmobiling	L	W	D	
Sledding	L	W	D	
Spelunking	L	W	D	
State Parks	L	W	D	
Swimming	L	W	D	
Square dancing	L	W	D	
Tennis	L	W	D	
Water skiing	L	W	D	
Zoos	L	W	D	
Other	L	W	D	
Other	L	W	D	

Please add more rows to this table if you have additional items that do not fit on the form provided.

# Form #6-1

## Tourism Attractions Inventory

Rating: L = local; W = weekend; D = destination

#	Special Events	Rating			Comments
		L	W	D	
	Air show	L	W	D	
	Antique auto show	L	W	D	
	Antique & collectibles show	L	W	D	
	Arts and crafts/ hobby fairs	L	W	D	
	Auto racing	L	W	D	
	Barbecues, special food events	L	W	D	
	Barn dances	L	W	D	
	Boat show	L	W	D	
	Boy scout jamborees	L	W	D	
	Camps (athletic, computer, etc.)	L	W	D	
	Cat shows	L	W	D	
	Dogs shows	L	W	D	
	Dance and opera productions	L	W	D	
	Ethnic/ multi-cultural celebrations	L	W	D	
	Environmental festivals	L	W	D	
	Fairs (agricultural, other)	L	W	D	
	Farm tours	L	W	D	
	Farmers' market	L	W	D	
	Other farming activities	L	W	D	
	Fishing derbies	L	W	D	
	Flower shows	L	W	D	
	Food festivals and tasting events	L	W	D	
	Harvest celebrations	L	W	D	
	Hay rides	L	W	D	
	Holiday celebrations, festivities	L	W	D	
	Home and artisan studio tours	L	W	D	
	Horse racing	L	W	D	
	Horse shows	L	W	D	
	Golf tournaments	L	W	D	
	"Learning" vacation like Elderhostel	L	W	D	
	Local centennials/bicentennials	L	W	D	
	Local theater	L	W	D	
	Livestock exhibitions	L	W	D	
	Motorcycle racing	L	W	D	
	Music festivals, concerts	L	W	D	
	Pageants	L	W	D	
	Parades	L	W	D	

# Form #6-1

## Tourism Attractions Inventory

	Religious/ spiritual observances	L	W	D	
	Rodeos	L	W	D	
	Sports events	L	W	D	
	Symphony and orchestra performances	L	W	D	
	Tractor pulls	L	W	D	
	Turkey shoots	L	W	D	
	Workshops, seminars, retreats	L	W	D	
	Other	L	W	D	
	Other	L	W	D	
	Other	L	W	D	
	Other	L	W	D	

Please add more rows to this table if you have additional items that do not fit on the form provided.

# Form #6-1

## Tourism Attractions Inventory

Rating: L = local; W = weekend; D = destination

#	Other Attractions	Rating			Comments
		L	W	D	
	Bed and Breakfasts	L	W	D	
	Barns, windmills	L	W	D	
	Bridges	L	W	D	
	Country inns	L	W	D	
	Dams, power stations, hydro plants	L	W	D	
	Dude ranches and farm-stay facilities	L	W	D	
	Ethnic grocery stores	L	W	D	
	Factory outlets	L	W	D	
	Geothermal installations	L	W	D	
	Government buildings	L	W	D	
	Herb farms and sales outlets	L	W	D	
	Industrial plant tours	L	W	D	
	Libraries	L	W	D	
	Locally prepared and packaged food specialties	L	W	D	
	Miniature railroads	L	W	D	
	Observation towers, observatory	L	W	D	
	Outlets for artisans or other locally-made products	L	W	D	
	Railroad depots	L	W	D	
	Railway rides	L	W	D	
	Restaurants and bars with ethnic or locally grown foods	L	W	D	
	Retreat and learning centers	L	W	D	
	Roadside produce stands	L	W	D	
	Scenic highways	L	W	D	
	Settings for movies, television	L	W	D	
	Showboats, ferry boats, excursions	L	W	D	
	Unusual buildings	L	W	D	
	Universities, colleges, other schools	L	W	D	
	Winery tours and tasting rooms	L	W	D	
	Local oddities (the best, worst)	L	W	D	
	Most remote spot	L	W	D	
	The biggest/ smallest something	L	W	D	
	The first of its kind	L	W	D	
	The only one of its kind	L	W	D	
	The highest/ lowest	L	W	D	
	The oldest	L	W	D	
	Other	L	W	D	
	Other	L	W	D	
	Other	L	W	D	
	Other	L	W	D	

Please add more rows to this table if you have additional items that do not fit on the form provided.

# Form #6-2 Accessibility Inventory

As appropriate circle your answer, write in numbers, and add comments in blank spaces provided.

QUESTIONS	COMMENTS	
What mode of transportation is used by most visitors to your town?	car    plane    train    bus    other: (specify)	
Do you have opportunities to develop other transportation modes to enhance your linkages with markets?	yes    no	
Are there major highways leading to your community?	yes    no	
Are the highway signs directing visitors to your community adequate?	yes    no	
Do these signs present a positive image of your community?	yes    no	
Are local attractions well marked and easy to find?	yes    no	
Where and how far is the nearest airport with regularly scheduled commercial service?		
What is the frequency of air service?	# of days per week:	# of times per day:
Can debarking passengers connect easily with other transportation? (taxis, rental cars, transit buses)	yes    no	
Are charter services available to your area?	yes    no	
Is regular bus service available?	yes    no	
What is the frequency of bus service?	# of days per week:	# of times per day:
Can debarking passengers connect easily with other transportation?	yes    no	
Is regular train service available?	yes    no	
What is the frequency of train service?	# of days per week:	# of times per day:



QUESTIONS	yes	no	COMMENTS
Can debarking passengers connect easily with other transportation?	yes	no	
Is there a visitors' information center or place where information can be distributed?	yes	no	
Is the information center easily accessible for vehicles of all sizes?	yes	no	
Is parking available for RVs in your community?	yes	no	
Is there an RV dump station easily accessible?	yes	no	

Questions derived from: *Montana Tourism Primer*, *Colorado Community Tourism Action Guide*; and *Marketing Your Community: A Marketing Plan Workbook for Attracting Retirees as an Economic Diversification Strategy*.

# Form #6-3

## Other Public Services/Facilities Inventory

Answer the following questions to the best of your group's knowledge.

QUESTIONS		COMMENTS
Does your community have an adequate number of public restrooms for visitors?	yes    no	
Are the public restrooms well-maintained / clean?	yes    no	
Does your community have public water fountains?	yes    no	
Are the water fountains well-maintained and clean?	yes    no	
Is the local police force prepared to handle increased duties: control crowds, assist visitors, increase in crime?	yes    no	
Is the local fire protection service prepared to handle potential of increased fires?	yes    no	
Can the local water supply for drinking and bathing handle increased use by visitors?	yes    no	
Is the local water supply of a quality acceptable to visitors (taste, smell, color)?	yes    no	
Does your community have public waste and recycling receptacles adequately placed to handle increased trash?	yes    no	
Are the trash and recycling receptacles well-maintained / emptied frequently?	yes    no	
Are streets & public areas kept clean?	yes    no	
Can local roads handle more use without becoming too congested?	yes    no	

QUESTIONS		COMMENTS
Can local roads handle more traffic under the current maintenance budget and schedule?	yes    no	
Can local parking spaces meet the needs of residents and visitors? (all types of vehicles, including Rvs)	yes    no	
Is emergency road service available?	yes    no	
Can visitors get emergency health care in your community?	yes    no	
If not available locally, how far is it to the nearest hospital?	# of miles:	time to travel to hospital:
Is ambulance service available in the area?	yes    no	

Adapted from: *Marketing Your Community: A Marketing Plan Workbook for Attracting Retirees as an Economic Diversification Strategy*, and *Tourism Development: A Guideline for Rural Communities*.

# Form #6-4a Lodging Facilities Inventory

<b>NAME</b>			
<b>ADDRESS</b>			
<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>	
<b>PHONE</b>			
Which one of the following most accurately describes your lodging facility?			
<input type="checkbox"/> Hotel	<input type="checkbox"/> Motel with restaurant	<input type="checkbox"/> Motel without restaurant	
<input type="checkbox"/> Resort	<input type="checkbox"/> Bed and Breakfast	<input type="checkbox"/> Cottages	
<input type="checkbox"/> Campground/campsites	<input type="checkbox"/> Hostel	<input type="checkbox"/> Other (specify) _____	
Which best describes the style of lodging you offer?			
<input type="checkbox"/> Family/Value	<input type="checkbox"/> Economy	<input type="checkbox"/> Luxury	
Number of units by type:			
Single: _____	Double: _____	Suite: _____	Other: _____ Total: _____
What is the average price of a room? \$ _____			
Seasonal Occupancy Rates:			
<b>Spring</b>	Weekdays: _____%	Weekends: _____%	Closed
<b>Summer</b>	Weekdays: _____%	Weekends: _____%	Closed
<b>Fall</b>	Weekdays: _____%	Weekends: _____%	Closed
<b>Winter</b>	Weekdays: _____%	Weekends: _____%	Closed: _____
For the past year, what was the average number of days your guests stayed? _____			
What percentage of your guests would you say come from outside the county? _____%			
What percentage of your guests would you say are traveling for:			
Business: _____%	Leisure: _____%		
What is your average full-time employment figure? _____			
What do you expect your average full-time employment figure to be next year? _____			
What is your average part-time employment figure? _____			
What do you expect your average part-time employment figure to be next year? _____			
Do you employ more people during the summer or winter, or is your employment figure fairly constant?			
<input type="checkbox"/> More in Summer	<input type="checkbox"/> More in Winter	<input type="checkbox"/> Fairly constant	
What is your AAA rating, if you have one? _____			

# Form #6-4b

## Food Service Facilities Inventory

<b>NAME</b>		
<b>ADDRESS</b>		
<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>
<b>PHONE</b>		
Which one of the following most accurately describes your dining establishment?		
<input type="checkbox"/> Family restaurant	<input type="checkbox"/> Fast food	<input type="checkbox"/> Coffee shop
<input type="checkbox"/> Ethnic/Gourmet	<input type="checkbox"/> Restaurant/bar	<input type="checkbox"/> Ice cream shop
<input type="checkbox"/> Other (specify) _____		
Do you serve alcoholic beverages?		
<input type="checkbox"/> Yes <input type="checkbox"/> No		
About how many customers do you serve each month?		
<b>January:</b> _____	<b>May:</b> _____	<b>September:</b> _____
<b>February:</b> _____	<b>June:</b> _____	<b>October:</b> _____
<b>March:</b> _____	<b>July:</b> _____	<b>November:</b> _____
<b>April:</b> _____	<b>August:</b> _____	<b>December:</b> _____
What is the price range?		
Breakfast: _____	Lunch: _____	Dinner: _____
What hours are you open? _____ to _____		
What days are you open? _____ to _____		
What percentage of your guests would you say come from outside the county? _____%		
What percentage of your guests would you say are traveling for:		
Business: _____%	Leisure: _____%	
What is your average full-time employment figure? _____		
What do you expect your average full-time employment figure to be next year? _____		
What is your average part-time employment figure? _____		
What do you expect your average part-time employment figure to be next year? _____		
Do you employ more people during the summer or winter, or is your employment figure fairly constant?		
<input type="checkbox"/> More in Summer <input type="checkbox"/> More in Winter <input type="checkbox"/> Fairly constant		

**Form #6-5**  
**Inventory Summary Worksheet**

	<b>Things Your Community Has</b>	<b>Things Your Community Needs/Wants</b>
Attractions		
Accommodations		
Food Service		

**Form #6-5**  
**Inventory Summary Worksheet (Continued)**

	<b>Things Your Community Has</b>	<b>Things Your Community Needs/Wants</b>
Transportation/ Access		
Other Public Services/Facilities (Health, Fire, Police, Waste, Water, Parking)		
General		

## Seven

# POTENTIAL PROJECT IDENTIFICATION

**W**hat projects to pursue first?

*What projects will be of value to your potential visitors?*

*What projects will be of value to your community?*

*What projects can help your community's tourism industry have a competitive advantage?*

### PURPOSE

This section will lead you through a structured, criteria-based process to help you objectively choose a few projects with the most potential for success. By selecting projects that meet the criteria posed, you will increase your chances of tourism being an effective strategy for achieving your broad community economic development goals.

Your inventory, combined with the ideas and imagination of action committee members, probably resulted in a lengthy list of possible tourism development projects. Realistically, you can't develop everything at once, so you must set some priorities. This step in a sense makes the first cut on your list of projects. You will still need to complete the impact analysis on each priority project to make the final decision on whether to actually pursue a given project or not. You will complete that analysis in Section 9 of this handbook.

### OBJECTIVES

At the end of this section, the action committee will have:

- generated a prioritized list of potential short-term and long-term tourism projects. These will be the committee's development priorities.

To generate that list, you will:

- brainstorm tourism project and product ideas.
- predict each project's potential value to your typical visitors.
- evaluate the likelihood of potential projects benefiting the overall community.
- compare potential projects to those of your competitors.

### GETTING ORGANIZED

The full action committee should complete this step together so that you can come to a consensus on which projects to pursue.

One option is to hold a committee meeting during which you will complete this entire step at once. You may wish to seek out an Extension agent or other experienced person in your area to act as facilitator.



#### Summary of Steps

Step	Description	Form #
Step 1	Assemble an exhaustive list of potential tourism projects	
Step 2	Refine the project list	
Step 3	Prioritize the project list	7-1, 7-2



Another option is to start the brainstorming activity (Step 1) in a meeting earlier in the assessment process, as shown in Figures X-1, X-2, and Attachments X-A. People can add to the brainstorming lists at each committee meeting. This strategy can help people feel like they are moving forward on project ideas as they work through the sometimes tedious and time-consuming planning tasks. If you use this strategy, once you complete the Inventory process, you can move right onto refining and prioritizing your project list (Step 2 and 3 below).

## HOW TO CONDUCT THIS STEP

### 1. Assemble an exhaustive list of potential tourism projects.

- Take 5 minutes for each member to write down his/her top tourism project ideas.

As you brainstorm ideas to write down, consider the Inventory results for ideas of what attractions your community does not have and may want and also for existing attractions that you may want to improve. Key in on the ones designated in the inventory as having good potential in weekend and destination markets. Consider things that you have enjoyed doing on vacation elsewhere that visitors (and you!) might like to do in your area, too. Also refer back to the Current Visitor Profile for information on what typical visitors to your area say they like to do on vacation.

- When everyone is done writing, go around the room for people to share their ideas, one at a time until all ideas are brought out. As ideas are voiced, write them on a large sheet of paper in the front of the room so that everyone can see the list as it emerges. Encourage members of the committee to ask questions for clarification so that all ideas are understood. You are seeking understanding at this stage, not agreement. You should not be lobbying for specific ideas.

Everyone is asked to contribute ideas during the process. At this point, all comments about the feasibility, merit, and soundness of the project ideas are withheld to create an atmosphere conducive to idea generation. Later in this step you will more critically assess the total list of ideas.

### 2. Refine the project list

The goal of the second stage of this process is to make the exhaustive project list more manageable. You will do this by separating the projects into *short-term* and *long-term* projects. Short-term is defined as anything that can probably be developed and implemented in less than two years.

- Discuss and decide as a group what projects will take less and more than 2 years to fully develop and begin implementing.
- Write and hang up revised lists, one each for the short-term and long-term projects.

**Important:** Number each of the projects on each list, P1 P2 and so on. These labels will be used on the scoring matrix (Form #7-1).

### 3. Prioritize the project list

As a preliminary assessment of the marketability of the projects on your two lists, your action committee will use the scale included in Form #7-1 to rate each project.

The scale consists of 9 questions which are to be answered yes (2 points), somewhat (1 point), or no (0 points). Three questions are posed for each of the three basic marketing concepts previously discussed in Section 5 of this handbook.

#### Value to the tourist

- Will it fill a vacation motive or need?
- Will it give a reason for tourists to spend at least 2 more hours in your community?
- Is access acceptable to the visitor?

#### Value to the community

- Will it help bring in outside income?
- Is it compatible with your community's lifestyle?
- Will it maintain the natural beauty of the area?

#### Competitive advantage

- Is the project unique to the area?
- Can the tourism opportunity be available at a price acceptable to both buyer and seller?
- Can the tourism opportunity provide a better value than another opportunity elsewhere?

You may want to review the Tourism Marketing Basics section before moving onto the ranking. Attachment 7-A also contains a brief review of these three key concepts.

**Step 3a Prepare rating materials for all members**

- Make enough copies of Form #7-1 so that each member of the committee has two, one for short-term projects and one for long-term ones. Each person will score each of the projects on your refined lists. We suggest you copy the short-term (7-1a) and long-term (7-1b) sheets on different colored paper to help keep them separated.

On the photocopied forms there is room to score up to 20 projects (P1 through P20), if you have more than 20 on either your short-term or long-term list, you will have to make additional forms. Be sure to revise the numbers to be from P20 and up.

Option: You may choose to continue this process at the next meeting to give members time to familiarize themselves with the scoring criteria and to collect any information they need to help answer the rating questions. If so, distribute copies of Form #7-1 to everyone before they leave.

**Step 3b Rate and score all projects.**

- Using the lists of projects hanging on the wall, find the project that corresponds with each project number and fill in the matrix by answering each question for each project with a yes (2), somewhat (1), or no (0).
- Each person adds up the scores in each column to get the grand total for each individual project.
- Add together the grand totals for each project from all the committee members.
- Write the grand total committee scores up on the lists by each project.

**HOW TO EVALUATE THE RESULTS**

First ask yourselves, *What projects got the highest grand total?*

- Compare the grand total committee scores for all the projects on the short-term and then long-term matrices.
- Make a new list of short-term and long-term projects writing them down in order of their scores.

Those projects with higher total scores are likely to have more potential than those with lower total scores. However, a high grand total does not necessarily mean that you should progress with the project. You also need to ask, *Was there any one category that was low?*

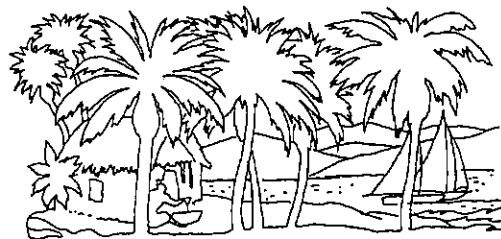
- Take perhaps the top three to five projects on each list and review your scoring sheets to analyze the scores for each of the subsections representing the key marketing concepts.

A project should rate well in all three criteria. For example, one project might have a higher total score than others yet have a very low score for competitive advantage. If so, you would want to consider abandoning the idea or proceeding with caution.

- Select the top one to three projects on each list to be the projects you will move forward with at this point. Write them into Form #7-2 to help with your record keeping.

*No magic number exists, but we suggest you narrow your list down to at the most 3 short-term and 3 long-term projects. You can always add others in the future.*

**A project should rate well in all three criteria.**



## Attachment 7-A

### Marketing Concepts Review

**Value to the Tourist:** Your proposed attraction must meet the needs and desires of the typical visitor to your area. For example, you may have a great idea targeted toward young families, but success may be limited if it is mostly retirees that come to your region. Tourists have certain motives for taking the kinds of trips they do. Some examples are: novelty, achievement, social interaction, culture, and outdoor adventure. They want to satisfy those motives and in a reasonable time expenditure. Studies have shown that most people will drive approximately two hours for a one-day outing and approximately four hours for a two- or three-day weekend. Think about the visitor markets that fit within this radius as you score the projects on your list. For whom can you be a destination? For whom can you provide a break in the long drive? What products would match the values and interests of the types of visitors that come to your community? What attractions will make people want to stay longer once they arrive?

**Value to the Community:** Since tourism is being evaluated as a *community* economic development strategy, you want to be sure that the benefits to the community from the development outweigh the costs incurred and that they are distributed as equitably as possible. These benefits and costs come in terms of social, economic, and environmental factors. You will assess all these further in Step 9, but the three questions posed here will help you make a first cut.

**Competitive Advantage:** You will need to attract visitors to your area versus other areas they could visit. The more creative and unique your attractions are, the greater are your chances of getting people to come to your area. The chances are even greater if the visit can be made at what people consider to be a fair price. What products could successfully interest tourists to come to your community versus another? [Note: Form 8-4 contains an exercise to help you think through your area's competitive advantage more thoroughly as you scope out potential projects.]

# FORM #7-1A

## SHORT-TERM PROJECTS PROJECT SCORING MATRIX

INSTRUCTIONS: Write in 2 (yes), 1 (somewhat), or 0 (no). Add up the scores for each column.

SELECTION CRITERIA	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
<b>PROJECT NUMBER</b>										
<b>VALUE TO TOURISTS</b>										
Will it fill a vacation motive or need?										
Will it give a reason for a visitor to spend at least 2 more hours in your community?										
Is access acceptable to the visitor?										
<b>VALUE TO COMMUNITY</b>										
Will it help bring in outside income?										
Is it compatible with the community's lifestyle?										
Will it maintain the natural beauty of the area?										
<b>COMPETITIVE ADVANTAGE</b>										
Is the project unique to the area?										
Can tourism opportunity be made available at a price acceptable to both buyer and seller?										
Can the tourism opportunity provide a better value than another opportunity elsewhere?										
<b>PROJECT NUMBER</b>	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
<b>TOTAL POINTS</b>										

NOTE: Please total each of your projects and place that point total for each project in the space labeled TOTAL POINTS.

SELECTION CRITERIA										
PROJECT NUMBER	P11	P12	P13	P14	P15	P16	P17	P18	P19	P20
<b>VALUE TO TOURISTS</b>										
Will it fill a vacation motive or need?										
Will it give a reason for a visitor to spend at least 2 more hours in your community?										
Is access acceptable to the visitor?										
<b>VALUE TO COMMUNITY</b>										
Will it help bring in outside income?										
Is it compatible with the community's lifestyle?										
Will it maintain the natural beauty of the area?										
<b>COMPETITIVE ADVANTAGE</b>										
Is the project unique to the area?										
Can tourism opportunity be made available at a price acceptable to both buyer and seller?										
Can the tourism opportunity provide a better value than another opportunity elsewhere?										
<b>PROJECT NUMBER</b>	<b>P11</b>	<b>P12</b>	<b>P13</b>	<b>P14</b>	<b>P15</b>	<b>P16</b>	<b>P17</b>	<b>P18</b>	<b>P19</b>	<b>P20</b>
<b>TOTAL POINTS</b>										

NOTE: Please total each of your projects and place that point total for each project in the space labeled TOTAL POINTS.

**LONG-TERM PROJECTS  
PROJECT SCORING MATRIX**

INSTRUCTIONS: Write in 2 (yes), 1 (somewhat), or 0 (no). Add up the scores for each column.

SELECTION CRITERIA	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
<b>PROJECT NUMBER</b>										
<b>VALUE TO TOURISTS</b>										
Will it fill a vacation motive or need?										
Will it give a reason for a visitor to spend at least 2 more hours in your community?										
Is access acceptable to the visitor?										
<b>VALUE TO COMMUNITY</b>										
Will it help bring in outside income?										
Is it compatible with the community's lifestyle?										
Will it maintain the natural beauty of the area?										
<b>COMPETITIVE ADVANTAGE</b>										
Is the project unique to the area?										
Can tourism opportunity be made available at a price acceptable to both buyer and seller?										
Can the tourism opportunity provide a better value than another opportunity elsewhere?										
<b>PROJECT NUMBER</b>	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
<b>TOTAL POINTS</b>										

NOTE: Please total each of your projects and place that point total for each project in the space labeled TOTAL POINTS.

<b>SELECTION CRITERIA</b>		P11	P12	P13	P14	P15	P16	P17	P18	P19	P20
<b>PROJECT NUMBER</b>											
<b>VALUE TO TOURISTS</b>											
Will it fill a vacation motive or need?											
Will it give a reason for a visitor to spend at least 2 more hours in your community?											
Is access acceptable to the visitor?											
<b>VALUE TO COMMUNITY</b>											
Will it help bring in outside income?											
Is it compatible with the community's lifestyle?											
Will it maintain the natural beauty of the area?											
<b>COMPETITIVE ADVANTAGE</b>											
Is the project unique to the area?											
Can tourism opportunity be made available at a price acceptable to both buyer and seller?											
Can the tourism opportunity provide a better value than another opportunity elsewhere?											
<b>PROJECT NUMBER</b>		P11	P12	P13	P14	P15	P16	P17	P18	P19	P20
<b>TOTAL POINTS</b>											

NOTE: Please total each of your projects and place that point total for each project in the space labeled TOTAL POINTS.

**Form #7-2**  
**Priority Projects to Scope Out in Next Step**

Short-term	1.
	2.
	3.
	4.
	5.
	6.

Long-term	1.
	2.
	3.
	4.
	5.
	6.



**Eight**

# INITIAL PROJECT SCOPING



**W**hat will the project generally look like?

*What will the project basically cost to construct, operate, and maintain?*

*Does the project fit within existing local and state plans and regulations?*

*What public facilities and services will need to be enhanced to support the product construction and operation?*

*What revenues will the project generate?*

you to then assess its probable impacts. Scoping requires determining the size of the project, its location, construction, operation and maintenance costs, employee numbers and origin (local or newcomers), and any required revisions to existing plans or infrastructure and the related costs. It also involves projecting the number of visitors the project will attract and the related revenues generated.

Scoping provides the action committee and community-at-large with a draft project to review. The draft may later be modified, accepted, or rejected.

**A word of caution:** You need to be careful not to take scoping so far along that you become so committed to the project that you are determined to go ahead with it no matter what the impact assessments results indicate to be the wisest choice. This is a real possibility. Groups that have invested a lot of time and effort designing a project tend to develop a natural interest in seeing the project implemented, making it hard to remain objective.

**PURPOSE**

Once your top priority short- and long-term potential projects have been selected, they need to be *scoped out* so their potential acceptability to the community can be predicted. The scoping process describes a proposed project as it would be in completed form giving sufficient detail for

**Summary of Steps**

Step	Description	Form #
Step 1	SCOPE OUT PROPOSED PROJECTS 1a Draft physical description 1b Describe employment needs 1c Estimate construction, operation & maintenance costs	8-1
Step 2	ESTIMATE CARRYING CAPACITY 2a Identify sources of information 2b Make inquiries 2c Summarize and evaluate information	8-2; 8-3
Step 3	CALCULATE TOTAL PREDICTED COSTS	8-1
Step 4	FIGURE ANNUAL REVENUES 4a Estimate number of visitors 4b Estimate visitor expenditures 4c Forecast tax revenues	8-4

**Address  
the who,  
what,  
when, and  
where  
details.**

---

**A note on precision.** Revenues and costs can be measured with varying degrees of precision depending upon the data available to you and the time frame you wish to dedicate to collecting additional information. We do not advocate that you expend inordinate amounts of time to gather extremely accurate data at this point. You are looking for any glaring red flags of negative impacts or costs that clearly say to you *Watch out* or *Don't proceed* with a specific project. And, you are looking for projects that clearly shine forth as more likely than others to provide cash and non-monetary benefits to the community, indicating a green light. Don't be put off by ballpark figures. Combined with group judgement, they are sufficient for your task force to make a valid Go/No Go decision.

### OBJECTIVE

At the end of this section, the action committee will have:

- identified in a broad brush way what is intended, how large, at what cost, who is involved, completion date for each project on the priority list.
- gathered together main information needed to complete the Economic Benefit-Cost Analysis in the next section.

### GETTING ORGANIZED

Task forces should be assembled to scope out each proposed project on the priority short- and long-term list from the previous step. The task forces will be responsible for collecting the necessary information and presenting the results to the action committee. You may need to recruit additional local or outside experts to serve on these working groups. Useful experts might include:

- operators of similar projects
- architects
- traffic coordinators
- landscape architects
- builders
- engineers
- contractors
- planners

## HOW TO CONDUCT THIS STEP

### 1. Scope out proposed project (Form #8-1)

In describing the proposed project you will address the who, what, when, and where details. Fill in Form #8-1 as you carry out the scoping tasks.

**Tip:** Scoping task force members might call or visit similar facilities to learn the scope and costs of their operation to help you complete this section.

#### *Step 1a Draft physical description*

Outline the duration and size of the project you want to undertake. Is it a 2-day festival that you expect 1,000 people to attend? Or, is it a permanent facility that you hope will attract 100,000 visitors over the course of a year? Put these types of decisions in the brief project narrative section of Form#8-1.

You will also want to describe the project site and surrounding areas, including existing land use and present environmental conditions. Attach maps as applicable. You should also define the land ownership, boundaries, and jurisdiction regarding the location of the proposed site as well as ownership of access routes. For example, the interpretive center might be on land operated by a private organization (private land) and the existing use is for research and conservation. The utility lines may involve private landowners and county right of way. Recognize that each action within the proposed project could occur on lands owned by different individuals implementing different types of uses or activities.

You will need to describe all of the basic and associated actions that will occur during completion of the project. For example, if the project is an interpretive center for dinosaur digs, then the associated actions would include parking lot, utilities, sewer system, water system, outdoor displays or trails, road access, and separate maintenance facilities.

**Step 1b Describe employment**

Project construction and operation phases require different numbers of employees who will be employed for different durations. People with different types of skills also will be needed during these two phases. You should think through both the construction and operation phases of the proposed development and describe the employment needs in terms of:

- the likely duration of employment
- source of employees (local or from outside)
- skill levels required
- part-time/full-time and seasonal/year-round.

These numbers and factors are useful in helping you understand potential stresses on your infrastructure and public services due to increased local population that may or may not find long-term, family wage employment in your community.

**Step 1c Estimate construction, operation, and maintenance costs**

Work through the list of items on Form #8-1 down to the Public Service Expenditures line. Attempt to come up with a dollar figure for each one. Think of total costs and then annualized costs.

**Annualized costs** are means for spreading the cost of a capital investment, such as structures or signage, over the life of the investment. A specific discount rate is used in the process to account for the time-value of money. Costs are annualized to simplify comparisons between benefits and costs when you have a cost at the beginning of time with the benefits being realized throughout the life of the investment. The appropriate factor to annualize a capital expenditure is available from published tables according to the life of the investment and the discount rate chose. [See the Concepts Glossary for more explanation.]

**Public and Private Sectors.** Put the cost estimates in the private or public columns depending on which sector will pay the cost. This will help you see what costs the community will incur and what costs will fall on private entrepreneurs and investors. This distribution of costs will vary significantly by the type of proposed tourism project. For example, a rest area or a museum might be owned and operated by your community so public dollars will support its construction, operation, and maintenance. In contrast, an amusement park or hotel is more likely to be privately owned and operated, thus relying more on private investment. In the latter case, however, the community may contribute to the development through tax breaks or other incentives. These types of costs should not be overlooked in the public costs column.

Also, when you calculate public costs, only include in Form #8-1 the amount paid by the local government. Sometimes state or federal dollars will help cover costs. These should be kept separate since you are looking at **local** costs and benefits of the project in this **community** tourism assessment. For example, if state government will pay two-thirds of all project costs, then a benefit-cost analysis from a community's perspective would include only the remaining one-third cost.

**2. Estimate public service expenditures created by project (Forms #8-2 and 8-3)**

You also need to identify potential costs incurred to improve the community's capacity to be able to handle the increased demand brought on by the new tourism development project. Determining the capacity of the community to carry additional demands begins with trying to predict what those demands will be. The task force will need to forecast demands for each of the elements of the community's infrastructure. You may be able to make some projections yourselves, but others will require asking other people for input.



Each community has an existing infrastructure of roads, waste management, sewer systems, water systems and public utilities to serve its existing population. In addition to the physical infrastructure in a community there are a number of public services such as fire protection, police, libraries, schools, and medical facilities to meet the needs of local residents and visitors. The capacity of this infrastructure to handle the current population or an expanded population of temporary visitors and new residents will vary from community to community and by type of proposed project. For example, a waterslide places increased continual demand on a water system and annual events like festivals place peak stress on waste management and safety services.

In addition, most communities have existing plans and zoning laws that regulate developments. Such plans include economic development, land use, and tourism development plans. You will want to think through whether the proposed project is likely to be in compliance with existing plans, laws, and regulations. If not, the project may not be able to proceed, or it may become costly in terms of time and resources to gain compliance.

#### *Step 2a Identify sources of information*

Review the Carrying Capacity Worksheet (Form #8-3) for items you will be considering as you assess your community's carrying capacity. Also, get a copy of the Public Services/Facilities Inventory (Form #6-3) to refer to as you complete this evaluation.

**Who to Ask.** Go down the Carrying Capacity Worksheet and identify who will be able to provide information on each of the items, for example:

- Contractors
- Potential developers
- Local or state technical experts. For example, representatives of the local, county and state Highway Departments can comment on the capacity of streets, roads and highways to handle additional traffic. The Sheriff's Department might estimate what additional demands the development might place on that office.
- Representatives of schools, planning offices, libraries, social services and local government.

Write the names and contact information on Form #8-2. Make copies of Form #8-3 for each person on the list.

#### *Step 2b Make inquiries*

Assign each member of your scoping task force certain people listed on Form #8-2 to contact in the next month. Give them copies of Form #8-3 for each contact they are to make. They should not try to fill out the entire form with each resource person, only the parts for which the contact is knowledgeable.

**What to Ask.** Contact the persons you have identified by phone or in person.

- Ask for the person's evaluation of the adequacy of the current infrastructure to **handle existing and projected demands in the absence of the project**. This is important because even without the project, some increased stress on the infrastructure is likely to result over time from other causes.
- If (s)he states that the infrastructure is presently inadequate or inadequate to handle the proposed development, ask for specific concerns or reasons for the negative assessment.
- Ask the person to estimate what it would cost to make the infrastructure adequate and whether the cost is likely to fall on the **private or public** sector.
- Ask appropriate authorities about compliance of the proposed project with existing laws, regulations, and plans.

Records notes from all your inquiries on copies of Form #8-3.

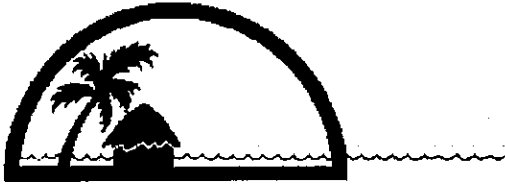
#### *Step 2c Summarize carrying capacity assessment and cost estimates*

As a full task force, use the information gathered on individual inquiry forms to come up with a summary carrying capacity evaluation.

- Complete the Yes/No, estimated costs, and description of inadequacies sections on a separate Form #8-3. Label it *Summary Evaluation*.

**3. Calculate total predicted costs for the project (Form #8-1)**

- Transfer the anticipated costs from your Summary Evaluation onto the Public Service Expenditures line at the bottom of Form #8-1.
- Add up all the costs listed on Form #8-1.



**4. Figure annual revenues (Form #8-4)**

Basically, you want to predict how many people will come to your community because of the new tourism attraction or event and how long they will stay. Will they stay overnight? For several days? And, how much money will they spend while they are there?

*Step 4a Estimate number of visitors project will attract*

Remember back in Section 2 you gathered Visitor Profile information. The numbers you gathered in that earlier step give you a sense of the current volume of general tourism traffic to your area. They are a baseline from which to work as herein you try to estimate how specific tourism projects will affect that visitation rate and consequently the revenue that might be generated. You want to figure how many people might visit your area because of the new attraction or facility and how much money that will bring into the community.

**Existing Attractions.** If you are assessing the visits to an existing attraction that you plan to expand, you will likely have access to **actual visitor count information from preceding years.** Ticket sales and guest registration records are two natural sources of this type of visitor usage information. This data shows not only current volume of visitor traffic, but also historical trends. Are visits increasing or decreasing?

Simply subtract this year's usage from last year's to see if the number is positive or negative. It is a good idea to do this calculation for more than one year to get a sense of the average visitation since one year might be unusually high or low.

$$\text{Visits This Year} - \text{Visits Previous Year} = \# \text{ Growth or Decline}$$

You can calculate the percentage growth or decline with the following formula to help you estimate future year's visits, assuming the trend continues. Again, it would be wise to look at the trend over several years, if data is available, to get a clearer sense of a trend.

$$\frac{\text{Visits This Year} - \text{Visits Previous Year}}{\text{Visits Previous Year}} \times 100\% = \% \text{ Growth or Decline}$$

Trends will help you estimate whether traffic is likely to be more or less in future years, which is critical information for any decision to expand or renovate the facility.

**New Attractions.** More commonly, however, you will be trying to assess the potential economic impact of a newly proposed rather than existing attraction or facility. In these cases you will not have actual visitor counts for the proposed site. You will have to use **visitor counts from similar attractions in other areas.** You should seek out information on sites that are in areas as similar to your own area as possible to increase confidence in the relevance of the numbers to your community.

Your state's Tourism Office, which is usually located in the Department of Commerce, as well as University Departments of Recreation and Tourism are likely to be good sources of this type of information. You also can talk directly with marketing people at the other sites. In addition, looking at other sites helps you keep in mind the principle of **competitive advantage** stressed in the marketing basics section. Attachment 8-A is an exercise you might want to do to further assess your competition as you estimate potential visitor demand for your new tourism attraction.

Below is an example of information that a community in Wyoming gathered to calculate the potential visitation at a proposed historical tourism attraction, the Vore Site.

Table 8.1 Vore Site Demand/Usage Estimation

Similar Sites:	Visitors/Year
Head-Smashed-In, Canada	180,000
Mammoth Site, SD	100,000
Fort Laramie, WY	75,000

From these three numbers the community decided a realistic number of projected visitors for the Vore Site was 100,000. They based that decision on a judgement that the Mammoth site was most comparable to theirs.

*A note of caution on calculating projected visitors: The larger the number need not always be "the better." We have all stood in lines that were too long to get into an attraction and probably would not want to visit again. You will need to consider how many visitors your attraction can feasibly and comfortably handle.*

There are two types of visitors you will want to consider: those who stay overnight and those who do not. Certain types of projects, like destination resorts and ski areas, will attract more overnight visitors than others, such as a one day running race or scenic byway.

Day visitors typically spend 40% to 50% of what overnight visitors spend. Therefore, to get the most accurate estimate for expenditures (in the next step), you should split your visitor counts into number of probable day visitors and overnight visitors.

**Put your estimate of day, overnight, and total visitors in the appropriate blanks on Form #8-4.**

**Step 4b Estimate total visitor expenditures related to project**

Typically expenditure estimates are calculated on a per day basis for individuals or groups of visitors. They are reported as the average amount visitors spend in an area each day during their trip. Table 8.2 provides an example of estimated daily expenditures by visitors to a proposed three day softball tournament in one of the pilot communities.

Table 8.2: Sample Daily Visitor Expenditure Data

Expenditure Categories	Overnight	Day
Lodging	\$35	\$0
Gasoline	\$10	\$15
Restaurants	\$30	\$10
Groceries	\$5	\$5
Other Retail	\$25	\$20
Services	\$10	\$10
TOTAL	\$125	\$60

As was discussed in the Visitor Profile step, primary data is ideal and can be collected via several methods - if you have the time (refer to Attachment 2-C). You can:

- Conduct interviews with visitors as they exit your area.
- Mail surveys for visitors to complete and mail back after they leave.
- Have customers fill out questionnaires at tourism related businesses.
- Ask visitors to keep diaries while staying in your area to record all their expenditures.

Often, however, you will find your community in this process of assessing tourism potential without having already established such a data collection mechanism and without wanting to take the time to collect this original data. In this situation, you can seek out **existing data on average expenditures per visitor for your area** through the state Division of Tourism or your University (see Attachment 2-A).

\* Another option is for your committee to work down the list of expenditures shown on Form #8-4 and estimate how much overnight and day visitors are likely to spend based on your knowledge of local lodging, food, gas, etc. costs. Even if you get figures from a state resource, this local activity would be useful to make sure the numbers seem realistic for your area.

Contact your State Department of Revenue and Taxation or the equivalent to predict how much new revenue might be generated by the potential level of visitation to your proposed project. Ask what portion of certain taxes are returned back to your local community. You will address this issue of public versus private costs and benefits in the impact assessments.

**Complete the expenditure calculation portion of Form #8-4.**

**Put the forecasted tax revenues in the appropriate part of Form #8-4.**

#### *Step 4c Forecast tax revenues*

Tourism brings in revenue through taxes on visitor expenditures, such as sales and accommodations taxes, some or all of which go to the local government. For example, at the Vore Site in Wyoming, they collect 4% sales tax. Half goes to the state and the other half is retained locally. This local portion was estimated to be \$72,000. This is important revenue to the public sector which often will be contributing to the costs of the project.

*NOTE: You may be feeling a little uncertain about the information you have for the upcoming Economic Impact Analysis. That is natural given the predictive nature of the task. Don't be deterred, however. At this point you are trying to make your best judgement, based upon the available information, of the relative costs versus benefits to your community of pursuing a particular tourism development effort. You are not trying to get at a specific dollar figure for profits.*

## Attachment 8-A

### Competitive Advantage Exercise<sup>1</sup>

As you explore tourism opportunities you need to think about local, regional, and in some cases national and international competition. Just like any successful business person, you will want to know who your tourism competition is or is likely to be in the future.

What are the two or three places which you feel are your primary competition in terms of attracting visitors away from your community or proposed activities?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Select a competitor from the above list and write the name below.

Name: \_\_\_\_\_

Think about the resources, attractions, and other features of that competing area. For each tourism category below, list just two important advantages that this competitor has which you feel contribute to their success in tourism.

#### Attractions

1. \_\_\_\_\_
2. \_\_\_\_\_

#### Events, like cultural or social gatherings or festivals

1. \_\_\_\_\_
2. \_\_\_\_\_

#### Transportation

1. \_\_\_\_\_
2. \_\_\_\_\_

#### Tourist Services

1. \_\_\_\_\_
2. \_\_\_\_\_

---

<sup>1</sup>Excerpted and adapted from Rundell et al.'s *Idaho Rural Tourism Primer*.



## Attachment 8-A

What are some things that your competitor does particularly well in communicating information about its area and the vacation opportunities it offers? (for example: signs, brochures, advertisements, etc.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

So, how do you identify some advantages your area may have over the competition? You may want to compare what you have in common with your competitor, or try to find ways to offer better service, lower prices, or more interesting and effective advertising. However, directing your efforts toward improving and developing your unique strong points can be a good strategy.

Think about the resources, attractions, and other features of your area. For each tourism category listed, record two or three important advantages that your area has over competitors. Look for unique, specific features your area has or could develop and promote to give your an advantage in attracting visitors.

### Cultural and Heritage Attractions

Advantages:

1. \_\_\_\_\_
2. \_\_\_\_\_

Limitation:

1. \_\_\_\_\_

### Nature-based Attractions

Advantages:

1. \_\_\_\_\_
2. \_\_\_\_\_

Limitation:

1. \_\_\_\_\_

### Recreation

Advantages:

1. \_\_\_\_\_
2. \_\_\_\_\_

Limitation:

1. \_\_\_\_\_

# Attachment 8-A

## Special Events

### Advantages:

1. \_\_\_\_\_
2. \_\_\_\_\_

### Limitation:

1. \_\_\_\_\_

## Tourist Services and Facilities

### Advantages:

1. \_\_\_\_\_
2. \_\_\_\_\_

### Limitation:

1. \_\_\_\_\_

## Accessibility

### Advantages:

1. \_\_\_\_\_
2. \_\_\_\_\_

### Limitation:

1. \_\_\_\_\_

## Visitor demographics, seasons, trends

### Advantages:

1. \_\_\_\_\_
2. \_\_\_\_\_

### Limitation:

1. \_\_\_\_\_

## Communication

### Advantages:

1. \_\_\_\_\_
2. \_\_\_\_\_

### Limitation:

1. \_\_\_\_\_

## Organization

### Advantages:

1. \_\_\_\_\_
2. \_\_\_\_\_

### Limitation:

1. \_\_\_\_\_

# Form #8-1 Scoping Worksheet

(Attach any drawings of proposed project)

<p>Brief Narrative Project Description:</p>
<p>Project Location(s) and Boundaries:</p>
<p>Project's Physical Size:</p>
<p>Employees: number, types, origins (part-time, full-time, skilled, unskilled, seasonal, local newcomer)</p> <p>Construction phase:</p>  <p>Operation phase:</p>

**Form #8-1  
Scoping Worksheet (continued)**

<b>COSTS</b>	<b>PRIVATE</b>	<b>PUBLIC</b>
Planning Costs:	_____	_____
Construction Costs:		
Property Purchase	_____	_____
Building Construction/Rehabilitation (includes permitting costs)	_____	_____
Paving	_____	_____
Lighting	_____	_____
Landscaping	_____	_____
Signage	_____	_____
Annual Operating and Maintenance Costs:		
Employee Wages and Benefits	_____	_____
Debt Servicing	_____	_____
Utilities	_____	_____
Repairs and Maintenance	_____	_____
Insurance	_____	_____
Accounting and Legal	_____	_____
Telephone	_____	_____
Advertising	_____	_____
Taxes	_____	_____
Supplies	_____	_____
Merchandise	_____	_____
Public Service Expenditures (from Form #8-3)	_____	_____
<b>TOTAL COSTS</b>	_____	_____

**Keep to use in the Economic Impact Assessment Step to Follow**

**Form #8-2  
Contact List**

Type of Information Needed	Resource Persons / Phone or Address
<b>Infrastructure</b> Health care	
Welfare system	
Roads, sewer, water	
Telephone, communications	
Police, fire, jails	
Utilities, transportation, airports	
Solid waste	
Recreational facilities, parks	
<b>Local and State Plans</b> Signs, ordinances	
Land use	
Compatible uses	
Housing (low-income) availability	
Design guidelines	
Other	

**Form #8-3**  
**Carrying Capacity Worksheet (part 1)**

	Presently Adequate?		Adequate w/proposed development		Cost to make OK
	Yes	No	Yes	No	
<b>Infrastructure</b> Health care					
Roads, sewer, water					
Telephone, communications					
Police, fire, jails					
Utilities, transportation, airports					
Solid waste					
Recreational facilities, parks					
Other					

**Describe any inadequacies:**

**Form #8-3**  
**Carrying Capacity Worksheet (part 2)**

	In Compliance?
<b>Local and State Plans</b> Signs, ordinances	
Land use	
Compatible uses	
Economic development	
Tourism master plans	
Housing (low income) availability	
Design guidelines	
Other	

**Describe any potential non-compliance issues:**

**Form #8-4  
Revenue Projections Recording Sheet**

**1. Number of Annual Estimated Visitors to Completed Project Site**

1a. Overnight visitors \_\_\_\_\_

1b. Day visitors \_\_\_\_\_

TOTAL \_\_\_\_\_

**2. Estimated Daily Visitor Expenditures in Area**

<u>Expenditure Categories</u>	<u>Overnight Visitors</u>	<u>Day Visitors</u>
Lodging	\$ _____	\$ _____
Gasoline	\$ _____	\$ _____
Restaurants	\$ _____	\$ _____
Groceries	\$ _____	\$ _____
Other Retail	\$ _____	\$ _____
<u>Services</u>	\$ _____	\$ _____
<b>TOTAL</b>	<b>2a. \$ _____</b>	<b>2b. \$ _____</b>

**3. Estimated Total Annual Visitor Expenditures in Area**

3a. by Overnight visitors (line 1a x blank 2a) \_\_\_\_\_

3b. by Day visitors (line 1b x blank 2b) \_\_\_\_\_

TOTAL \_\_\_\_\_

**4. Taxes (only the amount that will be retained locally)**

Sales \_\_\_\_\_

Accommodations \_\_\_\_\_

Other \_\_\_\_\_

**Keep to use in the Economic Impact Assessment Step to Follow**



Nine

# IMPACT ANALYSIS

## Social, Economic, Environmental

**W**ho/what will be positively impacted by the proposed projects?

Who/what will be adversely impacted by the proposed projects?

What are the trade-offs?

### INTRODUCTION

With the scoping process completed, impact analysis will be conducted to predict the probable impacts of each selected project. This analysis is the heart of the assessment process prescribed in this manual. It will be time-consuming, but don't be tempted to take short-cuts. The results you obtain will be the most important information you need to answer the big questions of, *What are we getting into when we pursue a tourism economic development strategy for our community?* and *Is it worth it?*

### PURPOSE

Tourism is being promoted as an economic development strategy for rural communities based upon arguments of its many direct and indirect benefits. Promoters do not, however, always acknowledge the costs that communities will incur when they bring tourism into their area. In reality, there are prices to pay for a tourism industry. These may be a challenge to specify. This manual strives to get communities to look at both the benefit and cost sides of the equation to better ensure that any tourism development that occurs does so with minimal unexpected negative impacts and with rewards for the community in a sustainable, equitable manner. Several examples of potential benefits and costs are listed in the box on the following page.

The three-part impact analysis your task force will complete in this section will suggest who or what may be positively impacted, and who or what may be adversely impacted by the proposed tourism development project(s). You will conduct three different types of impact analyses, social, economic, and environmental, to determine which, if any, of your priority projects should proceed. Steps to conduct each of these are explained below.

### OBJECTIVES

By the end of this impact analysis, the action committee will have determined the following for each of the projects scoped out in the previous section:

- potential benefits in terms of social, economic, and environmental factors,
- potential social, economic, and environmental costs so they can be planned for and perhaps mitigated,
- benefit/cost comparisons,

and have:

- decided which project(s) are most desirable to pursue in terms of a broad base of benefits and cost considerations to the community's quality of life, economy, and environment.



**Some Potential Benefits and Costs to the Community From Tourism**

**Benefits**

*Social*

- Brings in outside dollars to support community facilities and services that otherwise might not be developed.
- Encourages civic involvement and pride.
- Provides cultural exchange between hosts and guests.
- Facilities developed for tourism can also benefit residents.

*Environmental*

- Fosters conservation and preservation of natural, cultural and historical resources.
- Encourages community beautification and revitalization.
- Is a clean industry.

*Economic*

- Helps diversify and stabilize the local economy.
- Contributes to state and local tax base.
- Creates local jobs and business opportunities.
- Brings new money into the economy.
- Helps attract additional businesses and services to support the tourist industry.

**Costs**

*Social*

- May attract visitors whose lifestyles and ideas conflict with the community's.
- May create crowding and congestion.
- May compete with residents for available services, facilities, and existing recreation opportunities.
- May result in an increase in crime.

*Environmental*

- May degrade the quality of sensitive natural or historical sites.
- May increase litter, noise, and pollution.

*Economic*

- Places demands on public services and facilities (infrastructure) beyond tax revenues to support expanded services.
- May inflate property values and prices of goods and services.
- If outside interests own the tourism development, most of the economic benefits will leave the community.

## OVERVIEW ON HOW TO CONDUCT THIS 3-PART STEP

Impact assessments can be done in very technical, comprehensive ways especially when required under certain laws like the National Environmental Protection Act. However, we have kept the methodology as simple as possible while still being complete enough to allow your task force and community to make reasonable decisions. Benefit-cost analysis is the general method you will use to help you answer the question, *Is it worth it?*, before moving onto action plans for the priority projects you scoped out. The benefit-cost technique is one way to evaluate benefits compared with costs to show the estimated net effect of a plan on your local economy and social and physical/biological environments.

You can choose to conduct the economic, social and environmental impact assessments in any order or simultaneously if you have enough volunteers to help. You will find the economic, social and environmental benefit/cost ratios individually, but you will look at all of the results together to make final decisions on how to proceed. It is the composite result that you are seeking.

There is no pre-set test score criteria to automatically give you a Go/No Go decision. This is because much of the final decision will be based on the action committee's and community's priorities and values. For example, you might decide that a negative economic ratio could be offset by positive social and environmental ratios. Trade-offs are natural and can best be evaluated by you, the community, in relation to your vision and values.

Value judgement also comes into play by the very nature of some of the costs and benefits that you will be assessing. For example, how do you put a cash value on increased congestion that might result on your streets? You will learn more below on how to fit these qualitative, *unmeasurables* into the ratios.

## GETTING ORGANIZED

You will need to put together separate task forces to collect and analyze the necessary information for each of the three impact assessments. It would be wise to have the scoping task force for each project act as the economic impact assessment task force because they have already collected most of the data necessary to complete that step. Think about any specific experts that you will want to invite to participate, like wastewater system and traffic engineers to give input on infrastructure capacity. Each task force can invite these types of experts to join them once the members become more familiar with the specific information they are called upon to collect and analyze.

Each task force should identify a Record Keeper to be responsible for keeping copies of all their information and decision-making notes for future reference.





## 9A Economic Impact Assessment (EcIA)

### OVERVIEW

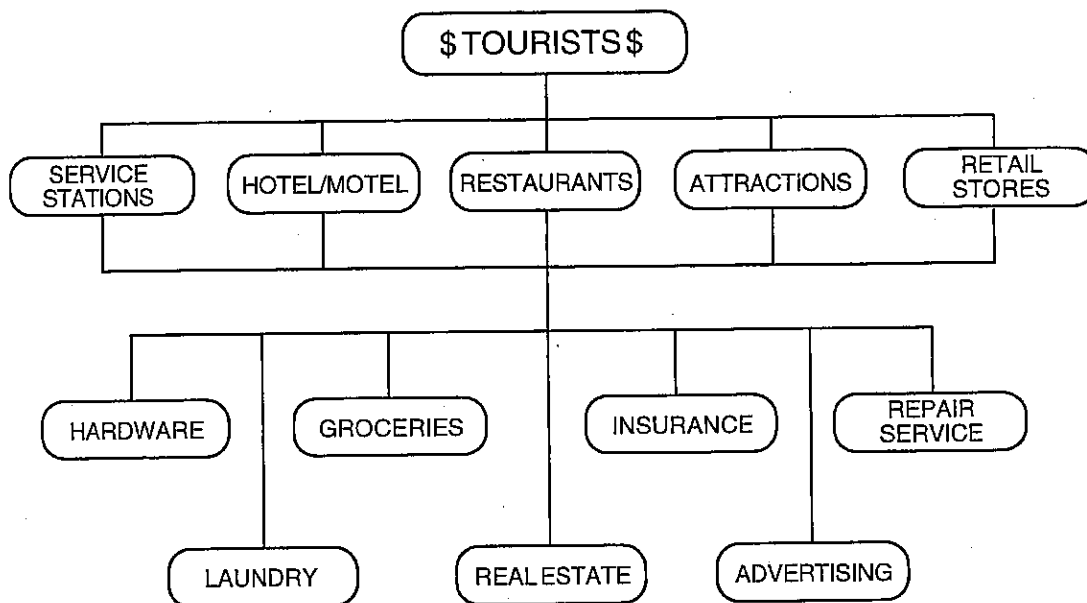
In an Economic Impact Assessment (EcIA) you will be comparing the economic returns from the proposed project with the costs incurred to implement it. This analysis builds directly upon the numbers you calculated in the project scoping process. Table 9a.1 at the end of this section presents an example of benefit-cost analysis for a tourism attraction in Wyoming called the Vore Sites.

The most readily quantifiable benefits from economic development are increased business and family incomes and employment in the community. These benefits result from the dollars that tourists spend while visiting your area. And, they occur not only in the businesses one would consider to be *tourist* businesses like hotels and amusement parks, but other industries as well (see Figure 9a-1). Other cash benefits include increased tax revenues for local and state government if you collect sales taxes or specialty tourism tariffs, as some areas do. The revenue forecast figures you generated during the scoping process capture these economic benefits.

The costs side of the benefit/cost equation generally includes the money to plan, construct, operate, maintain, and market the attraction or facility, as you calculated in the scoping process. It also includes the costs you estimated to expand, maintain, and operate public services and facilities like sewer and parking to support increased use.

In addition to these monetary benefits and costs, an array of non-quantifiable returns and expenses (or satisfactions and sacrifices) accrue to the community from tourism development. These *unmeasurables* can not have a dollar value placed on them, but they do either enhance or detract from the local economy in some way, and thus must be part of your analysis. For example, an increase in jobs can have a dollar figure attached to it if you consider increase in local wages. The analysis, however, should continue to look at whether the proposed types of new jobs match your available workforce and its members' needs and desires in terms of employment. Also you should be aware that tourism jobs are often entry level and many may not offer benefits due to their part-time, seasonal nature. This will influence how tourism development efforts benefit local residents seeking full or part-time employment. Other unmeasurables are listed in the box in the introduction to this section and in the Concepts Glossary.

Figure 9a-1. Distribution of Tourism Income



Source: Tourism USA

Summary of Steps		
Step	Description	Form #
Step 1	<p>CALCULATE BENEFIT-COST RELATIONSHIPS</p> <p>1a List out all costs and benefits from scoping step</p> <p>1b Calculate local earned income generated by the project</p> <p>1c Identify and rate <i>unmeasurables</i></p> <p>1d Calculate net benefits and b/c ratios</p>	9A-1, 9A-2
Step 2	<p>EVALUATE RESULTS</p> <p>2a Assess results (\$, unmeasurables, equity)</p> <p>2b Make recommendations on how to proceed</p>	9A-3

**HOW TO CONDUCT THIS STEP**

You need to gather together four main types of information to complete the Economic Benefit-Cost Analysis.

1. Estimates of Visitor Days: How many visitors will be attracted and for how long?
2. Estimates of Visitor Expenditures: How much will visitors spend in the area during their stay?
3. Estimates of Costs: What will be the costs for developing and operating the attraction or facility as well as the costs to provide and maintain public services and facilities?
4. Unmeasurables: What other costs and benefits are likely to result that can't have a dollar figure attached to them?

The good news is that you have collected most of this information when you scoped out each project. Now your committee can move ahead to the benefit-cost comparisons. The scoping task force for each project can take the lead in presenting benefit and cost figures at a full committee meeting to complete the Economic Impact Assessment.

We recommend that the full action committee get together to complete the benefit-cost analysis because it is such a critical element in the decision-making process and, unfortunately, it is not as simple as adding, subtracting, dividing very clear-cut, straight-forward numbers. A significant amount of value judgement and best guess work are involved. We believe you should seek consensus on such judgements to better ensure full group support for decisions. The committee can make solid evaluations of the reasonableness of the analysis framework and decision-making implications.

***Suggested Meeting Agenda***

1. Make sure everyone is clear on what questions this step will answer.

When one hears *economic* analysis a variety of questions come to mind, such as:

- Are the overall economic benefits to the community greater than the overall costs?
- How will the revenues to local government compare to the cost of providing services?
- How many jobs and how much income will be created for residents?
- Will tourism-related businesses be profitable?

You may have other questions to contribute, but the materials in this publication are intended to address the first two questions above. The other questions require more specialized types of analysis and might be undertaken once you get into the later project development phase. Attachments 9-A and 9-B provide information on how you could address the latter two questions using IMPLAN and enterprise feasibility analyses, respectively.

2. Review the process to be completed using the forms provided in this section to be certain all members understand the task at hand. Your job essentially is to judge the possible economic impacts, positive and negative, of each proposed tourism development project on the prioritized list.
3. Assign a Record Keeper.
4. Carry out the following steps.

### 1. Calculate Benefit-Cost Relationships (Form #9A-1, #9A-2)

#### *Step 1a List out the dollar costs and benefits from scoping step for each proposed project*

You should have this information from your scoping activities completed on Forms #8-1 and #8-4. Transfer the costs and revenues into the appropriate spaces on Form #9A-1.

#### *Step 1b Calculate local earned income generated by the project*

Total visitor expenditures do not translate exactly into the amount of **new local income** that is generated by a development project. It is that gain in local income that is the most important indicator of economic impact to your community from the tourism development effort.

Tourism affects local income by more than just the initial amount of money visitors spend. This is because each dollar tourists spend goes to local businesses and employees who in turn spend those additional dollars to purchase things for personal or business use. Money is spent in more than one round. Each time some of the money stays in the local economy buying locally-produced goods and services and a lot goes out to purchase goods and services not available locally.

Think about whether most items purchased in your community are produced in the community with local inputs. Or, are most items either purchased outside the community or purchased in the community but made with inputs that are imported? The more your community buys locally, the greater will be your local income gain.

Local income is calculated by using an income multiplier coefficient as described below and in more detail in the Concepts Glossary at the end of this handbook. The **local income multiplier coefficient** is applied to total visitor expenditures to show what portion stays in the local economy as additional income versus leaking outside. For example, if you refer to Table 9a.1 you will see that the Vore Site in Wyoming was estimated to generate \$3,600,000 total annual visitor expenditures with \$0.35 of each dollar retained for a total of \$1,260,000 new local earned income. [ $3,600,000 \times 0.35 = \$1,260,000$ ]

You most likely will not be able to find local income multiplier coefficients calculated specifically for your local economy. You probably will have to rely on average figures. Research on rural tourism has found a realistic income multiplier coefficient for western communities to be 0.3 to 0.5, meaning that for every dollar spent by a tourist, after several spending rounds, \$0.30 to \$0.50 remains in the local economy in the form of new wages and business revenues to local households. A regional economist can assist you with this analysis. The Extension Service, Council of Governments, Public Utility, or State Economic Development Department might be a source of this type of assistance.



If you don't find specific information for your area, we recommend you use the lower number 0.3 to be conservative. If the benefit-cost ratio is positive using the lower figure, it will only be stronger if in fact your area's multiplier effect is higher.

Use a specific local income multiplier coefficient or the 0.3 suggested to calculate potential annual local income from your tourism development project.

**Multiply the coefficient by the estimated total visitor expenditures to calculate local earned income to be generated from the proposed project. Write this amount on Form #9A-1.**

### *Step 1c Identify and rate unmeasurables.*

What other costs and benefits are likely to result that can't have a dollar figure attached to them? In the Vore Site example contained in Table 9a.1, economic diversity was considered to be an unmeasurable benefit and seasonal employment was seen as a unmeasurable cost.

- Brainstorm a list of possible unquantifiable economic impacts that might be caused by the proposed project. Place each on Form #9A-2 in either the benefit column, if it is perceived to be a positive impact for the community, or the cost column, if it is seen as a negative consequence.
- Compare the two columns and determine the overall rating for these unmeasurable impacts and place it in the appropriate space on Form #9A-1. Judge the listed items in terms of amount, breadth, and magnitude of impact. The overall rating will be a:
  - + if the benefits seem to outweigh the costs
  - if the costs appear to outweigh the benefits
  - 0 if they seem to balance each other out, giving a neutral impact.

### *Step 1d Calculate net benefits and b/c ratios*

On Form #9A-1 you have filled in columns for both the private and public sector to be able to calculate net benefits and the benefit-cost ratio for each as well as for the project overall.

- Subtract total costs from total local benefits to get net measurable benefits for the private sector, the public sector, and overall.
- Divide benefits by costs to get the benefit-cost ratio for the private sector, the public sector, and overall.

**Write them into the appropriate blanks on Form #9A-1.**

## **2. Evaluate the Results (Form #9A-3)**

### *Step 2a Assess results*

**The \$ figures.** In order to proceed with a tourism development project the **net measurable benefits**, calculated by subtracting the total costs from the total benefits, should be positive. To move forward with planning, the project also should show a **benefit-cost ratio** of greater than one, indicating that for every \$1 invested in the project more than \$1 will be returned to the community in benefits.

This assessment goes for both the Private and Public sectors. Private entrepreneurs will decide to invest in a project only if they can earn a profit from it. The public sector may decide to invest in projects that will not earn them a profit, if the benefit to citizens seems to warrant it. Costs incurred by the public sector, however, will have to be paid for. Local government funds, gathered from tax payers, are the main source unless you are able to get other grant funds to cover them. These costs can be offset or recovered if the local government collects tourism-related taxes from non-residents like a lodging tax or by raising local taxes. If the public benefit/cost ratio is less than 1, you may face local government resistance and/or taxpayer revolt. If taxes will go up to support the tourism development, your committee will have to effectively market the project to local residents.



**The unmeasurables.** If the private and public sector net measurable benefits and benefit/cost ratios indicate the project could proceed, next consider the unmeasurables rating. If the pluses outweigh the minuses, clearly you could proceed with planning. If, however, the minuses outweigh the pluses, you must judge whether the net measurable benefits offset the unmeasured costs. Also, in the case of negative net measurable benefits, you might judge strongly positive unmeasurables to outweigh the negative dollar return.

**The who.** Another aspect of economic impact you should consider when deciding what projects to pursue is **equity**. Your task force is assessing tourism as a potential **community** economic development strategy, not just the feasibility for an individual to make a profit. Therefore, the benefits should be reaped and the costs should be borne on a widespread basis. Look through the costs you calculated during scoping and make a note of:

- Who will bear the costs?
- Who will realize the benefits?

You will need to make a judgement on the apparent equity of the distribution of costs and benefits. Write any comments or concerns you may have on Form #9A-3.

- Are there any groups that appear to take on an unfair proportion of the costs, especially if the same ones do not appear to reap comparable benefits?
- Are there any groups that seem to benefit without bearing any or enough of the cost?

Maybe it's all right to distribute more benefits than costs to certain populations, for example, senior citizens, the poor, and youth. Once again, your task force's best judgement and values are called into play to make this evaluation.

### *Step 2b Make recommendations on how to proceed*

Determine whether to recommend the project be continued, tabled, or modified to correct for costs and concerns. Base this on how the unmeasurable rating affects the cash-based conclusions plus equity considerations. Record your recommendation on Form #9A-3. Finally, make recommendations for project modifications to reduce any negative impacts and inequities impeding progress of the proposed project.

*NOTE: Keep clear records of the basis of this judgement. This information will be useful when you merge this analysis with the social and environmental impact assessments for each project. It also will be necessary support for your decisions when you present them to the entire community at the end of this key step in the tourism assessment process.*

### **OPTIONAL**

- Read Attachment 9-A for how IMPLAN can provide information to help you evaluate if a proposed project will meet your community/county employment and income generation goals. You will need assistance in running this analysis (refer to Attachment 2-A for resource persons).
- Read Attachment 9-B to learn about economic feasibility analysis which evaluates the potential for your proposed project to be a profitable enterprise. This activity moves you into the post-assessment phase of Product Development.

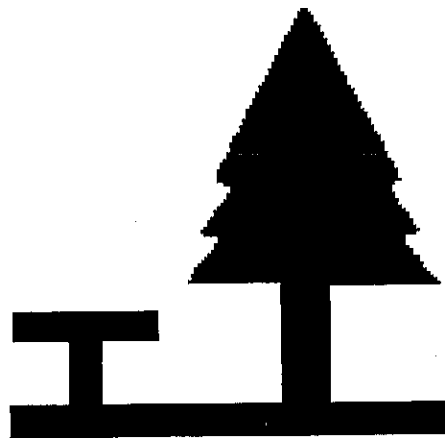


Table 9a.1  
BENEFIT-COST ANALYSIS EXAMPLE

Tourism Development at the Vore Site in Wyoming	Annual Benefits		Annual Costs	
	Private	Public	Private	Public
Local Income \$3,600,000 expenditures x 0.35 local income multiplier coefficient	\$1,260,000			
Local Tax Revenues sales tax*		\$72,000		
Facility Construction			\$327,000	
O & M			\$264,000	
Promotion			\$23,000	
County Services				\$75,000
Economic Diversification	+	+		
Seasonal Employment			-	-
<b>TOTAL</b>	<b>\$1,260,000</b>	<b>\$72,000</b>	<b>\$614,000</b>	<b>\$75,000</b>

	NET MEASURABLE BENEFITS		COSTS		BENEFITS	
Private	\$1,260,000	-	\$614,000	=	\$646,000	
Public	\$72,000	-	\$75,000	=	-\$3,000	
Overall	\$1,332,000	-	\$689,000	=	\$643,000	
						BENEFIT/ COST RATIO
Private	\$1,260,000	÷	\$614,000	=	2.05	
Public	\$72,000	÷	\$75,000	=	0.96	
Overall	\$1,332,000	÷	\$689,000	=	1.93	

\* Sales Tax 4% on total expenditures but only 2% retained locally, other 2% goes to the state.

# Form#9A-1

BENEFITS	Private	Public	COSTS	Private	Public
Projected total visitor expenditures			Planning		
Local income multiplier coefficient 0.3 (actual if known)			Facility Construction (cost per year of life)		
Local Earned Income (Total expenditures x multiplier coefficient)			Annual Operation and Maintenance (staff, publicity, etc.)		
Other Revenue (taxes)			Support Services (fire, police, waste disposal)		
Total Benefits \$			Total Costs \$		
Unmeasurables Rating (+,0,-)			Unmeasurables Rating (+,0,-)		

	BENEFITS		COSTS		NET MEASURABLE BENEFITS
Private	\$ _____	-	\$ _____	=	\$ _____
Public	\$ _____	-	\$ _____	=	-\$ _____
Overall	\$ _____	-	\$ _____	=	\$ _____

					BENEFIT/ COST RATIO
Private	\$ _____	÷	\$ _____	=	_____
Public	\$ _____	÷	\$ _____	=	_____
Overall	\$ _____	÷	\$ _____	=	_____

## UNMEASURABLE RATING

\_\_\_ Pluses outweigh minuses

\_\_\_ Neutral

\_\_\_ Minuses outweigh pluses

# Form #9A-2 Unmeasurables

Brainstorm a list of unmeasurable benefits and costs.

Unmeasurable Benefits (+)	Unmeasurable Costs (-)

**Form #9A-3  
Evaluation/Recommendations**

1. We have the following comments/concerns about the equity of distribution of economic costs and benefits of the proposed project.

2. Based on our research we recommend the project:

- a. Proceed as planned \_\_\_\_\_
- b. Proceed if modified \_\_\_\_\_
- c. Not proceed \_\_\_\_\_

3. Suggestions for project modifications are: [list and describe]

## 9B Social Impact Assessment (SIA)



actions to avoid unintended negative consequences. Below is a summary of the steps in the SIA process that will be discussed in greater detail in this section.

### OVERVIEW

The social impact assessment (SIA) strives to identify the probable positive and negative impacts of a particular development on the “quality of life” of a community. The quality of life is defined in terms of what the residents of the area believe is important to them in their daily lives. The impacts you will assess in this step relate to values, lifestyle, traditions, cultural heritage, psychological well-being, and shifts in the economic and political power structure and balance of your community.

The SIA process identifies which individuals and groups within the community will be impacted and how. It is an attempt to specify who is likely to gain from a development, who is likely to lose and by how much. It is also an attempt to predict changes in social behavior and local culture, traditions, and quality of life that might result from a development. If these changes are in conflict with local values, goals, and objectives, you will have to reconsider the appropriateness of the proposed project and probably either modify it to make the development acceptable to the community or cancel it. By fully exploring the potential (real and perceived) impacts of a proposed development project, you will have a much better chance of anticipating and taking

Visioning procedures you have already completed have given you insight into the community’s values. Indeed, so have your years of experience living as citizens of the community prepared you to evaluate the social desirability of tourism. The SIA process will help you augment and more formally analyze your knowledge base.

### HOW TO CONDUCT THE SOCIAL IMPACT ASSESSMENT

Social impact assessments have been conducted in a variety of ways over the past two decades. The technique suggested here is intended to help citizens conduct the social assessment without special training.

In the economic impact assessment you are able to identify dollar values for some of the costs and benefits from the proposed development project. For this assessment you will have to rely upon a value judgement method. You will look at factors that describe or are important to the local quality of life and culture. You will determine whether the proposed development will enhance (benefit) or detract from (cost) the status quo. You will be working in terms of + (positive), 0 (neutral), and - (negative) ratings rather than dollar figures. (See “Unmeasurables” listings in the Glossary for more information.)

#### Summary of Steps

Step	Description	Form #
Step 1	DEVELOP CURRENT SOCIAL PROFILE	9B-1
Step 2	IDENTIFY WHO IS LIKELY TO BE IMPACTED AND HOW	
	2a Review attitude survey and vision statement	9B-2
	2b Query stakeholders about potential impacts	9B-3-5
Step 3	COMPILE THE PROBABLE IMPACTS	9B-6
Step 4	EVALUATE RESULTS	9B-7
	4a Draw conclusions on social impacts	
	4b Make recommendations on how to proceed	

### Initial SIA Task Force Meeting

A Social Impact Assessment task force will need to be established to conduct the assessment. Be sure your work group is made up of representatives of all elements of the community and members with specific knowledge of the existing social and governmental infrastructure.

Hold a meeting to get ready for and start the SIA process. Ideally seek out experienced assistance. Your local Extension Service, Council of Governments, U.S. Forest Service, or Rural Conservation and Development (RC&D) office might have staff that can assist you or recommend other sources.

#### Meeting Agenda

1. Be clear on what this step will help you decide.

This step will help you decide what projects are in line with the local community's values regarding their quality of life and which are not. Once you know which aren't you will need to decide whether to proceed as is, modify, or cancel the project.

2. Review the process to be completed by the task force using the forms provided in this section — see summary of steps above.

The task force's job is to gather the best information possible to help the action committee understand probable impacts. It needs to decide what information is relevant and include only this in its main report. Early attempts at social impact assessment were criticized for providing too much data, making it difficult to identify the important impacts.

3. Define the scope of the assessment.

In this process, defining the scope means laying out what constitutes your community. A community does not necessarily line up exactly with any official boundaries like a city or town. It may overlap more than one town. Cast your net wide enough to encompass all the people who consider themselves to be members of and stakeholders in the community.

4. Select a Record Keeper.

5. Initiate Step One.

Review the next section of the manual and make assignments for completing step 1.

### 1. Develop Current Social Profile and Present Trends (Form #9B-1)

Pulling together a picture of the Current Social Profile and Present Trends will give you a clearer idea of where you are starting from on the tourism development effort. You need this baseline information in order to be able to predict changes that will occur in the present situation due to the proposed development.

*Answering the question "Do the projected changes resulting from project impacts look desirable or not and to whom?" is the main goal of the SIA.*

To complete this step you will rely upon various sources of existing information. This is similar to what you did for the Current Visitor and Economic Profiles in Step 2. Review Form #9B-1 for what information you need to compile and analyze. Then seek out sources of that information. (The manual by Rasker included in the Resources List provides detailed instructions for analyzing this type of data.)

- Census reports contain much of the information required to describe the current situation and trends. Most libraries have these reports. If your local library does not have them, they can be obtained through interlibrary loan. Census figures are also available from State Departments of Commerce Census Information Centers.

Examining changes between the last two censuses may reveal important trends in your community. Of particular interest from census reports are the figures for:

- population increases or decreases
  - sources of income
  - population structure: age, ethnicity
  - in- or out-migration
  - levels of income.
- Other sources of information include State Departments of Labor and Industry for

information on the labor force and types of employment. Local historical societies may be able to provide information on trends through written and oral reports on the history of the area.

- People will be your source of very up-to-date perspectives on trends they see in the community. You can rely primarily on the people in the task force for this information since they were chosen to represent the diversity of your community. In the next part of the SIA you will approach many people. For this baseline picture, seek additional information from other community residents only if you think they will offer important insights not available from the task force membership.

**FILLINFORM#9B-1.**

**2. Identify Those Likely to be Impacted and How (Forms #9B-2 through #9B-5)**

Individuals and groups will be impacted in different ways by any development. Table 9b.1 lists potential social impacts of tourism, however, there may be others that you will identify through your inquiries. You can note from the table that the same issue, like changes in land value and increases in job opportunities can be seen from both a positive and negative perspective. Your community will have to judge each factor as a benefit or a cost in line with your values. The following procedure will guide you through this evaluation.

Table 9B.1  
POTENTIAL SOCIAL IMPACTS OF TOURISM<sup>1</sup>

Potential Benefits: Examples	Potential Cost: Examples
<ul style="list-style-type: none"> <li>■ Brings in outside dollars to support community facilities and services that otherwise might not be developed.</li> <li>■ Community beautification.</li> <li>■ Encourages civic involvement, pride, and community cohesion.</li> <li>■ Provides cultural exchange between hosts and guests.</li> <li>■ Helps preserve heritage/culture.</li> <li>■ Increased understanding by residents and visitors of indigenous people or other ethnic minorities.</li> <li>■ Stabilize demographics and family patterns by providing local jobs.</li> <li>■ Offers first job opportunities for youth and women.</li> <li>■ Leisure activity diversification.</li> <li>■ Increased visibility of community in state/region.</li> <li>■ Increased value of land.</li> <li>■ Stimulate better management of land into more productive uses.</li> </ul>	<ul style="list-style-type: none"> <li>■ Introduction of lifestyles, values, ideas that conflict with the community's.</li> <li>■ Change in population density straining infrastructure and environment.</li> <li>■ Noise and congestion affecting serenity and quiet of the environment.</li> <li>■ Competition for limited available services, facilities, and existing recreation opportunities.</li> <li>■ Decrease in sacred traditional and cultural beliefs.</li> <li>■ Commercialization of arts and cultures to appeal to the market.</li> <li>■ Increase in crime and drugs.</li> <li>■ Low wage, non-standard hour, part-time jobs requiring new work lifestyle.</li> <li>■ Displacement of traditional businesses.</li> <li>■ Transfer of private land to corporate ownership.</li> <li>■ Increase in land prices due to land speculation.</li> <li>■ Conflict or competition over land use.</li> </ul>

<sup>1</sup>Sources: Ibanez, C.A. 1992. "A Social Impact Assessment Approach for Guam's Tourism Industry". pp. 17-18. Yuan et al, 1993. *Montana Tourism Primer*.



*It is critical that you speak with all the people possibly impacted by the development so that you do not run into unexpected problems and barriers to development as you move forward.*

Step 2a Review attitude survey and vision statement

To get prepared for this particular part of the assessment you will want to consider previous information generated as part of this tourism assessment process. The attitude survey revealed how local residents feel about potential tourism development projects and suggests their receptivity to any change. The visioning process also brought out local citizens' perspectives on what was acceptable and valued from the tourism development process. Both these exercises helped set out boundaries of acceptability for potential impacts on the local quality of life.

**FILL IN FORM #9B-2.**

*Step 2b Query stakeholders (those people likely to be affected) about potential impacts*

**Who to ask.** This is the most labor intensive part of the SIA. It involves surveying a wide spectrum of local residents and other stakeholders to gather their opinions on the benefits and costs of the proposed development. It is critical that you speak with all the people possibly impacted by the development so that you do not run into unexpected problems and barriers to development as you move forward. It is easy to just talk with people you know and who you know are supportive of the process, but they will not give you the entire picture you need to make the best decisions. Remember, the philosophy of this process that you have undertaken is to enable you to be aware of the reality, the PROS AND CONS, of tourism as a community development strategy. This is not a place to take short-cuts.

- **Identify the various elements in the community likely to be impacted.** The matrix lists types of groups and individuals and potential types of impacts. Checking those likely to be impacted will indicate from whom the work group will need to obtain reactions. [Note: On the matrix *Sacred Places* refers not only to those of religious significance, but also to places and events valued by local residents that they would like to keep for *locals only* and therefore not publicize to tourists.]

Remember that it is important for your project's success that all stakeholders feel they have the opportunity to be involved and to express their opinions and concerns. Try to be as comprehensive as possible in your list to best represent your community's composition.

**FILL IN FORM #9B-3.**

- **Identify spokesperson(s) from each element to query.** Identify a few representatives for each group checked on Form #9B-3. Fill in Form #9B-4 with their names and contact information. Be sure to include people from throughout your community, not just those people with whom you ordinarily work or socialize. Assign responsibilities for gathering input from each of the identified persons within the next month.

*The list on Form #9B-3 includes a category of community influentials. In most communities, there is a handful of people who greatly influence what does or doesn't take place in the community. They are the ones with the greatest ability to nullify a project if they do not support it. These people can be identified by having the members of the task force list the five most influential people in the community. Certain names are likely to appear repeatedly on the lists. Refer to Attachment 1-A for more on community power structures.*

*Special efforts should be made to obtain their reactions to the project. The task force will have to decide how much "weight" to give to the opinions of these influentials in the group's final recommendations.*

**What to ask and how.** You will gather information to answer a few basic questions as contained on Form #9B-5. You will be striving to determine:

- what stakeholders expect the impacts on them personally to be,

- if they find the impacts to be acceptable, and
- what ideas they have for how the project might be altered in some way to make the social benefit-cost ratio acceptable.

You can gather people's input in several ways. Choose whatever method or combination of methods you and the people being queried feel most comfortable with. Recommended methods are to:

- meet with individuals,
- invite group representatives to meet with the task force, and
- attend group meetings to discuss potential impacts.

In some cases where a face-to-face discussion is not possible, you might ask the groups to submit to your working group a position statement regarding the proposed development.

**REMEMBER** as you talk with people that you are seeking objective information, not trying to sell the development to those it will impact.

- **Make enough copies of Form #9B-5 so that you have one for each potential individual or group inquiry.** Code each form so that you can identify which responses came from which type of individual or group within the community. You will need to know this to fill in the summary evaluation later.
- **Meet with each individual or group on the list, filling in their responses on an individual coded form.**
  - a. List all impacts mentioned.
  - b. If a positive or negative impact is stated, write down if the person or group perceives it to be acceptable, not acceptable, or acceptable with modifications.
  - c. Write notes on recommended modifications.

### 3. Compile the Probable Impacts (Form #9B-6)

Once you have gotten responses from all the individuals of each category on the matrix, meet as a full task force and use your survey results to compile the results.

Write the type of positive and negative impacts anticipated in Column 1 on Form #9B-6.

Using your survey notes on Forms #9B-5 fill in the remaining columns:

- a. What types or groups of individuals anticipate impacts?
- b. Do they say the impact is acceptable, not acceptable, or demand modifications?
- c. What modifications do they recommend?

If anyone has mentioned specific impacts that are not on the matrix, be sure to add them in the blank spaces provided.

**Note:** You may want to supplement the information you gathered through local people by examining the impacts of similar developments on groups elsewhere to strengthen your analysis and to find some ideas for modifications if necessary to mitigate perceived negative impacts.

#### FILL IN FORM #9B-6.

### 4. Evaluate Results (Form #9B-7)

#### *Step 4a Draw conclusions on social impacts.*

Review Form #9B-6 for a detailed assessment of the potential impacts. Do members of the local community anticipate more potential positive social impacts or more negative ones?

The task force will need to decide which are the most important positive and negative impacts and whether the positives outweigh the negatives. Ultimately the group may have to make value judgements to arrive at their recommendations.

Consider the following types of issues related to the negative impacts:

- controllability
- likelihood of occurrence
- likely duration and magnitude
- breadth, depth, diffusion

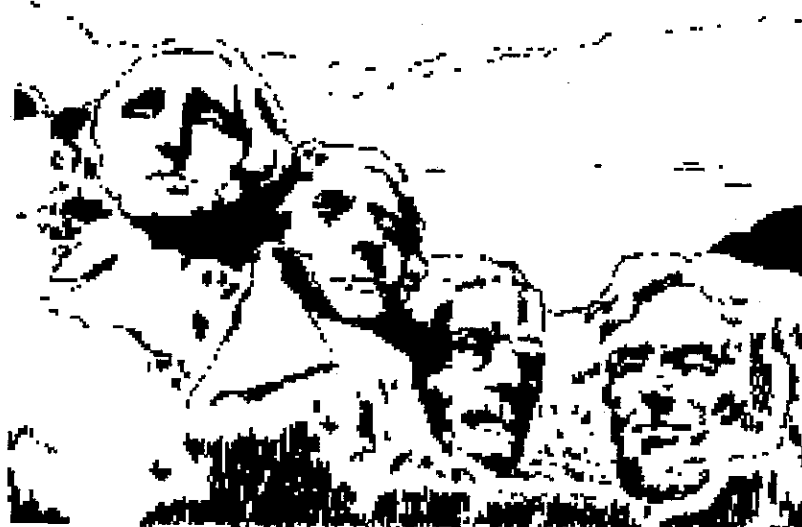
The first three relate to the potential for the impact to actually happen and, if so, how intense it will be. The latter factors relate to the issue of equity that you evaluated in the Economic Impact Assessment. Your committee is assessing tourism as a potential **community** economic development strategy. Therefore, the benefits should accrue to and the costs should be borne by all those realizing the benefits. You'll need to make a judgement on the apparent equity of the distribution of costs and benefits. Are there any groups that appear to take on an unfair proportion of the costs, especially if the same ones do not appear to reap comparable benefits? Are there any groups that seem to benefit without bearing any or enough of the cost?

*Step 4b Make final recommendations on whether or not to proceed.*

Determine whether to recommend the project be continued, tabled, or reconsidered if modified. Review all your notes on suggested modifications and make recommendations to reduce the negative impacts enough to proceed with the proposed project, if possible.

**FILL IN FORM #9B-7.**

*NOTE: Keep clear records of the basis of this judgement. This information will be useful when you merge this analysis with the economic and environmental impact assessments for each project. It will all be necessary support for your decisions when you present them to the entire community at the end of this key step in the tourism assessment process.*





**Form #9B-2**

1. What does the attitude survey tell you regarding acceptance of the proposal?

2. What does the vision statement tell you regarding impacts to consider carefully?









**Form #9B-4**

<b>Types of Groups or Individuals Impacted</b>	<b>Names and Contact Information</b>
Neighbors of proposed development	
Downtown Businesses	
Commodity Groups Agriculture  Timber  Mining  Other	
Interest Groups Recreational  Environmental  Historical  Other	

<b>Types of Groups or Individuals Impacted</b>	<b>Names and Contact Information</b>
Cultural Groups Long-term Residents  Indigenous Populations  Newcomers  Other	
Age Groups Elderly  Working Adults  Youth	
Service Organizations	
Community "Influentials"	
External Interest Groups	
Other	

## Form #9B-5

Hello, Mr./Mrs./Ms.\_\_\_\_\_. I am\_\_\_\_\_. I am here to learn your reactions to the proposed tourism project [fill in description of specific project].

1. What do you expect the impacts on you personally, or the group you represent, to be?

[Interviewer note: Check off the ones mentioned on the list provided.]

2. Of the impacts you listed, do you consider them to be acceptable?

3. If not, how might the project be altered in some way to make the impacts acceptable?

Anticipated Impacts	Rating: Acceptable/Unacceptable	Recommended Modifications
Current lifestyle		
Area appearance		
Social relationships/ Community cohesion		
"Sacred places"		
Income: sources/levels		
Culture/Language		
Housing		
Recreation opportunities		
Cost of living		
Land: values, use, ownership, taxes		
External investment		
Business: survival, ownership		
Safety		
Local events/festivals		
Other		



# Form #9B-7

## Evaluation/Recommendations

1. Based on our research, the task force anticipates the following social impacts: [list and describe]

2. Our research leads us to recommend the following project modifications: [list and describe]

3. Our task force recommends the project:

- a. Proceed as planned \_\_\_\_\_
- b. Proceed if modified \_\_\_\_\_
- c. Not proceed \_\_\_\_\_

## 9C Environmental Impact Assessment (EIA)

Before a community is ready to proceed with a project, one of the community's considerations must be the project's environmental effects. For example: Will the project affect wildlife habitat, degrade the watershed, or alter an identified historic site? In certain situations, Environmental Impact Statements (EIS) may be required by federal law, most notably the National Environmental Protection Act, and sometimes state laws, too. Attachment 9-C lists some key state and federal laws and requirements that may apply to your proposed projects. It would be wise to review these lists to anticipate additional analyses you may need to do on those projects your committee decides to pursue after completing this initial more cursory assessment process.

At this point, you will not conduct a full-fledged environmental impact assessment (EIA) to try to meet any legal requirements. You will be working through a much more general process to take into consideration the variety of types of possible impacts the proposed project may have on the environment to make a judgement as to the project's basic environmental compatibility. These impacts will usually be thought of in negative or **cost** terms, but the proposed development might also have positive impacts or **benefits**. This benefit-cost analysis will direct you towards a decision of whether to proceed,

cancel, or proceed with modifications. Then, if the decision is to proceed, you will need to meet any of the legal environmental analysis and licensing requirements during the project development phase. For your reference, Attachment 9-C contains a sample process to follow to complete a more comprehensive EIA.



### HOW TO CONDUCT THIS STEP

#### Initial EIA Task Force Meeting

Hold a meeting to get ready for and start this process. Ideally secure experienced technical and facilitation assistance. Extension Service, Council of Government, US Forest Service, and other agencies in the area may be helpful in identifying or securing this type of assistance.

#### Meeting Agenda

1. Be clear on what this step will help you decide.

This step will help you decide what projects are and are not in line with the local community's values regarding quality of the physical environment in which people desire to live.

2. Review the process to be completed using the matrix provided in this section to be certain all members understand the task at hand.

The task force's job is to gather the best information possible and make preliminary judgements on the environmental benefit-cost ratio. As with the

#### Summary of Steps

Step	Description	Form #
Step 1	PREPARE ENVIRONMENTAL IMPACT CHECKLIST 1a Review attitude survey and vision statement 1b Brainstorm potential impacts	9C-1-2
Step 2	COLLECT DATA 2a Gather quantitative data 2b Query stakeholders about potential impacts	9C-3-4
Step 3	COMPILE THE PROBABLE IMPACTS	9C-5
Step 4	EVALUATE RESULTS 4a Draw conclusions on environmental impacts 4b Recommendations project modifications 4c Make recommendations on how to proceed	9C-6

social and economic impact assessments, the environmental impact assessment will combine objective analysis of quantitative data like air and water pollution and qualitative evaluation of more subjective factors like landscape aesthetics.

3. Define the scope of the assessment.

In this process, defining the scope means laying out what constitutes your community. From what area and population will you draw out opinions on perceived impacts? A community does not necessarily line up exactly with any official boundaries like a city or town. It may overlap more than one town.

4. Select a Record Keeper.

5. Initiate Step One.

**1. Prepare an Environmental Impact Checklist (Forms #9C-1 and 9C-2)**

*Step 1a Review the results of the attitude survey and visioning process*

The Resident Attitude Survey and Visioning procedures you have already completed have given you insight into the community's values regarding the natural environment. Indeed, so have your years of experience living as citizens of the community prepared you to evaluate the desirability of tourism as it relates to your community's physical and biological environment. The EIA process will help you augment and more formally analyze your existing knowledge base.

- Begin this process by reviewing the results from the earlier resident attitude survey and vision and goal setting process. Make notes relevant to environmental impacts on Form #9C-1.

*Step 1b Brainstorm potential environmental impacts*

- Read through the list of potential impacts on the worksheet provided (Form #9C-2).
- Brainstorm possible other impacts of the specific proposed tourism development project. Write these into the blank boxes on the matrix. Be sure to refer back to your notes on Form #9C-1 to include any impacts of concern that emerged from the attitude survey and visioning. Also look at the list in the introductory section of this chapter and Attachment 9-D for some other impacts.

**2. Collect Data (Forms #9C-3 and #9C-4)**

*Step 2a Gather quantitative data on those factors for which it is available*

Some quantitative data on the potential impacts listed on Form #9C-2 might be available. For example, you may be able to find information on pollution impacts from the Department of Environmental Quality, on traffic impacts from the Department of Transportation, and on local infrastructure systems like waste disposal from your City or County Manager.

- Identify potential sources of existing information. List them in the appropriate column on Form #9C-3.
- Have one or two members of the task force gather and conduct a preliminary review of this existing background information.
- Later, meet as a task force to interpret the information in terms of what it tells you about potential environmental impacts that you would have to address should you proceed with this project.

Keep records of all the information and analysis results to incorporate into your overall benefit-cost analysis and recommendations (Forms #9C-5 and 9C-6) and to report to the full action committee and community at later meetings.

**Step 2b Query stakeholders about potential impacts**

**Who to ask.** You will need to survey a wide spectrum of local residents to gather their opinions on the potential impacts of the proposed development. It is critical that you speak with all the people possibly impacted by the development, the *stakeholders*, so that you do not run into unexpected problems and barriers to development as you move forward. It is easy to just talk with people you know and who you know are supportive of the process, but they will not give you the entire picture you need to make the best decisions. Remember, the philosophy of this process that you have undertaken is to enable you to be aware of the reality, the PROS AND CONS, of tourism as a community development strategy. This is not a place to take short-cuts.

- **As a group, use Form #9C-2 to identify the various elements in the community likely to be impacted.** The matrix lists types of groups and individuals and potential types of impacts. Checking those likely to be impacted will indicate from whom the work group will need to obtain reactions.

*In most communities, there is a handful of people who greatly influence what does or doesn't take place in the community. They are the ones with the greatest ability to nullify a project if they do not support it. These people can be identified by having the members of the task force list the five most influential people in the community. Certain names are likely to appear repeatedly on the lists. Refer to Attachment 1-A for more on power structures. Special efforts should be made to obtain their reactions to the project. The task force will have to decide how much "weight" to give to the opinions of these influentials in the groups final recommendations.*

Remember that it is important for your project's success that all stakeholders feel they have the opportunity to be involved and to express their opinions and concerns. Try to be as comprehensive as possible in your list to best represent your community's composition.

- **Identify spokesperson(s) from each element to query.** Fill in Form #9C-3 with names and contact information. Assign responsibilities for gathering input from each of the identified persons within the next month.

**What to ask.** You will gather information to answer a few basic questions as contained on Form #9C-4. You will be striving to determine:

- what stakeholders expect the impacts on the area to be,
- if they find the impacts to be acceptable, and
- what ideas they have for how the project might be modified in some way to make the environmental benefit-cost ratio acceptable.

You can gather people's input in several ways. Choose whatever method or combination of methods you and the people being queried feel most comfortable with. Recommended methods are to:

- meet with individuals,
- invite group representatives to meet with the task force, and
- attend group meetings to discuss potential impacts.

In some cases where a face-to-face discussion is not possible, you might ask the groups to submit to your working group a position statement regarding the proposed development.

**REMEMBER** as you talk with people that you are seeking *objective* information, not trying to sell the development to those it will likely impact.

- **Make enough copies of Form #9C-4 so that you have one for each potential individual or group inquiry.** Label each form so that you can identify which responses came from which type of individual or group within the community. You will need to know this to fill in the summary evaluation later.



- Meet with each individual or group on the list, filling in their responses on an individual labeled form.

- a. List all impacts mentioned.
- b. If a positive or negative impact is stated, write down if the person or group perceives it to be acceptable, not acceptable, or acceptable with modifications.
- c. Write notes on recommended modifications.

Attachment 9-E lists some sample questions to help you probe perceptions of potential environmental impacts.

### 3. Compile the Probable Impacts (Form #9C-5)

Once you have gotten responses from all the representatives of each category on the matrix, meet as a full task force and use your individual survey results to compile the results.

- Write the type of positive and negative impacts anticipated in Column 1 on Form #9C-5.
- Using your survey notes on Forms #9C-4, fill in the remaining columns:
  - a. What types or groups of individuals anticipate impacts?
  - b. Do they say the impact is acceptable, not acceptable, or requires modifications?
  - c. What modifications do they recommend?

If anyone has mentioned specific impacts that are not on the form, be sure to add them in the blank spaces provided.



**Note:** You may want to supplement the information you gathered through local people by examining the impacts of similar developments on groups elsewhere to strengthen your analysis and to find some ideas for modifications if necessary to mitigate perceived negative impacts.

**FILL IN FORM #9C-5 adding extra pages as necessary.**

### 4. Evaluate Results (Form #9C-6)

#### *Step 4a Draw conclusions on environmental impacts.*

You have evaluated the project in terms of numerous potential impacts on the environment and made a judgement of whether each one is acceptable or not based upon some definition of level of concern or clash with local values. You now need to consider the full assessment and come up with an overall evaluation as to whether the benefits will outweigh the costs or visa versa.

- Review Form #9C-5 to assess if members of the local community anticipate more potential positive environmental impacts or more negative ones.
- Make a determination as to which are the most important positive and negative impacts.
- Decide whether the environmental benefit-cost ratio is positive or negative.

**FILL IN QUESTION 1 ON FORM #9C-6.**

#### *Step 4b Make recommendations for project modifications.*

Review all your notes on suggested modifications and make recommendations to reduce the negative impacts enough to proceed with the proposed project, if possible.

**FILL IN QUESTION 2 ON FORM #9C-6.**

*Step 4c Make final recommendations on whether or not to proceed.*

In making your judgement on whether to proceed with a project or not, consider the following types of issues related to the negative impacts:

- controllability
- likelihood of occurrence
- likely duration and magnitude
- breadth, depth, diffusion.

**FILL IN QUESTION 3 ON FORM #9C-6.**

*Keep clear records of the basis of this judgement. This information will be useful when you merge together this analysis with the economic and environmental impact assessments for each project. It will all be necessary support for your decisions when you present them to the entire community at the end of this key step in the tourism assessment process.*

## Form #9C-1

1. What does the attitude survey tell you regarding acceptance of the proposal in terms of the environment?

2. What does the vision statement tell you regarding environmental impacts to consider carefully?





**Form #9C-3**  
**Potential Impacts Resource List**

Type of Impact	Source of Data	Persons to Contact
Air quality		
Surface water quality		
Ground water quality		
Road traffic		
Noise levels		
Solid waste disposal systems		
Archeological and historic sites		
Visual amenity		
Natural vegetation		
Natural landscape		
Wildlife habitat		
Wild animal life		
Other		

# Form #9C-4

Hello, Mr./Mrs./Ms. \_\_\_\_\_. I am \_\_\_\_\_. I am here to learn your reactions to the proposed tourism project [fill in description of specific project].

1. What do you expect the impacts on your local environment to be?  
 [Interviewer note: Check off the ones mentioned on the list provided.]
2. Of the impacts you listed, do you consider them to be acceptable?
3. If not, how might the project be altered in some way to make the impacts acceptable?

Anticipated Impacts	Rating: Acceptable/Unacceptable	Recommended Modifications
Air quality		
Surface water quality		
Ground water quality		
Road traffic		
Noise levels		
Solid waste disposal systems		
Archeological and historic sites		
Visual amenity		
Natural vegetation		
Natural landscape		
Wildlife habitat		
Wild animal life		
Other		





# Form #9C-6 Decisions/Recommendations

1. Based on our research, the work group judges the environmental benefit-cost ratio of the proposed project to be:

positive

negative

neutral

2. Our research leads us to recommend the following project modifications: [list and describe]

3. Our work group recommends the project:

a. Proceed as planned \_\_\_\_\_

b. Proceed if modified \_\_\_\_\_

c. Not proceed \_\_\_\_\_

## 9D Summary Impact Assessment

### CONDUCT A COMMUNITY ACTION COMMITTEE MEETING

After the individual task forces complete all three assessments on each of the scoped out projects, the full action committee must make a summary assessment and recommendations on how to proceed. Publicize the meeting well and make direct contacts with members to encourage strong attendance at this critically important meeting. Your committee will leave this meeting with a final list of what projects to proceed on in the immediate term.

#### *Meeting Agenda*

1. Someone from each task force should present the results of their analysis, making sure to explain the underlying assumptions and value judgements. A recorder should list the major points on poster paper formatted like the table below in front of the room for all to see.

The committee should ask for clarification wherever necessary and seek agreement with both the results and underlying premises.

2. Hold a group discussion of how the three assessment results fit together. Write points made into the summary section of the chart.
3. Make a group decision on what projects to proceed with, cancel, proceed with specified modifications.

### HOLD A COMMUNITY-WIDE MEETING TO PRESENT COMMUNITY TOURISM ASSESSMENT RESULTS

The Local Coordinator should call together and heavily publicize a community-wide meeting to share with the rest of the community what the action committee found out and what it recommends. Try hard to recruit participation by those members of the community that may have expressed some concerns about tourism as you went through the assessment process. By informing the wider community, you are likely to have stronger support as you move forward with the tourism development effort.

### WHERE TO FROM HERE?

Perhaps you have selected one or more tourism projects that appear to have benefits that are greater than their costs. You have based those decisions, in part, on a prediction of how many visitors will come to your community or perhaps extend their stay due to the proposed new tourism attraction or facility. Now it is time to make visitor arrivals and expenditures a reality! That means Project Development/Action Planning, Implementation and Management, Marketing, and Monitoring and Evaluating your success.

If your community did not identify any projects to proceed with immediately, you have the option of revisiting your Inventory and prioritized potential project lists to find other projects to assess. Or, you may choose to apply the knowledge and community decision-making experience you have gained through this assessment process to the exploration of alternative development strategies.

Best wishes to you on whatever path you take next!

# Summary Evaluation Form

<b>Project name:</b> _____	<b>Positive Impacts</b>	<b>Negative Impacts</b>	<b>Benefit/Cost Ratio</b>
Social			
Economic			
Environmental			
Summary			

## Attachment 9-A IMPLAN Analysis

IMPLAN, which you learned about in the Economic Profile section of this Handbook (p. 2-8), has a very important planning function and that is to estimate the impact of proposed tourism development projects sector by sector throughout the county.

In order to do the IMPLAN analysis, community planners need to estimate the number of additional visitor-group-days that will be generated by the proposed project. It will also be necessary to estimate the amount of money that each group will spend in various economic categories, such as motels, groceries and restaurants. IMPLAN can then use the expected increased number of group-days and the daily amounts that these tourists will spend in various categories to calculate the economic impact of the proposed project.

IMPLAN generates numerous output measures, but one that is frequently used is the increased number of jobs that are needed in each economic sector to meet the increased demands of the tourists who come to visit the new project. In addition, IMPLAN can provide the actual dollar increase in economic activity for each sector in the county due to the increased dollars brought in by the visitors.

For example, the community group in Ravalli County, Montana analyzed a proposed project to build a huge snowmobiler parking lot right off the major highway running through the county. It was argued that having an easily used parking lot would attract new snowmobilers to the area. The group was enthusiastic about targeting this group because they had learned that snowmobilers spend more money in their destination communi-

ties than most other categories of tourists. They estimated that each snowmobiler group would spend the following in the county each day of their visit:

Lodging	\$40.58
Gasoline	\$21.55
Restaurants and Bars	\$29.78
Other Services	\$32.19
Groceries	\$6.52
Miscellaneous Retail	\$34.71
Total	\$165.33

They also estimated that there would be 3000 additional snowmobiler group-days if the parking lot was built. According to IMPLAN, the total employment impact of these additional visitors to Ravalli County's economic sectors would be:

<u>Sector</u>	<u># New Jobs</u>
Service	10.37
Retail	12.69
Government	0.55
Agriculture	0.26
Finance/Insurance/ Real Estate	1.17
Transportation/ Communication/Util	0.84
Wholesale Trade	0.77
Construction	0.00
Manufacturing	0.78
Mining	0.02
Timber	0.04
TOTAL	27.49

# MONTGUIDE

MT 9510

Human Resource Development

## Starting a Small Business: The Feasibility Analysis

by Michael D. Reilly, Ph.D. and Norman L. Millikin, Ph.D.  
College of Business, Montana State University-Bozeman

Healthy local economies stem from the formation of new businesses. Unfortunately, the success rates for small businesses are typically quite low. Depending on which statistics you believe, the chances of a new business surviving for five years are between 30 and 50 percent.

As an entrepreneur, you can greatly increase your chances for success by analyzing your idea, your marketplace and your management team before beginning.

### The Feasibility Analysis

Whether you plan to expand an existing business, acquire an existing business or start your own new business, this MontGuide will show you how to perform a basic economic feasibility analysis: a preliminary evaluation of your business idea to see if it's worth pursuing.

In performing your feasibility analysis, you will:

- Evaluate whether you and your management team possess the characteristics most common to entrepreneurial success;
- Assess the market for your new business idea;
- Estimate the basic financial feasibility of your business, including potential sales revenues, fixed and variable costs, and break-even figures;
- Identify the pitfalls many new small businesses encounter—and study how you can avoid them; and
- Finally, make an informed choice about whether or not your idea is still attractive and practical.

### Characteristics of Successful Entrepreneurs

Studies show that the personalities and individual characteristics of the entrepreneurs who start new businesses may be the most important factors of success.

An individual's management skills have become so important that venture capitalists have begun to revise the way they look at potential new venture deals. Rather than betting on the "horse" (i.e., the business idea and the business plan), they are now much more likely to bet on the "jockey" and look for someone who has a his-

tory of successful past entrepreneurial efforts. These investors have come to realize that a good business plan does not necessarily make a good business, but a good entrepreneur *can*, whether the business plan is optimal or not.

Your management team—or the one you will assemble—is also extremely important. Compare the key players in your potential business to the ideals described on page 2 of this guide and see how many of these characteristics they possess. Obviously, no one will display all of the qualities, but this worksheet can still help you assess your potential for success as an entrepreneur.



## Characteristics of Successful Entrepreneurs—Checklist

Check off the degree to which each characteristic on the list describes you and your management team.

V = Very much like me (us), S = Somewhat like me (us), N = Not like me (us) at all.

### Successful entrepreneurs typically:

#### Are decisive decision makers.

V S N

Entrepreneurs tend to make decisions early and instinctively and are often forced to rely on their judgement and make decisions without complete information. If you agonize over decisions, this is not you.

#### Enjoy taking charge.

V S N

Successful entrepreneurs enjoy taking charge and following through to the end. Entrepreneurs are good at finishing projects, getting closure as well as grabbing them from the start.

#### Want to be master of their financial destiny.

V S N

Entrepreneurs typically have less desire to get rich as to "do their own thing" and prove they are right. In fact, entrepreneurs usually make less money than they would working for someone else. Their real income is psychic income, the satisfaction that comes from doing what they know is right.

#### Are organized, independent and self-confident.

V S N

Entrepreneurs usually have few people to rely on. They must be able to perform all the different parts of their business alone.

#### Are hard workers.

V S N

People who start small businesses usually work longer, harder and more stressful hours than people who work for someone else, largely because entrepreneurs have no one to fall back on.

#### Come from a small business or agricultural background.

V S N

Entrepreneurs who have been involved in small family businesses have a better chance at success. They are generally able to recognize the characteristics and sacrifices required by small business people, and know what they are getting into from the start.

#### Can take criticism and rejection.

V S N

An entrepreneur must be able to take criticism and rejection and bounce back with a positive aspect. If you turn off at the first sign of trouble, you are probably not the kind of person who will be successful in a small business.

#### Have specialized business ability from experience or education.

V S N

Individuals who enter a business with which they are familiar, either by education or experience, have a higher success probability.

#### Are determined and persistent.

V S N

Successful entrepreneurs typically go where angels fear to tread. They must be able to successfully avoid nagging doubts and "keep on keepin' on."

#### Can find people to shore-up weakness. Are good judges of talent and character.

V S N

Typically, an entrepreneur's major problems are people. It is necessary to assemble a group of people who make up for the talents you lack.

#### Can see how all the parts fit together.

V S N

As the owner of a small business, you have to wear many hats: finance, marketing, accounting, bookkeeping, human relations and more. It is necessary to see how these different pieces fit together to form the entirety of the business.

Look at your responses to the questions on characteristics. If you circled "very much like me (us)" for the majority, you probably have the skills to succeed in small business. If you circled "not like me at all" for the majority of these qualities, you may lack the characteristics needed for success in a small business.

Your characteristics and those of your team are only one part of the feasibility analysis of a small business. Your next step is to determine whether or not a market exists for your business idea.

### Market Assessment

Assessing the market size for a new business is a tricky but critical part of a feasibility analysis. For a business idea to work, you must have enough customers willing to spend enough money on your product or service to provide sales revenue that covers your expenses and, hopefully, earns you a profit. Accordingly, determining how many potential customers exist might be an essential part of discovering whether your business idea is going to work.

The first thing consumers usually do when they hear of a new product or service is compare it to existing alternatives. Customers will buy from a new business only if they perceive the value provided by that new business to be greater than the value provided by existing competitors.

Perceived value is a judgement. Consumers compare what they *think* they are going to get from your new business to what they *think* they are getting from existing businesses. To attract them, you must convince them that you are providing something better, more convenient, healthier, more durable, cheaper, or of a higher

quality at the same price. In short, you must create a perception that you have a competitive advantage.

This advantage can be based on many different characteristics: location, a specific product line, technology or exclusive access to some supplier. No matter what it is, there must be something about your business that makes it distinctive, different and competitively superior to the businesses your customers will compare you to.

Next, determine whether or not you can communicate your competitive advantage simply and believably to the marketplace. It is not enough just to be better—you have to convince potential customers that you are better.

Begin with a little market research, the process of discovering what makes a specific market work. Typical questions answered in a preliminary market research study might include:

- How many customers are there? Who are they, and what are they like?
- How many service or product providers are there already?
- How does each compete?
- What do they say about each other?
- How successful are they?
- What does it take to succeed in this business?

These are all questions that must be answered, or at least understood, before launching a new business venture. Know who you are competing against and why you can persuade customers to frequent *your* business instead of those currently operating.

One of the key success factors in a small business is having the resources to wait out the inertia of your customers. Customers are creatures of habit and, therefore,

unlikely to change their behavior immediately just because a new product or service enters the marketplace.

Frequently, it takes a long time for people to become familiar and comfortable enough with a new business to patronize it. In fact, many studies show that it takes three years for a new small business to break even and five years to begin making a profit. Most business plans, though, are considerably more optimistic. Some entrepreneurs like to say, "It took us five years to become an overnight success."

### Financial Feasibility

Your next step is to decide whether your business is financially feasible.

First, estimate the sales or revenue that your business will generate. Use these three general principles:

- Don't count on promises. Many people begin their market survey by asking potential customers, "If I opened this business, would you buy from me?" The responses are then added to generate an estimate of potential sales.

Problem: It is much easier for consumers to answer "yes" to a hypothetical question than it is to actually change their behavior and buy a new product from a new business. Business owners who estimate sales on the promises in a questionnaire frequently discover that the market is much smaller than they thought.

- Be conservative. Underestimate your potential sales, as it is always easier to adjust your costs for a higher-than-expected level of sales than it is to control your costs when your sales estimate is too high.

- Make a range of sales esti-

mates. Estimate your potential sales in a number of ways and compare figures. Try two or more of the following methods and see how different the results are. Be conservative and pick the smallest estimate of the group, or be aggressive and take an average.

### **Sales Estimation Methods** **Industry or Association Data**

Industries and associations of retailers, wholesalers and other businesses often keep good industry-specific statistics on the performance of individual outlets. Use these to estimate the sales of your potential new business. Look in the library for the "Encyclopedia of Associations." Contact people at the organization of businesses similar to yours and ask for data that might help you estimate sales.

### **Market Potential/Market Share**

Determine the potential of the market (i.e., the total of all sales in the product or service category in which you will compete).

For example, to estimate the potential sales of a video store, get some industry data on national video rental sales per person (or get a total United States video rental revenue and divide by the country's 250 million population). Multiply the per capita figure by the number of people in your market area for an estimate of market potential.

Next, calculate your share of the market. To begin, estimate your share as equal to that of your smallest competitor, or estimate your share as equalling the average competitor in the market. In any case, be sure not to assume you will take over the market, particularly in the short run.

### **Customer Counts**

The next method of estimating sales for a new business is based on the number of customers you will have. Calculate the total number of customers in your market area, identify how many of those you think you can attract, and multiply that number by their average expenditure per year.

Obviously, the difficult part is determining how many of those customers you can attract. Think of such factors as your location and number of competitors.

### **Similar Business in Similar Location**

One of the most reliable ways to estimate sales performance of a new business is to look for similar enterprises in similar areas.

For example, if you are trying to estimate the sales of a new mall retail store, look at retail stores that sell a similar product in other malls. Get their sales as a percentage of total mall sales.

Then, figure out what the total sales are for your mall, and calculate your percentage of that. This may be the most reliable of all the methods, because it allows you to accurately gauge how you might perform based on similar performances by competitors.

### **Indicator Variable**

Retail stores sometimes measure their potential sales in terms of sales per square foot. They get industry average sales per square foot, and then determine the number of square feet of retail space they are going to have.

### **Sales of Existing Competitors**

Look at your competitors in the marketplace and estimate their sales. Sit outside and keep track of the number of people coming out with bags. This will give you an

estimate of customer numbers. Then, figure the average expenditure of each customer, multiply the two together and get an idea of your competitors' sales. This might serve as a reasonable estimate for your own business.

In any case, you must begin your own estimate of economic feasibility for your business with a good, conservative estimate of your anticipated sales.

### **Costs and Break-Even**

The next step is to estimate your costs, which is often much easier than estimating sales. Divide your costs into two basic categories: fixed and variable. **Fixed costs** are expenses that do not vary with the level of your sales, such as rent, manager's salary, utilities, insurance and other operating expenses.

**Variable expenses** are directly related to sales, and include items such as raw materials or purchases to be sold, and direct labor.

Next, calculate your **break-even**, the sales level at which your business has neither a profit nor a loss. When you compare your break-even to your estimated sales, you'll have a rough idea whether or not your business is financially feasible.

As you estimate break-even, you'll use quantities that describe the relationship between your prices and your variable costs: your **contribution margin** and your **contribution percentage** (explained below). If you are selling a relatively small number of items with a fixed dollar amount of cost (i.e., manufacturers), compute the contribution margin. If you are selling a wide variety of items with a standard mark-up percentage (i.e., retail stores), work with the contribution percentage.



Review these examples:

### Example 1: Toy Manufacturer

If you were to make toys that sell for \$5 each and your variable costs (most likely materials and labor) average \$3 per toy, your contribution margin is:

**Contribution = Price - Variable Cost  
Margin**

$$\begin{aligned} &= \$5 - \$3 \\ &= \$2 \end{aligned}$$

Now, bring in your fixed costs. Say, for example, your fixed costs as a toy manufacturer are \$50,000.

$$\begin{aligned} \text{Break-even} &= \frac{\text{Total Fixed Costs}}{\text{Contribution Margin}} \\ &= \$50,000 / \$2 \\ &= 25,000 \text{ units} \end{aligned}$$

Thus, you would need to sell 25,000 toys to break even. More importantly, the break-even number indicates how much you'd make or lose at any sales level. If you sell more or less than your break-even, your profit or loss will equal the contribution margin multiplied by the difference between actual sales and break-even.

For example, if you sold only 20,000 toys, your loss would be \$10,000 (5,000 x \$2). Sales of 35,000 toys would give you a \$20,000 profit (10,000 x \$2).

### Example 2: Clothing Store

The break-even calculation works a little differently when a wide variety of items are sold, all with approximately the same percentage mark-up. Consider these hypothetical fixed monthly expense for a clothing store:

Rent	\$500
Telephone	\$150
Travel	\$200
Advertising	\$200
Employees	\$600
Miscellaneous	\$100
<b>Total</b>	<b>\$1,750</b>

If your gross margin is 40 percent (i.e., you buy items for \$60 and sell them for \$100), then your break-even is calculated as follows:

#### Break-even

$$\begin{aligned} \text{Sales in Dollars} &= \frac{\text{Total Fixed Costs}}{\text{Gross Margin \%}} \\ &= \$1,750 / .40 \\ &= \$4,375 \text{ per month} \end{aligned}$$

Estimating break-even allows you to determine your necessary sales per day, per month and per year. Then you can compare that with realistic estimates of the sales you might expect. Knowing what it takes to break even can give you an idea of whether or not you have a potentially feasible business idea.

#### Potential Pitfalls

If your market assessment and financial analysis lead you to believe that your new business idea has potential, you next need to

avoid the pitfalls that frequently capture the unwary small business person.

Often the most serious involve an incomplete understanding of the financial implications of a small business. Get a good accountant and take his or her advice.

Beginners often underestimate the amount of money needed to begin, and they do not allow for working capital, (i.e., the money you need to finance your inventory and maybe your finished product between the time you buy it as raw

materials, pay the laborers to assemble it, ship it to the destination and finally get paid.) Most people try to borrow the minimum amount of money possible and forget about working capital. If you borrow short term, you may eliminate your ability to generate working capital.

The second major pitfall is not sticking to the plan. You will have to make many tough decisions for your small business: personnel and sales do not materialize as expected; the market changes in some way; or something else hap-

pens that makes your fundamental scenario infeasible. You need to be flexible and carefully plan ahead—particularly in terms of cash management. If sales change, you need the courage to change your cost structure to keep pace. It is better to have your cost chasing your revenue than your revenue chasing your costs.

Beginning business people frequently underestimate the impact of taxes and benefits, particularly for employees. A person who makes \$5 per hour is actually going to cost you about \$7 per hour once you count in unemployment, worker's compensation, social security and any benefits.

Finally, and most significantly, most studies of failed businesses reveal one of two patterns: either the business fails because of lack of customers (i.e., a gross overestimate of the market) or, alternatively and maybe more horrifyingly, a business can fail because the market was much *greater* than anticipated.

Small businesses with very high growth rates have tremendous cash flow problems. If your business doubles in one year, most people think that would be the best thing that could happen. But in truth, if your business has a profit margin around five to ten percent, you might discover you are not generating enough money from the doubled sales to maintain the necessary inventory for that high level of sales.

This can lead to cash flow problems, inability to meet payroll, sloppy production and service, and a variety of the problems that can ultimately destroy your business. You must carefully manage growth. Grow slowly, or make sure that you can finance growth so that it will not harm your business.

### Summary

Individuals who start small businesses generally work harder for less money but are happier than their counterparts who work for someone else. If you would like to start a small business, you must thoroughly and objectively analyze the feasibility of your idea. Failure to do so can have a tremendous personal cost on finances, relationships and family ties.

Lots of information is available on how to start a small business, and many public agencies are currently assisting small business people with these decisions. Get the help you need and use it.

### For Further Information

Contact economic development organizations in your area, such as:

- Local chamber of commerce
  - SCORE (Senior Corps of Retired Executives)
- or try:
- Small Business Administration, 449-5381
  - Montana Entrepreneurship Center, 994-2024
  - Montana Department of Commerce, 444-3757.



The programs of the MSU Extension Service are available to all people regardless of race, creed, color, sex, disability or national origin. Issued in furtherance of cooperative extension work in agriculture and home economics, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Andrea Pagenkopf, Vice Provost and Director, Extension Service, Montana State University, Bozeman, Montana 59717.

File under: Community Development  
E-13 (Economic Development)  
Printed August 1995 (1162000895 SG)

**DRAFT  
ENVIRONMENTAL GUIDE**

**FOR**

**COMMUNITY DEVELOPMENT PROJECTS**

## OVERVIEW

The goal of this environmental guide is to encourage and support community tourism and recreation development projects and is intended to be a valuable tool in helping communities design and implement proposed projects.

When a community is ready to proceed with a project, one of the community's considerations will be the project's environmental requirements and effects. Who are the stakeholders? Is the project site protected from flooding? Are the soils the right type for construction and building, and for budgeted costs? Will the project affect wildlife habitat, degrade the watershed, or alter an identified historic site?

Answering these questions can be both complicated and time-consuming. This booklet has been prepared to provide information that can shorten and streamline the process for you. It contains four parts to assist you with your environmental considerations as you design and implement your project.

- > Five-step guide for environmental analysis with project effects analysis checklist.
- > Appendix A: permit guide to identify agency contacts for obtaining required permits.
- > Appendix B: matrix to determine if either the National Environmental Policy Act or the Montana Environmental Policy Act applies.
- > Appendix C: a list of some key state and federal laws and requirements that may apply.

Don't get bogged down in the "process". Recognize you are trying to make informed decisions while realizing the potential or real effects to the environment.

### STEP 1

**What:** Identify a list of desired community projects that are feasible. Prioritize the list into the top two to five projects.

**Who:** Community level decision

### STEP 2

**What:** Select one or more projects. Assign each project to a Community Working Group. If the projects are not specifically linked, it would be more feasible to work through the environmental process for each project rather than combining several into one.

**Who:** Community Working Group.

### STEP 3

**What:** Define and describe the scope of the project in detail. Solicit public comment and support.

**Who:** Community Working Group for each selected project.

The following four items should be presented and evaluated in a level of detail which is appropriate to the eight considerations identified on the following page.

- The complexity of the proposed action;
- The environmental sensitivity of the area affected by the proposed action;
- The degree of uncertainty that the proposed action will have a significant impact on the quality of the human environment;
- the need for and complexity of mitigation required to avoid, minimize, rectify, reduce or eliminate, or compensate for significant environmental impacts.

1. Describe the proposed action or activity, including construction and end-product (attach maps, photos, and graphics as applicable). The proposed action addresses the "who, what, where, and when" details of the project. Describe all the actions that would occur during completion of the project. For example, if the project selected is an interpretive center for dinosaur digs, then the associated actions would include parking lot, utilities, sewer system, water system, outdoor displays or trails, road access, and separate maintenance facilities. Initial analysis might include information on the square footage, how many people the facility could handle, and its initial design.
2. Describe the project site and surrounding areas(s), including existing site use and present environmental conditions (attach map as applicable).
3. Identify the stakeholders, that is, individuals and groups likely to have concerns about or interest in the proposed project. It is crucial that the stakeholders be involved in the very early stages of the project. Keep the public informed. Before going to any public, it is important to have identified a proposed project, a direction, and possible benefits. Public response will be more valuable if you give them tangible information from which to make comments. The extent and timing of public involvement will depend on the type of project undertaken. It may be necessary to repeat public involvement activities as the project changes or progresses.
4. Describe the benefits (social, economic, and environmental) and purpose of the proposed action (why are we proposing this?). For example, the interpretive center would provide research and educational opportunities and economic as well as social benefits to the community. Brainstorm a list of the plus's and minus's associated with the proposed action and its relationship to the physical environment (effects on soil, water, loss of habitat, etc.) recognizing that social and economic changes occurring as a result of the project may also indirectly or directly affect the environment. An example of this might be: currently the area has occasional visitor use. This action could increase visitor use by several hundred people per day during the peak tourist season. Cross-reference brainstorming information with the "Project Effects Analysis Checklist", Step 4.
5. Define land ownership, boundaries, and jurisdiction regarding the location of the proposed site as well as ownership of access routes needed. Describe existing use of the land. For example, the interpretive center is on land operated by the Nature Conservancy (private land) and the existing use is for research and conservation. The utility lines may involve private landowners and county right of way. Recognize that each action within the proposed action could occur on lands owned by different individuals implementing different types of uses or activities. See Appendix B to determine whether the National Environmental Policy Act or Montana Environmental Policy Act apply to the proposed action.
6. Describe all sources of project funding by identifying the agency or individual(s) responsible for releasing dollars and whether they represent Federal, State, County, or local government institutions or private dollars (foundations, donations, etc.). See Appendix B to determine whether the National Environmental Policy Act or Montana Environmental Policy Act apply to the proposed action.

7. Describe any previously completed project plans or studies which are relevant to the project. Studies or plans that have already been completed could reduce duplication in the analysis process.
8. Define proposed implementation schedule. Be aware that if a permit is required, extra time may be needed to complete the analysis process. See Appendix A (permit guide) to identify agency contacts for obtaining required permits.
9. Ensure compliance with any applicable local plans, ordinances or regulations. This includes identifying any permits that are or may be needed to implement the project.

**Project Is In Compliance**

	Yes	No	Not Applicable
Local Comprehensive Plans Including Housing, Land Use and Public Facilities Elements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local Zoning Ordinances or Land Use Regulations, Such as Land Use Permit Systems or Soil Conservation District Requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 4**

**What:** Determine if other Federal, State, city, and local laws apply to the proposed action.

**Who:** Community Working Group, appropriate resource specialists, and agency liasons.

All proposed actions must be evaluated and analyzed with regard to other Federal, State, and local laws, regulations, orders and ordinances. To determine which laws may apply to the proposed action; follow the checklist provided on the following pages.

**Project Effects Analysis Checklist**

The following checklist is designed to guide the Community Working Groups to additional applicable laws (Federal, State, and local) that may apply to their specific project. This list is by no means exhaustive. Community Work Groups are encouraged to consult with their established liaison and other agencies for additional applicable laws and guidance.

Listed below are potential environmental factors for the physical environment. Potential activities for a proposed project are listed. Examine each factor and determine if it applies to the proposed action. If it does mark 'yes', if it does not apply to the proposed action mark 'no', and if more information is needed in order to make that assessment mark 'more info. needed'. The Community Work Groups are then directed to a list of potential applicable laws and regulations within the same category.

The last column (Action Taken) is a place for Community Work Groups to track the analysis process. In all cases the Community Work Groups should reference and attach additional narrative statements providing specific information to support an evaluation of the impacts of the proposed project or activity as it relates to each environmental subject area. For example, if additional information is needed, the Community Work Groups can indicate the steps taken, the contacts made, and attach supplemental sheets identifying the outcome. Also document why a law or regulation was dismissed as not applicable.

See Appendix C for a listing of some of the key state and federal environmental requirements which may affect local projects.

**PROJECT EFFECTS ANALYSIS CHECKLIST**

Environmental Factors	Yes	No	More Info. Needed	Applicable Laws	Action Taken
Soil Suitability, Topographic or Geologic Constraints, Geologic Hazards and Unique Land Forms					
HUD Environmental Criteria - 24 CFR 51: (b) Noise, Suitable Separation Between Housing & Other Sensitive Activities & Major Noise Sources (Aircraft, Highways & Railroads)				HUD Regulations 24 CFR Part 51, Subpart B, (7/12/79)	
51(c) Hazardous Facilities, Acceptable Separation Distance from Explosive and Flammable Hazards (Chemical/Petrochemical Storage Tanks & Facilities-ex., Natural Gas Storage & Propane Storage Tanks)				HUD Regulation 24 CFR Part 51, Subpart C, (2/10/84) Hazardous Facilities. Also, 24 CFR Part 51, Subpart D, (1/6/84) Airport Runway Clear Zones	
51(d) Airport Runway Clear Zones-Avoidance of Incompatible Land Use in Airport Runway Clear Zones EPA Hazardous Waste Sites, or Other Hazards or Nuisances Not Covered Above				HUD Regulation 24 CFR Part 51, Subpart C, (2/10/84) Hazardous Facilities. Also, 24 CFR Part 51, Subpart D, (1/6/84) Airport Runway Clear Zones	
Effects of Project on Surrounding Air Quality or Any Effects of Existing Air Quality on Project				Clean Air Act of 1970 as Amended (42 U.S.C. 7401-7642), EPA Regulations 40 CFR Part 50, and partially 40 CFR Part 51, 52, 61	



**PROJECT EFFECTS ANALYSIS CHECKLIST (continued)**

Environmental Factors	Yes	No	More Info. Needed	Applicable Laws	Action Taken
Ground Water Resources & Aquifers, Including Sole Source Aquifer/ Missoula, MT				Federal Water Pollution Control Act, as Amended (33 U.S.C. 1251-1376). Safe Drinking Water Act of 1974 (42 U.S.C. 300f-10), as Amended. U.S. Environmental Protection Agency (EPA) Implementing Regulations 40 CFR Parts 100-149. Missoula, Montana Sole Source Aquifer, in accordance with Section 1424(e) of the Safe Drinking Water Act, 42 U.S.C.A. Section 300h-3 (1982). Contact DOC for further info. regarding Missoula area projects.	
Surface Water/Water Quality, Quantity & Distribution				Federal Water Pollution Control Act, as Amended (33 U.S.C. 1251-1376). Safe Drinking Water Act of 1974 (42 U.S.C. 300f-10), as Amended. U.S. Environmental Protection Agency (EPA) Implementing Regulations 40 CFR Parts 100-149. Missoula, Montana Sole Source Aquifer, in accordance with Section 1424(e) of the Safe Drinking Water Act, 42 U.S.C.A. Section 300h-3 (1982). Contact DOC for further info. regarding Missoula area projects.	
Floodplains & Floodplain Management				Flood Disaster Protection Act of 1973 (PL 93-234 and Implementary Regulations. Title 24, Chapter X, Subchapter B, National Flood Insurance Program (44 CFR 59-75). Executive Order 11988 and HUD Procedure for Floodplain Management (24 CFR Part 55)(When Issued). Executive Order 11296. Floodplain and Floodway Management, Title 76, Chapter 5, MCA.	
Wetlands Protection				Executive Order 11990 Protection of Wetlands, and Applicable State Legislation or Regulations. Also 24 CFR Part 55 (When Issued).	
Agricultural Lands, Production, & Farmland Protection				Farmland Protection Policy Act of 1981 (U.S.C. 4201 et. seq.). U.S. Department of Agriculture implementing regulations (7 CFR Part 658).	

**PROJECT EFFECTS ANALYSIS CHECKLIST (continued)**

Environmental Factors	Yes	No	More Info. Needed	Applicable Laws	Action Taken
Vegetation & Wildlife Species & Habitats, including Fish Unique, Endangered, Fragile, or Limited Environmental Resources, including Endangered Species				Fish and Wildlife Coordination Act (16 U.S.C. 661-666c). Endangered Species Act of 1973 as Amended (16 U.S.C. 1531-1543). Several State statutes (contact Montana Department of Fish, Wildlife and Parks.)	
Unique Natural Features					
Access to and Quality of Recreational & Wilderness Activities, and Public Lands, including Federally Designated Wild & Scenic Rivers				16 U.S.C. 1271 et. seq., as amended; particularly sections 7(b) and 7(c), and 16 U.S.C. 1278 (b) and (c). Note: In Montana, this act applies to the North Fork of the Flathead River from the Canadian border down stream to its confluence with the Middle Fork; the Middle Fork from its headwaters to its confluence to the South Fork; and the South Fork from its origin to Hungry Horse Reservoir; and, the Missouri River consisting of the segment from Fort Benton on hundred and forty-nine miles down-stream to Fred Robinson Bridge.	
Solid Waste Collection and Disposal, Sanitary Waste Collection and Disposal				Solid Waste Disposal Act of 1974  Montana Solid Waste Management Act, Title 74, Chapter 10, Part 2, MCA	
Visual Resources (landscapes)					
Cultural Resources, e.g. Archaeological, Historical, and Architectural				Consult with Montana State Historic Preservation Office (SHPO)  National Historic Preservation Act of 1966 (16 USC 470)	

**PROJECT EFFECTS ANALYSIS CHECKLIST (continued)**

Environmental Factors	Yes	No	More Info. Needed	Applicable Laws	Action Taken
Soils Productivity, Capability, and Potential Hazards of Erodibility and Mass Failure					

## STEP 5

**What:** Coordinate, conduct, and document environmental analysis.

**Who:** Community Working Groups, liaison(s), and agency contacts.

1. Establish and identify one or more individuals to act as liaison between the community and the key agency group(s). Their responsibility would be to assure effective communication links between all parties and act as project coordinator for the environmental analysis.
2. Validate and reconfirm Steps 3 and 4 with the agency to assure that the analysis is headed in the right direction.
3. Identify additional roles and responsibilities as needed between the agency and the community.

**EXAMPLE 1:** If a community receives a federal grant to contract with a firm to conduct the environmental analysis, someone in the federal agency must be a contact person to process the grant until it is terminated and someone in the community (usually someone in local government or a non-profit organization) must be identified to receive the grant funds and be responsible for ensuring the funds are used properly and the environmental analysis is completed.

**EXAMPLE 2:** An agency agrees that one of its employees will conduct a certain portion of the environmental analysis, such as a technical analysis of soil properties for construction of a road.

4. Conduct and document the environmental analysis. An Agency can do the analysis or the analysis could be contracted. This would most likely be decided in #3 above.

This step will involve the most time. The complexity of the proposed action, the agencies involved, potential impacts to the environment, and public involvement would determine the time involved to complete this step.

Additional factors influencing time involved might include:

- Acquire required permits.
- Collect needed resource data.

**\*\* HELPFUL HINTS \*\***

- Recordkeeping is critical. Each community should prepare and maintain a complete written record of the environmental review undertaken. This written record or file is called the project record and should be available for public review in the general offices of the local government. It must contain a description of the project and each of its component activities, as well as any other documents, notices, information, and public comments received pertinent to the environmental review. Public comments and concerns are extremely important. The concerns and how they are resolved must be addressed and fully documented in the project record. All correspondence, phone calls, meetings, etc., should be filed in one spot by a designated individual.
- Significant changes in the project may require that you loop back through Steps 3 - 6 to review and refine.
- Keep involved with agencies and periodically coordinate meetings to keep them abreast of the analysis. The agency is there to be a support and a source of information. Use their expertise frequently.
- Community involvement needs to be incorporated throughout the process. The goal here is to keep people informed of the project so there are no surprises when a final decision is reached.
- The checklists are provided as 'tools' and not an end in themselves. Every project is different. The checklists provide a base from which to proceed and function largely as brainstorming tools and tickler lists.

**APPENDIX A**

**PERMIT GUIDE**

*(from Montana Department of Natural Resources and Conservation)*

Laws	-----ACTIVITY-----								
	Work In or On Stream Channels or Banks			Discharging Water Into Live Stream			Water Use or Diversion		
	Federal Land	State Land	Private Land	Federal Land	State Land	Private Land	Federal Land	State Land	Private Land
Coal & Uranium Reclamation	** 7, 9, 11	7	7	-	-	-	-	-	-
Open Cut Mining	7, 9, 11	7	7	-	-	-	-	-	-
Metal Mine Reclamation	7, 9, 11	7	7	-	-	-	-	-	-
*General Mining Law	9, 11	-	-	9, 11	-	-	9, 11	-	-
Water Pollution Control	6	6	6	6	6	6	6	6	6
Water Rights	-	-	-	-	-	-	5, 15	5	5
Natural Streambed & Land Preservation *310*	11, 1	9, 4 4, 1	4, 1				11, 1	9, 4 4, 1	4, 1
Stream Protection *124*	9, 4	4	-	-	-	-	9, 4	4	-
*Water Pollution Control Act *404*	13	13	13	-	-	-	13	13	13
Flood Plain & Floodway Management	-	5, 2	5, 2	-	-	-	-	5, 2	5, 2
Lakeshore Protection	2	2	2	-	-	-	2	2	2
*Wetlands - Flood Plain E.O.	9, 11, 13	10, 13	10, 13	9, 11	10	10	11, 13	10, 13	10, 13
Local Zoning Laws	-	2, 3	2, 3	-	2, 3	2, 3	-	2, 3	2, 3
State & Federal Environmental Act	9, 5 11, 16	5, 10 16	5, 10 16	6, 9, 5 11, 16	6, 5 10, 16	6, 5 10, 16	9, 5 11, 16	5, 10 16	5, 10 16
State & Federal Archaeologic & Historic	8, 9, 11 12, 13	7, 4 8, 13	8, 12	9, 11 8, 12	7, 4 8	9, 11, 8 8	12, 13	7, 4 8, 13	8, 13
*FERC Regulations	-	-	-	-	-	-	9, 11, 14	-	-
*River and Harbor Act	13	13	13	-	-	-	13	13	13

\* Federal Laws

\*\* Agencies Involved (Contact agency or organization owning or administering land if multiples are listed.)

**Local**

1. Conservation Districts
2. County Commissioners
3. City

**State of Montana**

4. Dept. of Fish, Wildlife and Parks
5. Dept. of Natural Resources and Conservation, Water Resources Division
6. Dept. of Health & Environmental Sciences
7. Dept. of State Lands
8. Montana State Historic Preservation Office

**Federal**

9. USDA, Forest Service
10. USDA, Soil Conservation Service
11. USDI, Bureau of Land Management
12. USDI, Fish & Wildlife Service
13. U.S. Army, Corps of Engineers
14. Federal Energy Regulation Commission
15. Agency Administering Federal Land
16. Environmental Protection Agency

## APPENDIX B

The National Environmental Policy Act of 1969 (NEPA) is our basic national charter to insure protection of the environment and consider potential effects of projects on the environment. The NEPA process is intended to help public officials make decisions that are based on an understanding of environmental consequences, and take actions that protect, restore, and enhance the environment. Federal regulations for complying with the NEPA are found generally in 24 Code of Federal Regulations (CFR) Parts 51 and 58 and 40 CFR Parts 1500-1508.

Certain funded projects in Montana may be subject to the Montana Environmental Policy Act (MEPA) of 1971 (Title 75, Chapter 1, MCA).

Looking at landownership and sources of funding for the project (established in Step 3, Nos. 5 and 6) will help determine whether NEPA or MEPA apply. In some cases, neither may apply. If there is a combination of ownerships or dollars (ie. if the proposed project takes place on State land and Federal land) both laws may apply. However, only one analysis would need to be completed.

If federal or state funds or lands are involved in the project, community working groups must coordinate with appropriate agencies to determine the extent to which NEPA or MEPA applies and roles and responsibilities of the agency and community. The following matrix will help in determining which law(s) may apply.

**NEPA/MEPA\* DETERMINATION MATRIX**

Land Ownership	Federal Dollars	State Dollars	Private Dollars
Federal	NEPA	NEPA/MEPA	NEPA
Private	NEPA	MEPA	n/a
State	NEPA/MEPA	MEPA	MEPA
Local (City/County)	NEPA	MEPA	

\* MEPA is specifically related to Montana. Other western states with this type of law are: California, Hawaii, South Dakota, Washington, and North Dakota.

## APPENDIX C

### APPLICABLE LAWS

Some of the key federal environmental requirements which may affect local projects include the following:

- *National Environmental Policy Act of 1969* (42 U.S.C. Section 4321, et seq. and 24 CFR Part 58). The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety or other undesirable and unintended consequences. The environmental review procedures are a necessary part of this process;
- *24 CFR Part 51 Environmental Standards for: Noise Abatement and Control; Siting of Projects near Hazardous Operations; and Siting of Projects in Runway Clear Zones, Clear Zones and Accident Potential Zones*. These regulations provide standards for determining whether the proposed location of a project will be in an unacceptable proximity to sources of noise or hazardous operations which pose risk to human health and welfare or is in an area determined to have high risk potential near airports. With respect to noise and hazardous operations, guidance is provided which establishes mitigating procedures which in some cases will reduce the noise level or danger from hazardous operations to an acceptable level or degree;
- *Clean Air Act* (42 U.S.C. 7401, et seq.) This Act prohibits engaging in, supporting in any way or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the State implementation plan for national primary and secondary ambient air quality standards;
- *Flood Disaster Protection Act of 1973*, Public Law 93-234, 87 Stat. 975, approved December 31, 1973. Section 102(a) required, on and after March 2, 1974, the purchase of flood insurance, as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by as an area having special flood hazards;
- *Executive Order 11988, May 24, 1978: Floodplain Management* (42 F.R. 26591 et seq.). The intent of this Executive Order is to avoid, to the extent possible, adverse impacts associated with the occupancy and modification of floodplains and avoid direct or indirect support of floodplain development wherever there is a practical alternative.
- *Executive Order 11990, May 24, 1977: Protection of Wetlands* (42 F.R. 26961, et seq.). The intent of this Executive Order is to avoid adverse impacts associated with the destruction or modification of wetlands and to avoid direct or indirect support of new construction in wetlands, wherever there is a practical alternative. Communities should avoid undertaking or providing assistance for new construction located in wetlands unless there is no practical alternative to such construction and the proposed action includes all practical measures to minimize harm to wetlands;
- *Section 106 of the National Historic Preservation Act of 1966* (16 U.S.C. 470, as amended) through completion of the procedures outlined in 36 CFR Parts 800 and 63.  
Compliance with these procedures should include:  
consulting with the State Historic Preservation Office (SHPO) to identify properties listed in or eligible for inclusion in the National Register of Historic Places that may exist within a proposed project area. Compliance also includes consulting, as needed with the SHPO, the keeper of the National Register of Historic Places, and the Advisory Council on Historic Preservation to evaluate the significance of historic or prehistoric properties which could be affected by the project and to determine how to avoid or mitigate adverse effects to significant properties from project activities;
- *Title IV of the Lead-based Paint Poisoning Prevention Act* (42 U.S.C. 4831). This prohibits the use of lead-based paint in structures constructed or rehabilitated with federal assistance of any kind;
- *Solid Waste Disposal Act*, as amended by the *Resource Conservation and Recovery Act of 1976* (42 U.S.C. Section 6901, et seq.). The purpose of this Act is to promote the protection of health and the environment and to conserve valuable material and energy resources;
- *Safe Drinking Water Act of 1974* (42 U.S.C. Section 201, 300(f) et seq. and U.S.C. Section 349), as amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e)) which is intended to protect underground sources of water. No commitment for federal financial assistance can be entered into for any project which the U.S. Environmen-



tal Protection Agency (EPA) determines may contaminate an aquifer which is the sole or principal drinking water source for an area;

- *Federal Water Pollution Control Act of 1972*, as amended, including *The Clean Water Act of 1977*, Public Law 92-212 (33 U.S.C. Section 1251, et seq.). This provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water;
- *Endangered Species Act of 1973*, as amended (16 U.S.C. 1531 et seq.). The intent of this Act is to ensure that all federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction of or modification of habitat of such species which is determined by the U.S. Department of the Interior, after consultation with the state, to be critical;
- *Fish and Wildlife Coordination Act of 1958*, as amended, (U.S.C. 661 et seq.). This Act requires that wildlife conservation receive consideration and is coordinated with other features of water resource development programs;
- *Wild and Scenic Rivers Act of 1968*, as amended (16 U.S.C. 1271, et seq.). The purpose of this Act is to preserve selected rivers or sections of rivers in their free-flowing condition, to protect the water quality of such rivers and to fulfill other vital national conservation goals. Federal assistance by loan, grant, license or other mechanism can not be provided to water resources construction projects that would have a direct and adverse effect on any river included or designated for study or inclusion in the National Wild and Scenic River System.
- *Farmlands Protection Policy Act of 1981* (7 U.S.C. 4202, et seq.) and any applicable regulations (7 CFR Part 658). The purpose of this Act is to establish compliance procedures for any federally assisted project which will convert farmlands designated as prime, unique, statewide or locally important, to non-agricultural uses.

Other applicable federal laws and regulations may include:

- *Executive Order 11288* - Prevention, control, and abatement of water pollution by federal activities;
- *Executive Order 11296* - Evaluation of flood hazard in locating federally owned or financed building, roads and other facilities, and in disposing of federal lands and properties;
- *Executive Order 11514* - Protection and enhancement of environmental quality;
- *Fish and Wildlife Coordination Act of 1958*;
- *Reservoir Salvage Act of 1960*.

Some of the key state environmental requirements which may affect local projects include the following:

- *Montana Environmental Policy Act (MEPA)*, Title 75, Chapter 1, MCA.
- *Stream Preservation Act*, Title 87, Chapter 5, Part 5, MCA
- *The Natural Streambed and Land Preservation Act of 1975-Lakeshore Preservation Act*, Title 75, Chapter 7, Parts 1 and 2, MCA.
- *Montana Solid Waste Management Act*, Title 75, Chapter 10, Part 2 MCA
- *Solid Waste Management Act*, Title 75, Chapter 10, Part 1, MCA.
- *Clean Air Act of Montana*, Title 75, Chapter 2, MCA.

- *Water Pollution Act of Montana, Title 75, Chapter 5, MCA.*
- *Public Water Supply, Title 75, Chapter 6, MCA.*
- *Floodplain and Floodway Management, Title 76, Chapter 5, MCA.*

## **Attachment 9-D**

### **Sample Environmental Impact Checklist<sup>1</sup>**

- Air pollution
- Surface water pollution, including rivers, streams, lakes, ponds, and coastal waters
- Ground water pollution
- Pollution of domestic water supply
- Noise pollution, in general and at peak periods
- Solid waste disposal problems
- Water drainage and flooding problems
- Damage or destruction of flora and fauna
- Ecological disruption and damage, including both land and water areas, wetlands, and plant and animal habitats in general
- Land use and circulation problems within the project area
- Pedestrian and vehicular congestion in general and at peak periods
- Landscape aesthetic problems (building design, landscaping, signs, etc.)
- Environmental health problems, such as malaria and cholera
- Damage to historic, archaeological, and other cultural sites
- Damage to specific important and attractive environmental features, such as large trees, hilltops, and unusual geological formations
- Generation of erosion, landslides, and similar problems
- Likelihood of damage to the project from natural environmental hazards, such as earthquakes, volcanic eruptions, hurricanes.

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<sup>1</sup>From *Tourism Planning*, Edward Inskip, p. 353.

## **Attachment 9-E**

### **Sample Questions to Help Consider Environmental Impacts of Tourism Development<sup>2</sup>**

- Is this facility designed to respect the carrying capacity of the site?
- Is the facility in keeping with the scale of the surroundings and the local style?
- Does siting of buildings respect preservation of trees and minimize land cut and fill?
- Are the buildings compatible and unobtrusive within their surroundings?
- Have local buildings and landscaping materials been used where possible?
- Does the facility interfere as little as possible with the natural ecosystem (for instance, do roadways block streams or does effluent pollute natural waterways or water sources?)
- Are roadways, walkways, and trails unobtrusive, designed to minimize erosion, and control traffic flow?
- Have weather patterns been considered and accommodated?
- Are facilities located on the perimeter of natural areas when possible?

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<sup>2</sup> Selected from *Sustainable Tourism Development*, World Travel Organization, p. 50.

# CONCEPTS GLOSSARY

**Annualized Costs:** A means for spreading the cost of a capital investment, such as structures or signage, over the life of the investment. A specific discount rate is used in the process to account for the time-value of money. Costs are annualized to simplify comparisons between benefits and costs when you have a cost at the beginning of time with the benefits being realized throughout the life of the investment. The appropriate factor to annualize a capital expenditure is available from published tables according to the life of the investment and the discount rate chosen.

The factors for some commonly used discount rates and life spans are included in the following table.

	4% Discount Rate	5% Discount Rate	6% Discount Rate
5 years	4.452	4.329	4.213
10 years	8.111	7.722	7.360
15 years	11.118	10.380	9.712
20 years	13.590	12.462	11.470
25 years	15.622	14.094	12.783
30 years	17.292	15.372	13.765
35 years	18.664	16.374	14.498
40 years	19.793	17.159	15.046
45 years	20.720	17.774	15.456
50 years	21.482	18.256	15.762

For example, the factor for a 10 year time period and a 6% discount rate is 7.360. This means that the annualized cost of a \$50,000 building over a 10-year period is  $\$50,000 \div 7.360$  or \$6,793 per year.

**Benefit-Cost Ratio:** The benefit/cost ratio divides the total amount of benefits from the proposed project by the total costs of building and operating the development. If the ratio is greater than 1 that means the benefits likely to accrue to your community are greater than the estimated costs. Conversely, if the ratio is less than 1, for example .33, then the likely costs outweigh the predicted benefits. You want a benefit/cost ratio greater than 1 to go ahead with planning a project. You would

only consider going ahead when the ratio is less than one if you found an unusually strong amount of unmeasurable benefits to offset the costs.

**Capacity:** When calculating the demand for a tourism site or facility, it is not enough to just look at how many people might want to come. You must temper that figure with consideration of how many visitors you can handle at any one site and overall in the community on any given day. Do not estimate your potential benefits based on expenditures by more visitors than you could actually serve.

**Carrying capacity:** The amount of use (of a given kind) a particular society/environment

can endure year after year without degradation of its suitability for that use (Cattin 1982). Carrying capacity is dictated by limiting factors, which are whatever necessities are least abundantly available relative to per capita requirements.

**Demand:** Basically, in figuring demand, you are trying to put a number on "How many people will stop and visit?" "How long will they stay?" and "How much will they spend on average each day?"

**Impacts** may be thought of as the net difference between the local situation with and without the project you are assessing. Thinking of it in this way recognizes that changes are going to



occur in the community whether a project occurs or not. Those changes need to be projected into the future just as the situation with the development project must be projected. To simply look at the present situation and try to compare that with a future scenario that includes the development ignores the fact that some changes will inevitably take place even without the development. Impacts can be benefits or costs. And, this will vary in the eyes of different people or groups within a community or population. For example, some people will see newcomers from different cultures moving to the community as positive while others will see it as undesirable and likely to cause problems for their traditional life styles.

**Local Income Multiplier Coefficient:** Tourism expenditures do not simply increase local income by the initial amount of money visitors spend. As the figure below illustrates, the money is spent in more than one round. Each time some of the money stays in the local economy buying locally-produced goods and services and some is trickled out through the purchase of extra-local goods and inputs to production. Tourists purchase goods and services that are only partially produced or

supplied locally. Therefore, part of their expenditures immediately leave the local economy. Then the tourist dollars received by local businesses and employees are spent to purchase additional items for personal or business use, only some of which again are produced or supplied locally.

Most likely you will not be able to find a local income multiplier coefficient calculated specifically for your local economy based on historical tourism research. So, if you are just beginning to develop a tourism industry, you will have to rely on average figures. Research on rural tourism has found a realistic multiplier effect to be 0.3 to 0.5, meaning that every dollar spent by a tourist results in \$0.30 to \$0.50 in local income. Select a number higher or lower in this range based upon your best judgement of how much money spent in your community stays in the community versus is taken outside to be spent. In other words, are most items purchased in your community produced in the community with local inputs? Or, are most items either purchased outside the community or purchased in the community but made with inputs that are imported?

First Round - Direct Impact

\$100 Increase in Local Income

Tourist Expenditure = Local Sales \$200  
 \$100  
 50% for purchases of goods & services produced outside; taxes

\$100 - equals - 50% for local goods

Second & Subsequent Rounds

\$22 Increase 2nd Round

\$100 Increase in local income; 1st round  
 \$45 45% of income & taxes; purchases outside community

\$55 55% income spent locally

\$33 60% buy goods & services produced outside community; taxes

\$22 40% for local goods

From *Tourism USA*.

**Unmeasurables** are benefits and costs that can not have a dollar value placed on them, but which do either enhance or detract from the local economy, society, or environment in some way. For example, an increase in jobs can have a dollar figure attached to it if you consider increase in local wages. The analysis, however, should not end there. You need to assess whether the proposed types of jobs to be created match your available workforce and its members' needs and desires in terms of employment. Also be aware that tourism jobs can be low paying and tend to not offer benefits due to their often part-time, seasonal nature. This is a cost of pursuing a tourism

economic development strategies instead of some others. You need to consider how these compare with other locally available jobs to determine if people will indeed seek out employment in the tourism activity.

Another cost could be lack of "peace and quiet" of a slack season if your community uses tourism to fill in the off-season gaps of other ongoing economic activities. Do the economic benefits offset this perceived social cost/value?

Unmeasurable Benefits	Unmeasurable Costs
<ul style="list-style-type: none"> <li>New jobs</li> <li>Expanded economy</li> <li>Clean industry</li> <li>Investment opportunities</li> <li>Supports public facilities</li> <li>Boosts local businesses</li> <li>Promotes variety</li> <li>Encourages civic involvement and pride</li> <li>Provides cultural exchange between hosts and guests</li> <li>Foster conservation and preservation of natural, cultural and historical resources</li> <li>Encourage community beautification and revitalization</li> </ul>	<ul style="list-style-type: none"> <li>Seasonal, lower-paying jobs</li> <li>Higher taxes/user fees for residents</li> <li>No guarantee of success</li> <li>Seasonal markets</li> <li>Higher public maintenance costs</li> <li>Conflict between lifestyles of visitors and residents</li> <li>Crowding and congestion</li> <li>Competition for available services, facilities, and existing recreation opportunities</li> <li>Degradation of quality of sensitive natural or historical sites.</li> <li>Increase litter, noise, and pollution</li> </ul>





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