

# Economic Analysis Blaine County, Idaho

May 2001



*Prepared for the*

Sun Valley/Ketchum Chamber of Commerce  
Sun Valley/Ketchum, Idaho

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In addition, we want to express our thanks for the cooperation and support of a wide variety of agencies, organizations and businesses that contributed valuable information and insight toward this project. Without this assistance, the study would not have been possible.



## EXECUTIVE SUMMARY

This study, prepared for the Sun Valley-Ketchum Chamber of Commerce by Dean Runyan Associates, is intended to assist community and regional decision makers in monitoring the socio-economic development of Blaine County. A summary of the major findings follows.

### POPULATION & EMPLOYMENT GROWTH

Over the past decade, the population and employment of Blaine County have increased at about the same rate:

- In 2000, Blaine County had a population of about 19,000 persons, an increase of 40 percent over 1990 (3.4 percent per year). About 75 percent of the residents were 18 years of age and older.
- In 2000, there were approximately 17,000 full- and part-time jobs in Blaine County, up from about 12,000 jobs in 1990 (an increase of 3.5 percent per year).

### EARNINGS & PERSONAL INCOME

Because of both favorable growth in average annual earnings, and a large component of non-earned personal income (dividends, interest and rental income), per capita income in Blaine County has increased substantially (5.7 percent per year) over the past decade.

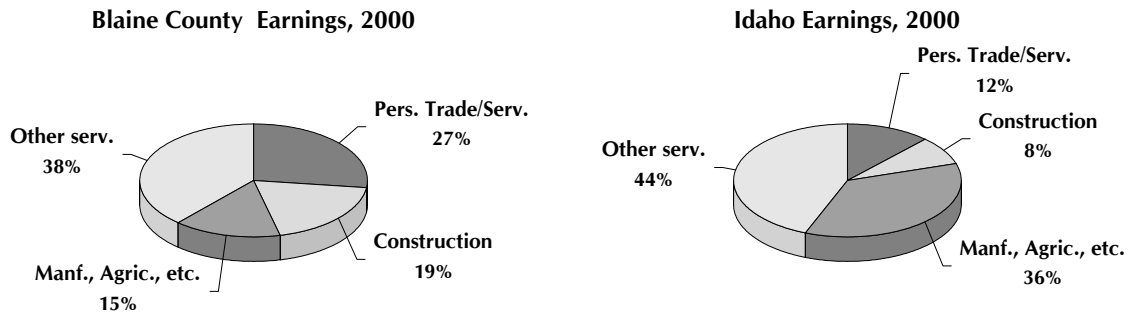
- Average annual earnings per job in Blaine County (\$28,007 in 1999) surpassed the Idaho average (\$26,802 in 1999) during the last decade.
- In Blaine County, \$259 million in personal income (36 percent of the total) came in the form of interest, dividends and rent in 1999. (The corresponding figure for the state of Idaho for 1999 was 19 percent).
- Earnings from self-employment amounted to \$109 million in Blaine County in 1999. This is 23 percent of all earned income in the county (compared to 17 percent for the state of Idaho).

### STRUCTURE OF JOBS & EARNINGS

Personal trade and services, and construction are especially important sources of earnings and employment in Blaine County. Manufacturing, mining, agriculture and other non-service-oriented employment generate a relatively small share of earnings and employment in Blaine County.



- Personal Trade and Services generated more than one-fourth of all earnings (\$125 million) in Blaine County in 2000. The comparable proportion for the state of Idaho was one-eighth. (Personal Trade and Services refers to all goods and services purchased by visitors, and most other goods and services purchased on a regular basis by residents. It does not include health, legal or most other professional services.)
- Construction employment generated almost 19 percent of all earnings in Blaine County in 2000 (\$75 million). The comparable proportion for the state of Idaho was 8 percent.
- Manufacturing, mining, agriculture and other non-service oriented employment accounted for only 15 percent of all Blaine County earnings (\$75 million). The comparable proportion for the state of Idaho was 36 percent.



Sources: Dean Runyan Associates, Bureau of Economic Analysis and Minnesota IMPLAN Group, Inc.

## ECONOMIC IMPACTS OF VISITOR SPENDING

Visitor spending is a significant component of the local economy.

- Throughout the last decade, visitor spending directly generated about one-fourth of all jobs in Blaine County. In 2000, this amounted to 4,270 jobs (26 percent of total employment). In 1991, visitor spending generated 3,060 jobs (25 percent).
- An estimated additional 290 construction jobs with earnings of \$8.4 million were related to the construction of vacation homes in Blaine County in 2000.
- The total impacts of visitor spending were 5,980 jobs and \$120 million in earnings in 2000. This represents 37 percent of all employment and 29 percent of all earnings in the county. (Total impacts include visitor spending, construction and all other indirect employment and earnings).

Table S-1  
**Total Blaine County Visitor Impacts**

	Employment (Jobs)	Earnings (\$ Million)
Direct Visitor Spending	4,270	74.3
Visitor-related Construction	290	8.4
Indirect Visitor Effects	<u>1,420</u>	<u>37.3</u>
Total	5,980	120.0
Percent of Blaine County	37%	29%

Source: Dean Runyan Associates

Visitors make a substantial contribution to local revenues received in Blaine County. (The following estimates include only the direct impacts of sales and property tax payments by visitors.)

- The state 5 percent sales tax collected in Blaine County, is about 58 percent visitor-related.
- The local option taxes collected in Ketchum and Sun Valley are almost 80 percent visitor-related. In Ketchum, more than \$1.2 million, or two-thirds of the total local option tax receipts, are visitor-related. In Sun Valley, visitor spending generated more than \$1.3 million (95 percent) in local option tax receipts.
- About \$12.8 million in property taxes (35 percent of all property tax receipts in Blaine County) are derived from visitors. The majority of these receipts (\$10.3 million) are related to vacation homes. In addition, property taxes on visitor-related commercial properties (i.e., retail, lodging, restaurants) accounted for \$2.5 million.
- About \$3.0 million (80 percent) of all local tax revenues (property taxes and local option taxes) in Sun Valley are visitor-related. This is equivalent to about two-thirds of all budget revenues. About \$2.1 million (one-half) of all local tax receipts in Ketchum are visitor-related, equivalent to slightly more than one-fourth of all city revenues. An undetermined portion of non-tax revenues (e.g., charges and fees) would also be visitor-related.

Table S-2  
**Blaine County Visitor Generated Tax Receipts, 2000**

	(\$ Million)		
	Percent Visitor Related	Total Receipts	Visitor- Generated
State Sales Taxes*	58%	\$1.6	\$0.9
State Room Tax	100%	0.7	0.7
Local Option Taxes	80%	3.2	2.6
Property Taxes	35%	36.3	12.8
Total	41%	\$41.8	\$17.0

Source: Dean Runyan Associates

## **EMPLOYMENT AND LOCATION OF RESIDENTS**

As is common in other resort communities, many individuals may be employed in more than one job and commute from other towns to their place of work.

- About 70 percent of all jobs in the county are in Ketchum and Sun Valley. About one-half of the persons that are employed in Sun Valley and Ketchum reside elsewhere. As a result, an estimated 6,000 workers commute to Ketchum and Sun Valley from other locations.
- The number of jobs in the county (17,000) and the number of residents 18 years of age and older (14,400) suggest that some employed residents may hold more than one part-time job or, in the case of the self-employed, own more than one business.

## **HOUSING**

New residential construction has been substantial in Blaine County during the past decade, but the average sale price of a new home has still increased at a higher rate than earnings or personal income.

- During the last decade, between 200 and 400 new housing units were constructed each year.
- The average sale price of a new home increased between 8 and 9 percent per year in Blaine County during the past decade. In 2000, the average price of a new residence was over \$1 million in Sun Valley/Ketchum, \$715,000 in Mid-Valley, and \$218,000 in Hailey/Bellevue.
- Over the last decade housing has become much more expensive for workers in Blaine County since average earnings per worker grew by 4.8% per year, considerably less than rate of increase for home prices over the same period.

## **COMPARISON WITH OTHER RESORT COMMUNITIES**

Compared to other resort communities, (this study compared Ketchum-Sun Valley with Park City, Utah; Jackson Hole, Wyoming; and Aspen, Steamboat Springs, and Vail in Colorado), Blaine County has several advantages.

Of all of these resort communities, only Blaine County has both:

- a high proportion of personal income derived from investments, and
- a predominantly resident workforce.

These two factors generate demand for goods and services that indirectly create local jobs. Hence, Blaine County has a relatively diversified local economy.

In addition,

- The average sale price of a single family home in Blaine County is similar to prices in other resort communities (between \$450,000 to \$650,000), with the

exception of Aspen and Vail where prices are considerably higher (\$2.7 million and \$1.4 million, respectively).

- Only Routt County (Steamboat Springs) and Summit County (Park City) rely on property tax receipts as a source of local government revenue to the same extent as does Blaine County. In these counties, over 40 percent of all local government revenue is derived from property taxes. Blaine County's reliance on local sales taxes (i.e., the Local Option Taxes levied in Ketchum and Sun Valley) is the lowest of all resort counties.

# 1. INTRODUCTION

This economic analysis is intended to assist community and regional decision makers in monitoring the socio-economic development of Blaine County, and in evaluating economic development strategies and comprehensive planning objectives.

## REPORT OBJECTIVES

The primary objective of this research project is to provide high quality, current information to help guide decision making for planning, policy and marketing purposes. Specific objectives include:

- Provide an economic profile of Blaine County describing key economic components and trends
- Estimate employment by place of residence for individuals who are employed in Blaine County
- Describe and compare key economic measures and conditions with those of other similar counties
- Estimate the direct and indirect economic impacts of visitor spending in Blaine County

## DATA SOURCES

This analysis makes use of numerous data sources, including but not limited to:

- County-level employment and personal income data from the Bureau of Economic Analysis' Regional Economic Information System (REIS)
- Payroll and employment data from the Idaho Department of Labor
- Room tax receipts and other sales tax data from the Idaho Tax Commission
- US Census Bureau county-level population and housing data
- Property tax data from the Blaine County Assessor's Office
- Local Option tax data from the cities of Sun Valley and Ketchum
- Survey data on travel spending and Blaine County employer survey (conducted by DRA).

## REPORT CONTENTS

Following this introductory chapter, Chapter 2 describes demographic and economic trends for Blaine County. Chapter 3 provides an overview of businesses/organizations in Blaine County, and where employees live based on recent survey data. Chapter 4

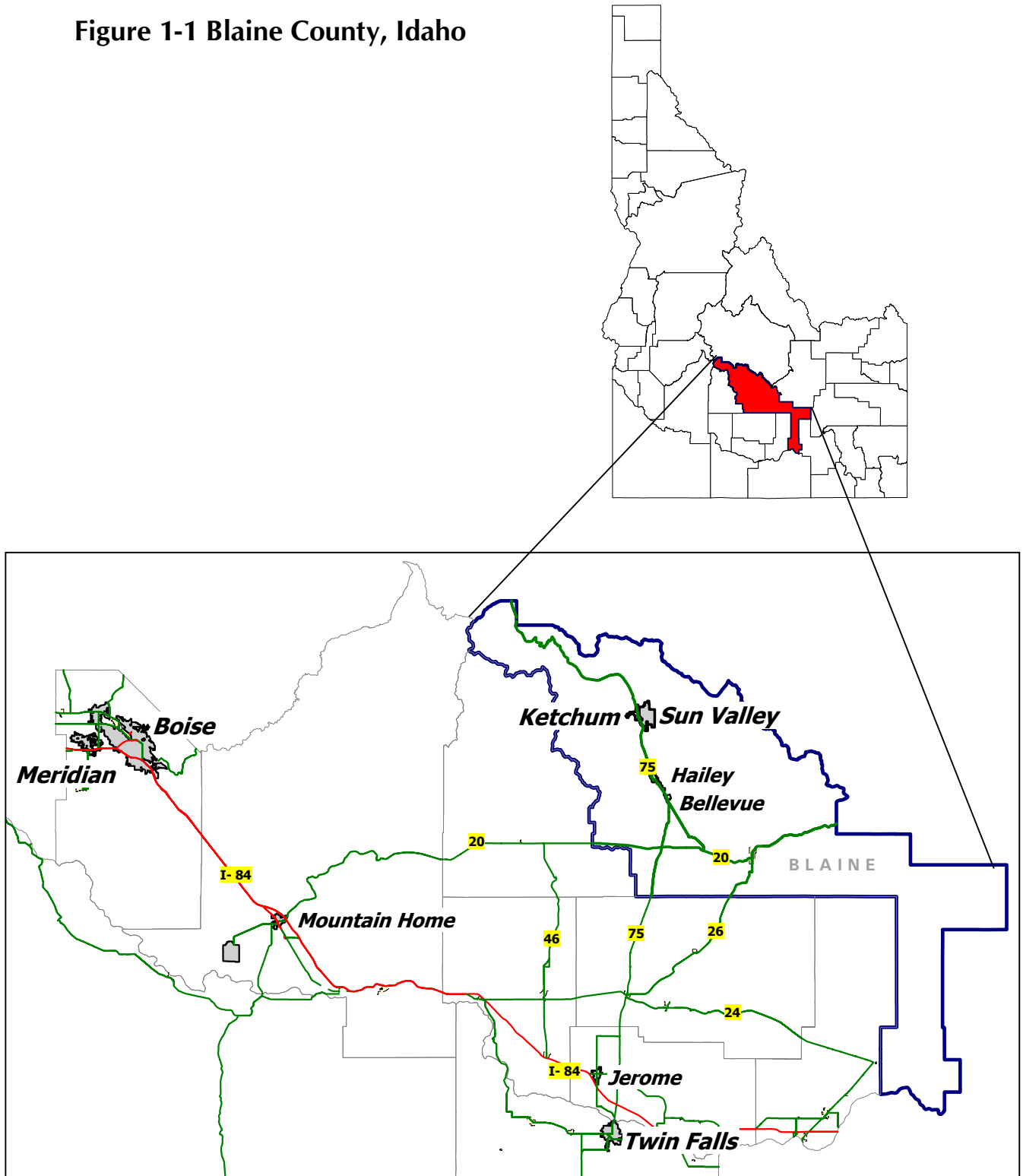
compares the economic conditions of Blaine County with those of other similarly positioned counties in the Rocky Mountains. Chapter 5 examines the economic impacts generated directly by visitors to Blaine County including expenditures, employment and earnings. Chapter 6 examines the construction sector of the Blaine County economy and the visitor-related contributions to this industry. Chapter 7 summarizes the total economic impacts generated through the direct and indirect visitor spending. This is followed by Chapter 8, which specifically examines the local tax impacts of visitor spending in Blaine County. The final section of the report provides a comprehensive overview of Blaine County's economy including overall contributions by visitors.

## **STUDY AREA**

Located in south central Idaho, Blaine County includes the destination resort communities of Ketchum and Sun Valley. Sun Valley, site of America's first destination ski resort built in 1936, has served as a popular vacation destination area for the past 65 years. Ketchum, located one mile east of Sun Valley, is an historic mining town that now serves as the commercial hub of shops, restaurants, art galleries, theatres, museums, and lodging for the area. The towns of Hailey and Bellevue lie 11-14 miles to the south, and are home to a majority of the residents in Blaine County. To the north, lies the majestic 750,000 acre Sawtooth National Recreation Area, providing a wide variety of opportunities for outdoor recreation.

Idaho State Highway 75 provides auto access to Ketchum/Sun Valley. Horizon Air and SkyWest serve Friedman Memorial Airport in Hailey, providing direct air transportation access to Blaine County. Most major national carriers serve Sun Valley's gateway cities of Boise, Idaho and Salt Lake City, Utah. Driving time is 2.5 hours from Boise, 1.5 hours from Twin Falls to the south, and 5 hours from Salt Lake City. Figure 1-1 provides a view of Blaine County and the surrounding area.

Figure 1-1 Blaine County, Idaho







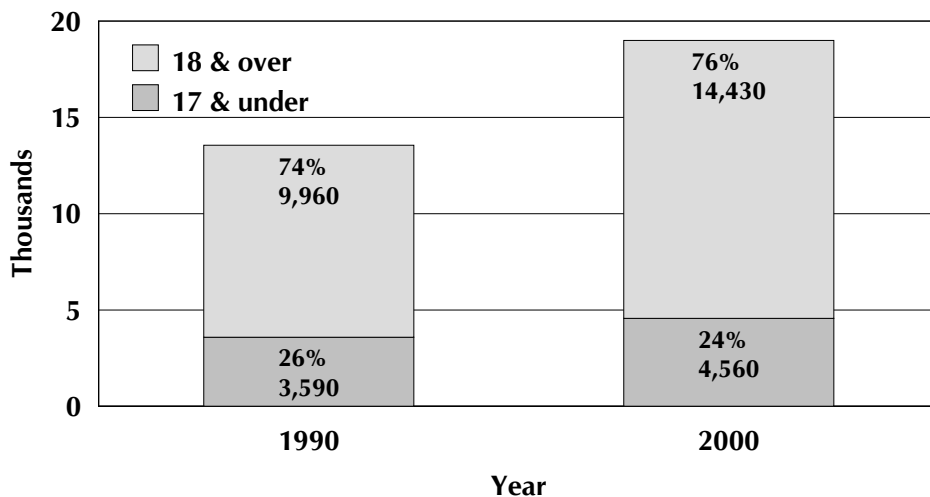
## 2. ECONOMIC PROFILE OF BLAINE COUNTY, IDAHO

This section of the report describes demographic and economic trends for Blaine County including population, components of personal income, sources of employment and earnings, and trends in housing and real estate. The information contained in this report is based on the most current and reliable data available.

### POPULATION

Between 1990-2000, the resident population of Blaine County increased from about 13,500 persons to almost 19,000 persons, representing an average growth rate of 3.4% per year. As is shown below, 76 percent of the residents of Blaine County are 18 years of age and over. (By way of comparison, the population of the state of Idaho grew at a rate of 2.5 percent per year. Approximately 71 percent of all Idaho residents were 18 years of age and older in 2000.) See Appendix A for detailed age distribution and housing characteristics.

Figure 2-1  
**Blaine County Population, 1990-2000**

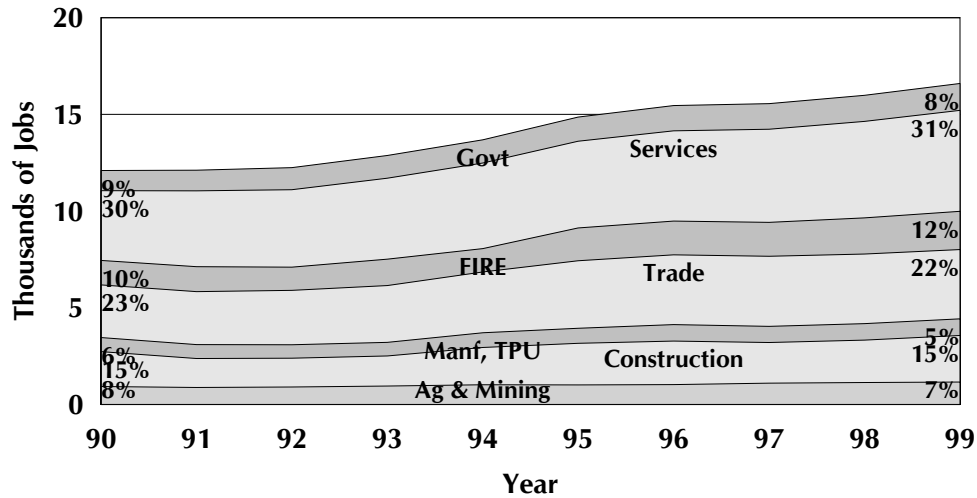


Sources: Dean Runyan Associates and U.S. Bureau of the Census

**EMPLOYMENT**

Employment includes all wage and salary employees (both full- and part-time), as well as self-employed business owners in Blaine County. As shown in Figure 2-2, Blaine County employment has grown from about 12,100 to over 16,600 jobs between 1990-99, representing an average growth rate of 3.6 percent per year, similar to the rate of population growth.

Figure 2-2  
**Blaine County Employment, 1990-99**

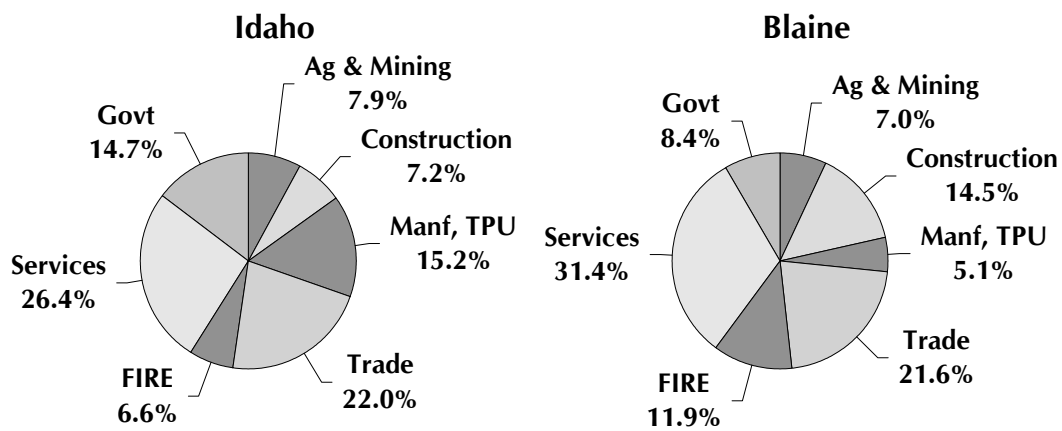


Sources: Dean Runyan Associates and Bureau of Economic Analysis

## STRUCTURE OF JOBS & EARNINGS

Services, trade and construction are especially important sources of earnings and employment in Blaine County. Manufacturing, mining, agriculture and other non-service-oriented employment generate a relatively small share of earnings and employment in Blaine County.

Figure 2-3  
**Distribution of Employment  
in Blaine County and State of Idaho, 1999**

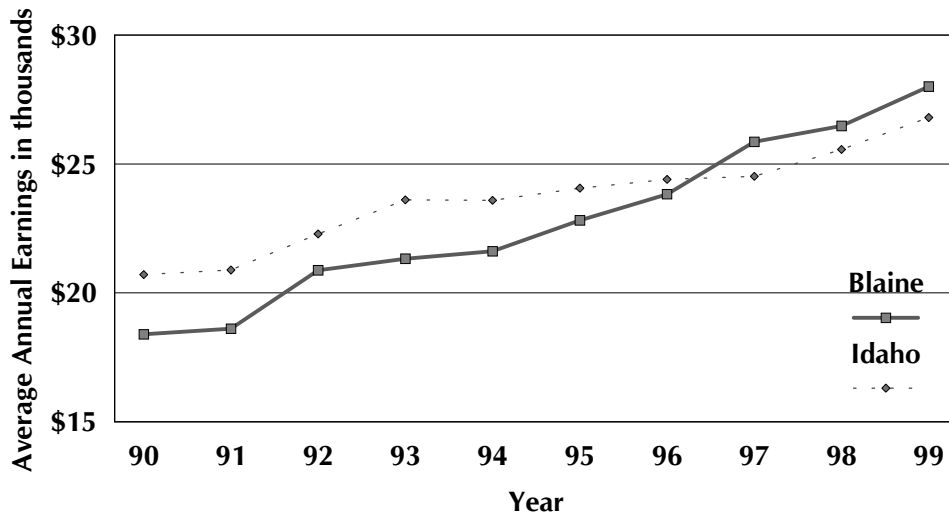


Sources: Dean Runyan Associates and Bureau of Economic Analysis

### AVERAGE EARNINGS PER JOB

Between 1990-99, average earnings per job in Blaine County grew from approximately \$18,400 in 1990 to \$28,000 in 1999 or by about 4.8 percent per year. Over this same period, average earnings per job for the State of Idaho grew much more slowly (2.9 percent). As shown in Figure 2-4, average earnings per job in Blaine County have exceeded the state average since 1997.

Figure 2-4  
**Average Earnings per Job, 1991-99**  
**Blaine County and Idaho**

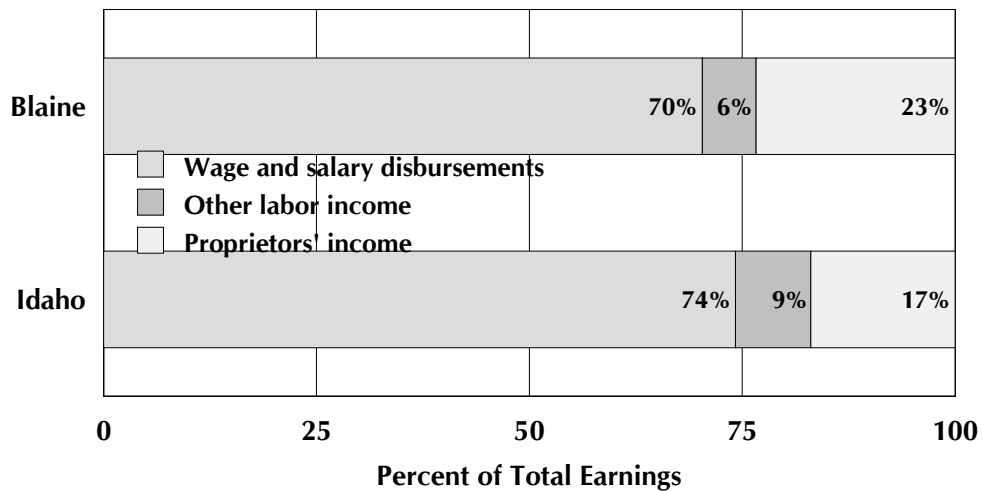


Sources: Dean Runyan Associates and Bureau of Economic Analysis

## SOURCES OF EARNED INCOME

The income earned from employment can be attributed to three sources: (1) wage and salary disbursements or payroll, (2) benefits such as health insurance and retirement savings, and (3) proprietor income derived from business ownership. As shown in Figure 2-5, Blaine County has a relatively high proportion of proprietor income. This is due primarily to the large number of firms in services and construction.

Figure 2-5  
**Sources of Earned Income, 1999**  
**Blaine County and State of Idaho**

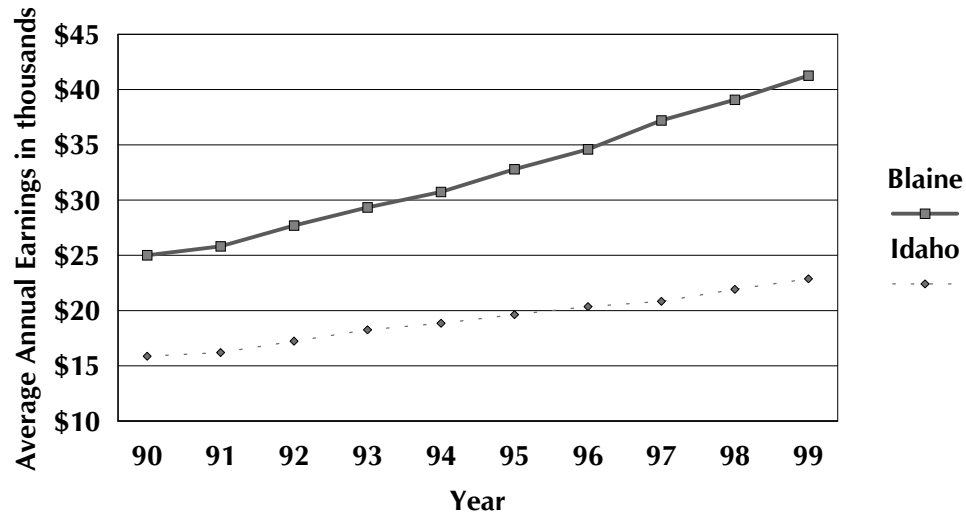


Sources: Dean Runyan Associates and Bureau of Economic Analysis

## PER CAPITA PERSONAL INCOME

Per capita personal income represents the average annual income available to each resident (including children). In 1999, per-capita income for Blaine County was almost \$41,300 as compared to \$22,900 for the State of Idaho. Between 1990 and 1999, per-capita income for Blaine County increased at an average annual rate of 5.7 percent, as compared to 4.1 percent for the State of Idaho. Figure 2-6 shows per-capita income for Blaine County and the State of Idaho between 1990-99.

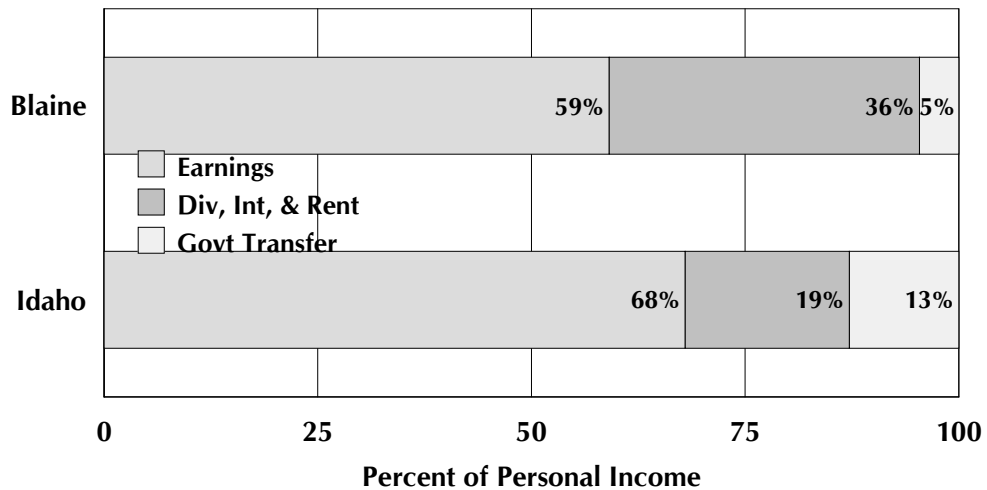
Figure 2-6  
**Per-Capita Income, 1990-98**



Sources: Dean Runyan Associates and Bureau of Economic Analysis

Figure 2-7 shows the components of personal income for Blaine County and Idaho. Personal income includes earnings from employment, transfer payments from government (e.g., social security), and capital payments (dividends, interest and rent). As Figure 2-7 illustrates, the high level of per capita income in Blaine County, compared to the State of Idaho, is due primarily to the level of dividends, interest and rent received by Blaine County residents.

Figure 2-7  
**Components of Personal Income, 1999**  
**Blaine County and State of Idaho**



Sources: Dean Runyan Associates and Bureau of Economic Analysis

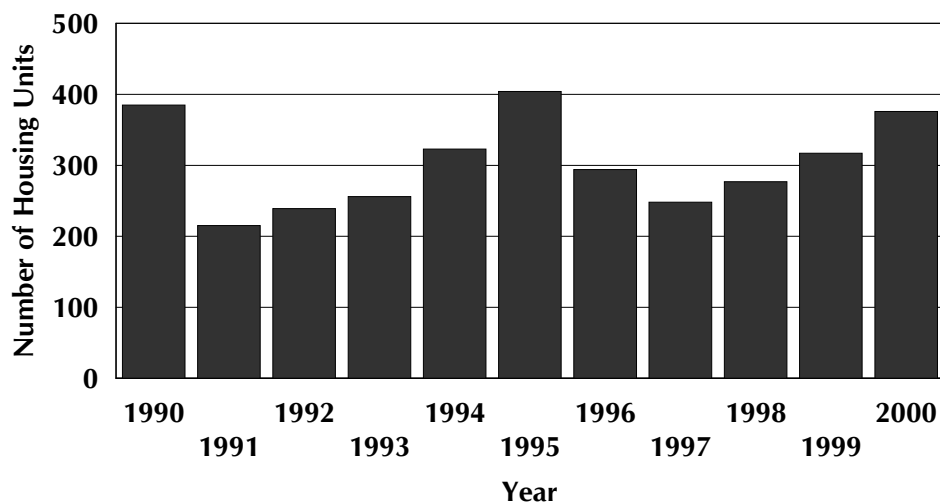


## REAL ESTATE AND HOUSING TRENDS

### *New Housing Units*

The construction of new homes directly affects the demand for local infrastructure and services needs. New residential units also impact a variety of economic and livability conditions for the county. In particular, trends in new home construction have a strong influence on employment and earnings in the construction industry, a very volatile sector of the local economy. As shown in Figure 2-8, the total number of new housing units in Blaine County peaked in 1995 and declined until 1998 when new housing construction began to grow again.

Figure 2-8  
**New Blaine County Housing Units  
Authorized by Building Permits, 1990-2000**

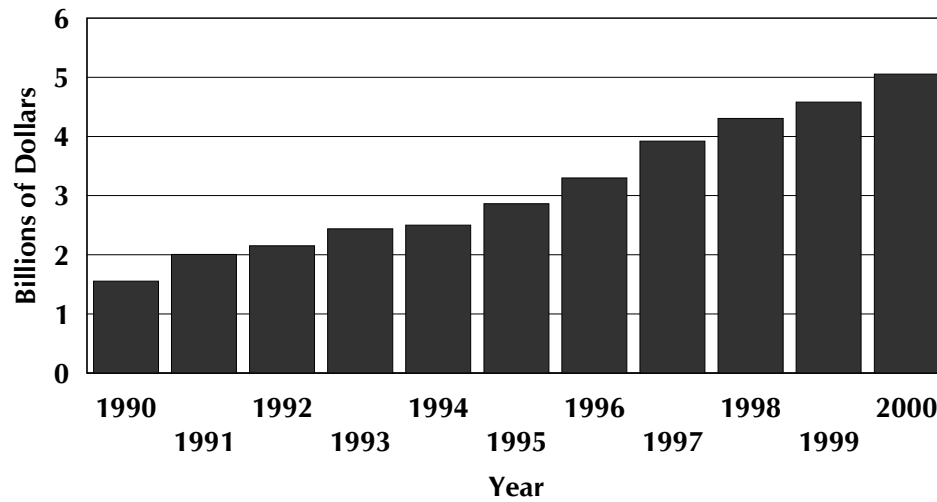


Source: Dean Runyan Associates & Mountain States Appraisal and Consulting, Inc.

*Assessed Property Value*

Between 1990-2000, assessed property value in Blaine County grew from approximately \$1.5 billion to over \$5 billion, representing an average growth rate of 12.5% per year as shown in Figure 2-9. This pattern of growth in assessed property value provides an indication of strong demand for residential, vacation/second home and commercial real estate in Blaine County.

Figure 2-9  
**Blaine County Assessed Property Value, 1990-2000**

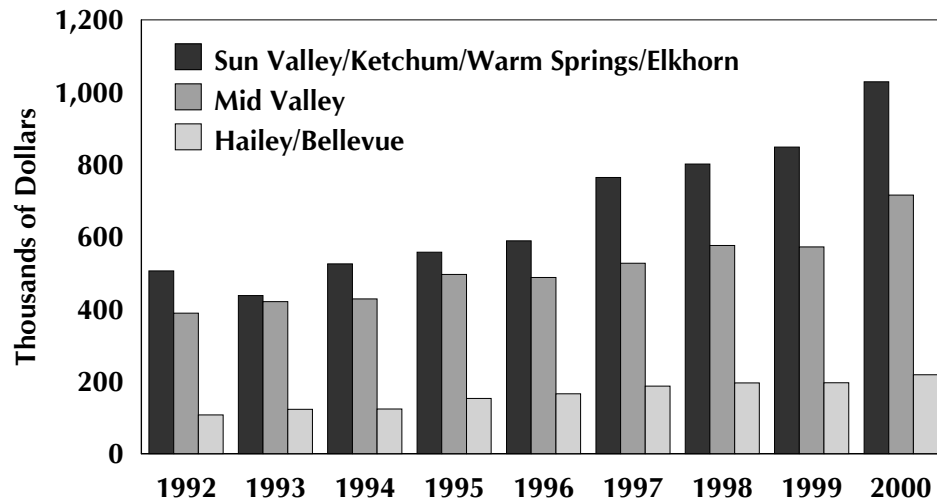


Source: Dean Runyan Associates & Blaine County Assessor's Office

### Average Sales Price

As shown in Figure 2-10, the average sales price of single-family homes in Blaine County varies significantly by area. For 2000, the average selling price of Sun Valley/Ketchum homes was over \$1 million. The average selling price of homes in Mid Valley was \$715,000, while homes in Hailey/Bellevue sold for a more modest \$218,000. However, it is important to note that over the period 1992-2000 the rate of increase for single-family homes has been about the same between Sun Valley/Ketchum and Hailey/Bellevue – about 9.3% per year – with the sales prices of Mid Valley homes increasing at a less rapid rate of 7.9% per year.

Figure 2-10  
**Average Sales Price of Single-Family Homes  
Blaine County, 1992-2000**



Source: Dean Runyan Associates & Sawtooth Board of Realtors

### *Affordability Comparison*

A comparison of median family income to the average sales price provides a measure of housing affordability within different communities in Blaine County. The nearby counties of Twin Falls and Ada were also included for comparison purposes. Overall, average priced homes sold in the Sun Valley/Ketchum and Mid Valley areas appear cost prohibitive for median income households in Blaine County. As shown in Table 2-1, the Hailey/Bellevue area is much more affordable, with median household income to average sales price ratios much closer to those found in Twin Falls and Ada County, Idaho.

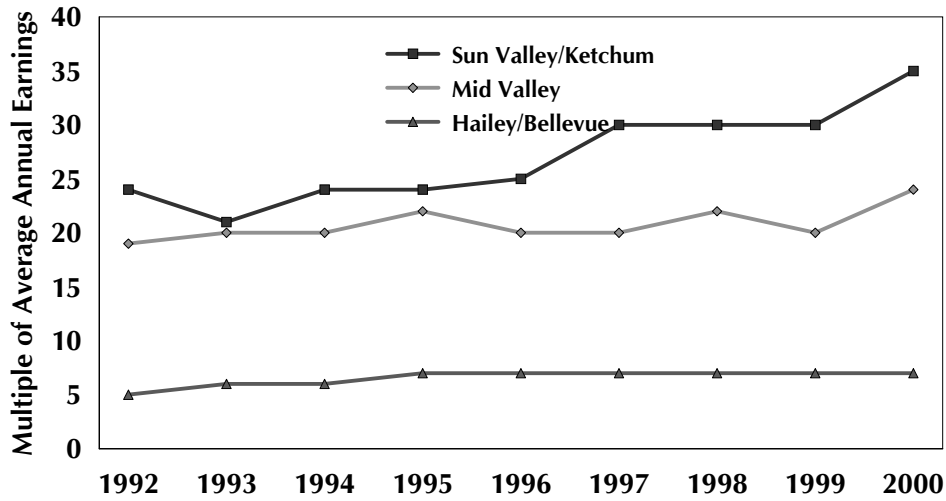
Table 2-1  
**Median Family Income and Average Price of  
Single-Family Homes, 2000**

<b>Area</b>	<b>Avg. Sales Price Single-Family Homes</b>	<b>Median Annual Household Income (County Average)</b>	<b>Median Household Income/Sales Price Ratio</b>
Sun Valley/Ketchum	\$1,028,864	\$65,500	6.4%
Mid Valley	\$715,582	\$65,500	9.2%
Hailey/Bellevue	\$218,391	\$65,500	30.0%
Twin Falls County	\$98,031	\$39,700	40.5%
Ada County	\$159,314	\$50,400	31.6%

Source: Dean Runyan Associates & Sawtooth Board of Realtors

Average earnings per job provides another measure of the ability of workers to purchase housing in Blaine County. Between 1990-99, average earnings per job in Blaine County grew from approximately \$18,400 to \$28,000, an increase of 4.8 percent per year. As discussed previously, the average sales price of single-family homes in Blaine County grew by 8 to 9 percent per year over this same period. Figure 2-11 shows the average sales price of single-family homes as a multiple of average earnings per job. The average sales price of single-family homes in Sun Valley/Ketchum increased from 24 times average annual earnings in 1992 to 35 times average annual earnings in 2000.

Figure 2-11  
**Average Sales Price of Single-Family Homes as a Multiple of Average Earnings per Job  
 Blaine County, 1990-99**



Source: Dean Runyan Associates & Sawtooth Board of Realtors

### 3. BLAINE COUNTY EMPLOYER SURVEY

This section describes specific characteristics of businesses/organizations in Blaine County and where employees live, based on findings of a business/organization survey conducted in March, 2001. Using member lists provided by Sun Valley/Ketchum, Hailey and Bellevue chambers of commerce, 676 surveys were mailed to businesses/organizations in Blaine County. The response rate was excellent, averaging 58% overall, and representing over 6,000 employees in Blaine County. The survey was administered to help understand where Blaine County employees live and work, as well as to gather general characteristics about Blaine County businesses/organizations. A copy of the survey questionnaire is shown in Appendix B.

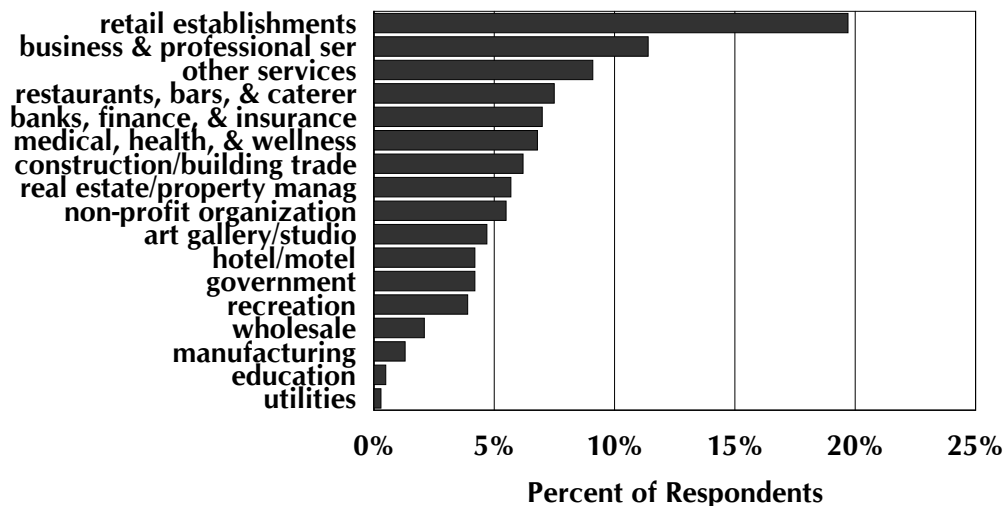
#### PROFILE OF BLAINE COUNTY BUSINESS/ORGANIZATION

##### *Primary Type of Business/Organization*

Survey respondents represented a wide variety of businesses/organizations in Blaine County as shown in Figure 3-1. Retail establishments were the most frequently reported business type, followed by business & professional services, other services, and restaurants, bars & caterers.

Figure 3-1

**Primary Type of Business/Organization**



Source: Dean Runyan Associates

*Employment*

Survey data shows that a typical Blaine County business/organization has 10 or fewer full-time employees and an owner who works full-time. Overall, survey responses showed a range of 1 to 450 full time employees working year-round; however, nearly three-fourths reported 10 or fewer full-time employees. In addition, about two-thirds of respondents indicated that at least one business owner worked full-time and year-round in the business/organization.

*Seasonality*

The vast majority of businesses/organizations in Blaine County are open all year, with 92% reporting year-round operations. Of those businesses that reported being open for less than 12 months, most were a restaurant, retail establishment or an art gallery/studio.

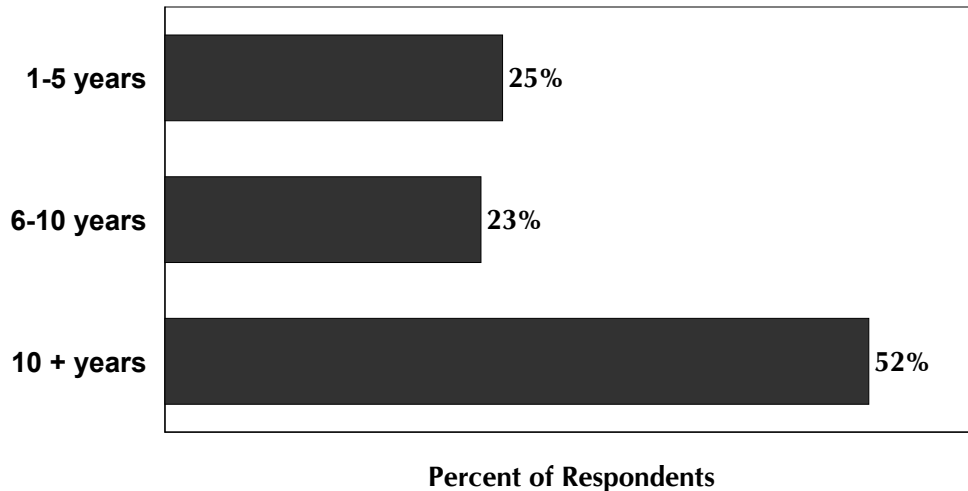
Although businesses/organizations are generally opened all year, survey data shows two peak periods: summer season (May-Sept.) and ski season (Dec.- Mar.). Peak periods of employment were most common with hotels/motels/resorts/B&Bs, restaurants/bars/caterers, retail establishments, recreation and construction firms.

*Time of Operation*

Over half of the businesses/organizations in Blaine County have been in operation for more than 10 years. About one-quarter were fairly new, and have been in operation 5 years or less as shown in Figure 3-2.

Figure 3-2

**Time of Operation for Blaine County Businesses/Organizations, 2001**



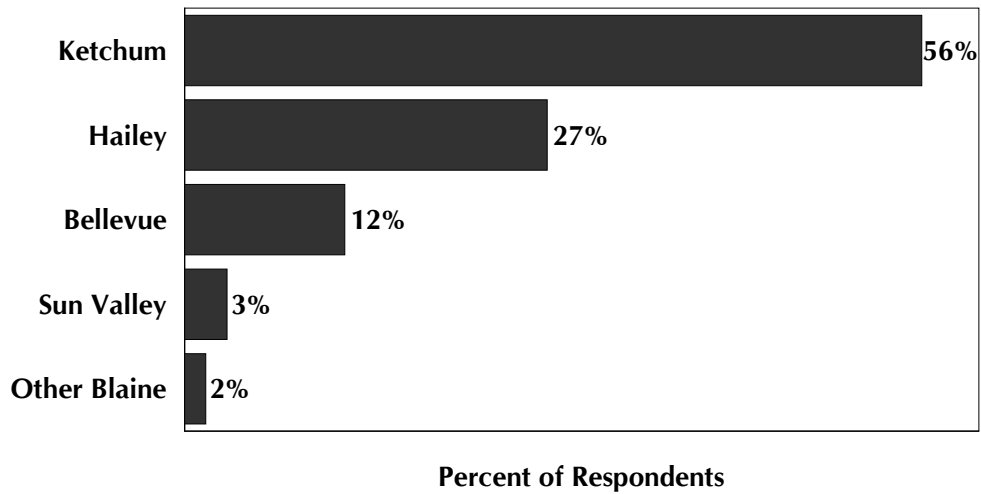
Source: Dean Runyan Associates

*Location of Business/Organization*

The City of Ketchum is the primary location for a majority (56%) of businesses/organizations that responded to the survey, with 27% located in Hailey and 12% located in Bellevue (see figure 3-3 below).

Figure 3-3

**Primary Location of Blaine County Business/Organization, 2001**



Source: Dean Runyan Associates

*Employee Housing*

Overall 31 businesses provide employee housing for about 600 workers in Blaine County, most of whom are seasonal. The types of businesses that offer housing were generally a hotel/motel/resort/B&B or a restaurant/bar/caterer located in Ketchum. Additionally, some employee housing was reported for government employees.



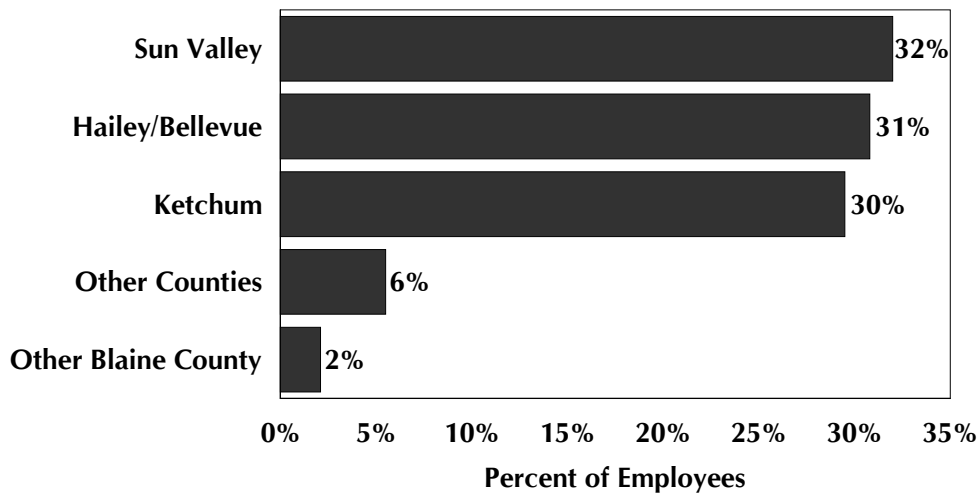
## LOCATION OF RESIDENCE FOR BLAINE COUNTY EMPLOYEES

### *Sun Valley Employees*

It is important to understand the commuting patterns of Blaine County employees for purposes of planning for—and management of—roads and traffic conditions. Survey results show that almost one-third, 36%, of the employees who work in Sun Valley live in Sun Valley (many of these workers are seasonal with employee housing provided). Hailey/Bellevue is the location of residence for 31%, while about 30% live in Ketchum. Overall, about two-thirds of employees who work in Sun Valley chose to live in other locations as shown below in Figure 3-4.

Figure 3-4

### Location of Residence Employees who work in Sun Valley, 2001



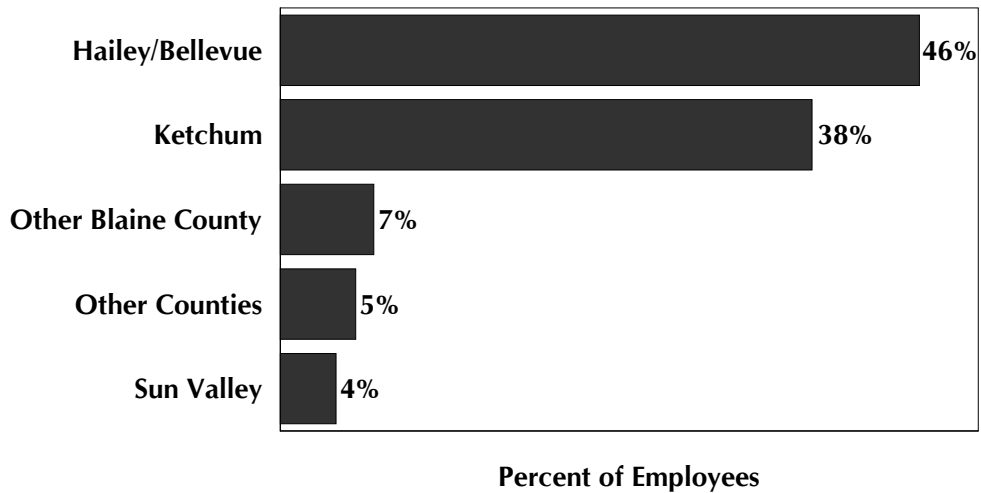
Source: Dean Runyan Associates

*Ketchum Employees*

For employees who work in Ketchum, 46% commute from Hailey and Bellevue, while 38% live in Ketchum. As shown in Figure 3-5, small portions of Ketchum employees also commute from Sun Valley and other locations from both within and outside of Blaine County.

Figure 3-5

**Location of Residence  
Employees who work in Ketchum, 2001**



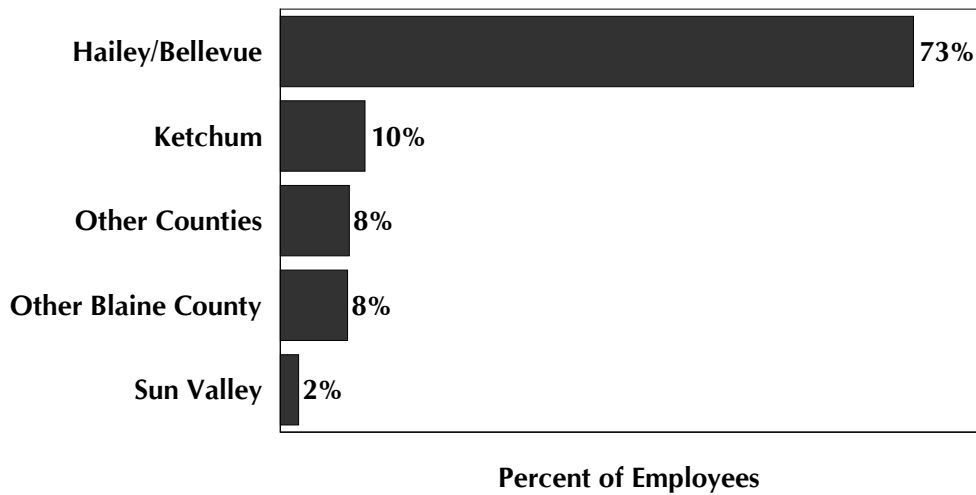
Source: Dean Runyan Associates

*Hailey/Bellevue Employees*

In contrast to Sun Valley and Ketchum, a large majority (73%) of those who work in Hailey and Bellevue also live in those communities. As shown in Figure 3-6, small portions of those who work in Hailey and Bellevue also live in Ketchum, other locations in Blaine County, or other counties.

Figure 3-6

**Location of Residence  
Employees who work in Hailey/Bellevue, 2001**

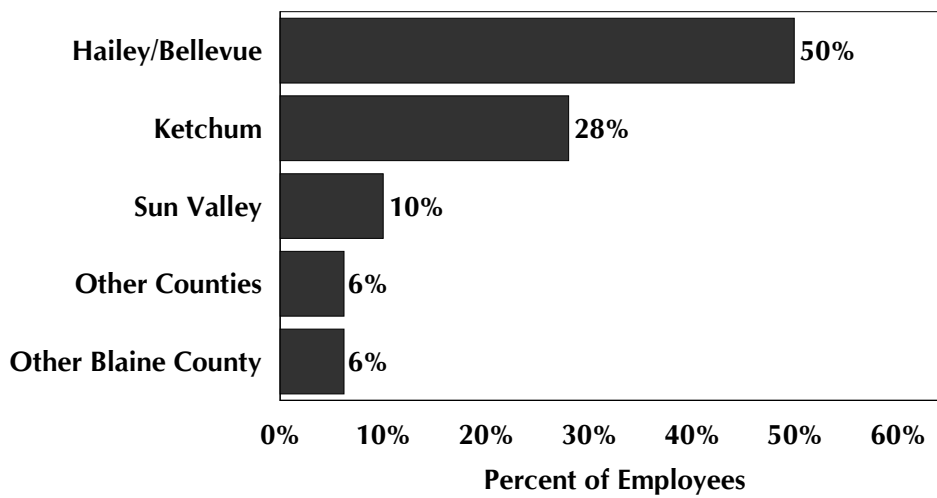


Source: Dean Runyan Associates

*All Blaine County Employees*

Overall, about one-half (50%) of Blaine County employees live in Hailey and Bellevue, with just over a quarter (27%) living in Ketchum. Nearly 700 employees live in Sun Valley (11%); however, it is important to note that most of these workers live in employer housing. Remaining portions live in other locations in Blaine and in other nearby counties, as shown in Figure 3-7. Twin Falls County was the location of residence for most of those employees who live outside of Blaine County.

Figure 3-7  
**Location of Residence**  
**All Blaine County Employees, 2001**



Source: Dean Runyan Associates

Overall, an estimated 6,000 employees commute to Ketchum and Sun Valley. About 5,400 commute from Hailey/Bellevue and an additional 600 commute from locations outside of Blaine County, primarily Twin Falls County. Table 3-1 shows the place of work and location of residence for employees throughout Blaine County.

Table 3-1  
**Location of Work and Residence**

Place of Work	Place of Residence					Total
	Ketchum	Sun Valley	Hailey/Bellevue	Other Blaine	Other Counties	
Ketchum	2,975	314	3,579	520	422	7,810
Sun Valley	1,135	1,234	1,187	83	212	3,850
Hailey/Bellevue	458	101	3,441	367	374	4,740
<b>Total</b>	<b>4,568</b>	<b>1,648</b>	<b>8,206</b>	<b>970</b>	<b>1,008</b>	<b>16,400</b>

Note: See also Appendix C

Source: Dean Runyan Associates

## 4. COMPARISON OF ECONOMIC CONDITIONS AND TRENDS

This section describes and compares general economic conditions and trends for Blaine County, Idaho along with a selection of similarly positioned counties with resort and vacation home communities in the Rocky Mountains. For the purpose of comparison with Blaine County, five counties were selected: three from the state of Colorado, one in Utah, and one from Wyoming. These counties were selected for comparison because each contains an appealing, notable destination for visitors, as well as vacation/second home residents who appear to generate a substantial portion of economic activity in the county. In this regard, each is similar to Blaine County, Idaho. Economic conditions for the following counties were investigated (*italics indicate primary destination area within county*):

- Eagle County, Colorado (*Vail*)
- Routt County, Colorado (*Steamboat Springs*)
- Pitkin County, Colorado (*Aspen*)
- Summit County, Utah (*Park City*)
- Teton County, Wyoming (*Jackson Hole*)

A number of general economic indicators were investigated including: population and employment growth, total personal income, and proportion of employment in key visitor-related industries. It is useful to evaluate these economic conditions and trends for purposes of regional planning and tourism marketing. Following a brief description of each destination area, economic conditions are described and compared.

### **EAGLE COUNTY, COLORADO (*VAIL*)**

Eagle County is centrally located in the Rocky Mountains along Interstate 70, about 100 miles west of Denver. Eagle County is one of the fastest growing regions in Colorado, with more than half of the county's population living in unincorporated Eagle County.

All types of employment can be found in Eagle County, although the majority of jobs are industries related to travel and tourism. More than 200 restaurants and bars employ the majority of workers, with hotels and lodges running a close second. Vail Resorts, Inc., is the largest employer in Eagle County, with a fluctuating work base of seasonal (2,800) and year-round (1,500) employees.

The town of Vail provides the nation's largest free public transportation system throughout the town, and many outlying properties offer complimentary van service. Pedestrian plazas and streets further facilitate walking and help reduce traffic congestion.

## **ROUTT COUNTY, COLORADO (*STEAMBOAT SPRINGS*)**

Routt County offers a range of recreational opportunities for visitors that make it a year-round destination. Located about 160 miles northwest of Denver and 196 miles northeast of Grand Junction, Steamboat Springs is the largest community in Routt County with a population of about 9,000. Known officially as Ski Town USA, winter sports are an integral part of the lifestyle in Steamboat Springs. About 30 miles south of Steamboat Springs, the incorporated Town of Yampa serves as a gateway to the Flat Top recreation area, where there are numerous lakes and streams for hikers and campers to enjoy. In addition, the nearby Yampa River is a favorite destination for fly fisherman.

The largest single employer in the county is the Steamboat Ski & Resort Association, with over 1,000 winter employees. Routt County is also Colorado's largest coal producing county. At the end of 1998, two mines were operating which employed about 550 people, and produced one-third of the state's total production. Other large employers include the school district and college, the US Forest Service, the local governments, Steamboat Springs Health Care Association, and TIC (The Industrial Company). However, the majority of employers in Steamboat Springs (92%) are small with fewer than 20 employees.

## **PITKIN COUNTY, COLORADO (*ASPEN*)**

Pitkin County is located high in the Rocky Mountains at an elevation of 7,815 feet, 200 miles southwest of Denver and 130 miles east of Grand Junction, Colorado. Aspen, the primary destination, offers a mixture of historic, well-preserved Victorian buildings, vibrant retail and commercial businesses, and numerous art galleries, as well as over 100 restaurants and entertainment establishments. In the winter, Pitkin County offers opportunities for Alpine and Nordic skiing, snowmobiling, ice skating, sleigh rides, and snow shoeing. The summer months are popular for golfing, biking, hiking, fishing, tennis, horse back riding, whitewater rafting, air ballooning, and a wide array of arts and cultural events.

The City of Aspen is often known an innovator of policies and activities that provide models for other communities. In the past twenty years, Aspen has undergone complete downtown redevelopment, established a growth-management policy, and implemented several creative schemes to address affordable housing issues. A coalition of non-profit groups has been influential in many community development decisions. The influence of non-profit groups is unique to Aspen, and is a legacy that dates back over 40 years.

## **SUMMIT COUNTY, UTAH (*PARK CITY*)**

Located just 30 miles east of Salt Lake City and 36 miles from the Salt Lake International Airport, Summit County, Utah offers easy access to a popular ski area and year-round mountain resort community. The majority of the population of Summit County resides in Park City and the surrounding unincorporated area commonly referred to as the Snyderville Basin.

Park City has a significant population of second home owners who vacation or reside in Summit County during parts of the year, but have their primary residence elsewhere. The area's population is further increased during the ski season, as workers migrate to seek employment opportunities at local ski resorts, shops and restaurants. Park City continues to attract workers and residents, but due to its limited area, most of the new growth has occurred in the unincorporated area of Snyderville Basin.

## **TETON COUNTY, WYOMING (*JACKSON HOLE*)**

Teton County and Jackson Hole, Wyoming attract residents and visitors to spectacular mountain scenery and year-round recreation opportunities including world-class skiing, snowmobiling, backcountry touring, and dog sledding in the winter, and hiking, rafting, fly fishing, and mountain and rock climbing in the summer. Jackson Hole is a high mountain valley, approximately 60 miles long and 20 miles wide. The Bridger-Teton National Forest surrounds Jackson Hole on three sides and borders Grand Teton and Yellowstone National Parks. Auto access to the south entrance of Yellowstone National Park is 55 miles from Jackson Hole.

The Town of Jackson is the only incorporated community in the county. Once primarily a community of ranchers, Jackson's residents now pursue a broad range of businesses including lodging and recreation services, construction, professional services and technology. Due to the abundance of public lands and conservation efforts to protect open space, the Town of Jackson has a very limited amount of land available for development.

## **POPULATION GROWTH**

Population growth, an important indicator of economic prosperity, is likely to have a substantial economic influence on local business and employment patterns, and growth typically provides opportunities for new business development. In addition to positive economic benefits, population growth will tend to increase the demand for local services and can often present an array of challenges for local government in terms of livability issues such as traffic congestion, affordable housing, and impacts on



environmentally sensitive areas. As shown in Table 4-1, each of the selected comparison counties has experienced significant population growth over the last decade.

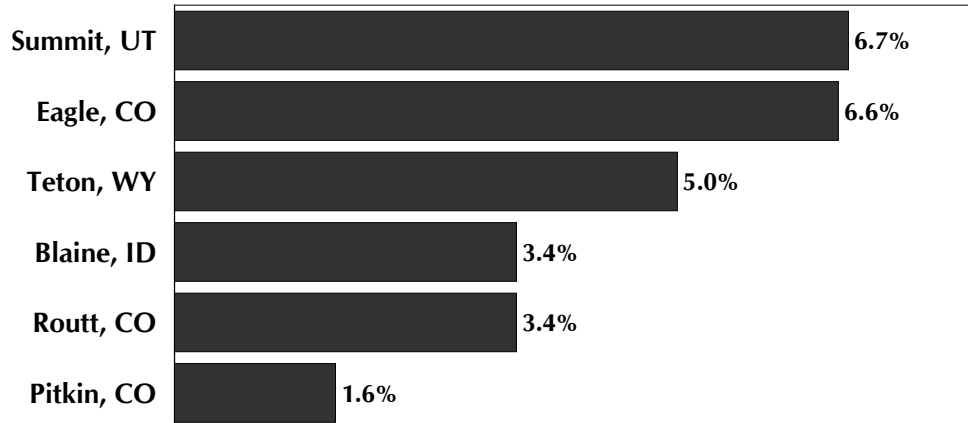
Table 4-1  
**Population by County**

<b>County</b>	<b>1990</b>	<b>2000</b>
Eagle, CO	21,928	41,659
Summit, UT	15,518	29,736
Routt, CO	14,088	19,690
Blaine, ID	13,552	18,991
Teton, WY	11,172	18,251
Pitkin, CO	12,661	14,872

Source: US Census Bureau

As shown in Figure 4-1, the populations of Summit County, Utah and Eagle County, Colorado grew the fastest at an average annual rate of 6.7% and 6.6%, respectively. The population of Blaine County grew at a relatively slower pace of 3.4% per year. Overall, population growth in each of these counties was driven by strong growth in the number of vacation/second home residents and visitors.

Figure 4-1  
**Population Growth by County,  
1990-2000**



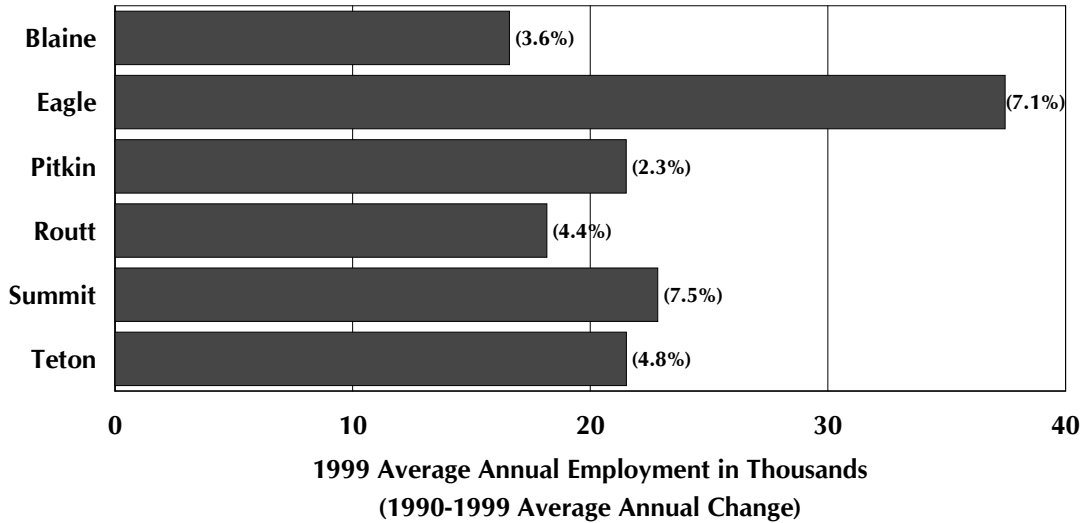
**Average Annual Rate of Growth**

Source: Dean Runyan Associates & US Census Bureau

## EMPLOYMENT

It is also important to consider employment (job) growth in a local area such as a county. Employment opportunities will tend to attract residents to the county as population growth tends to support new jobs. As shown in Figure 4-2, growth in total employment was strongest in Summit County, Utah and Eagle County, Colorado where the population growth was also greatest. Between 1990 and 1999, employment growth in these two counties averaged more than 7 percent per year.

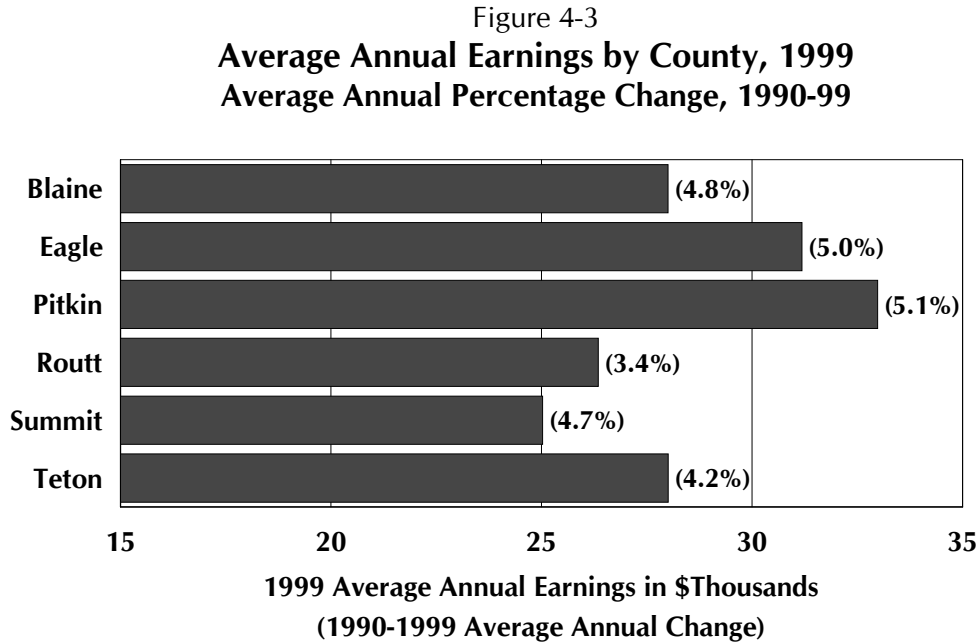
Figure 4-2  
**Total Employment by County, 1999**  
**Average Annual Percentage Change, 1990-99**



Sources: Dean Runyan Associates and Bureau of Economic Analysis

## AVERAGE ANNUAL EARNINGS

Average earnings per job is a function of many factors, including the mix of jobs in the local economy and the supply of labor in the market. Average annual earnings in 1999 ranged from about \$25,000 per job in Summit County, Utah to \$33,000 in Pitkin County, Colorado. Both the highest levels of earnings and highest rates of growth were in the two Colorado resort communities of Vail (Pitkin County) and Aspen (Eagle County).

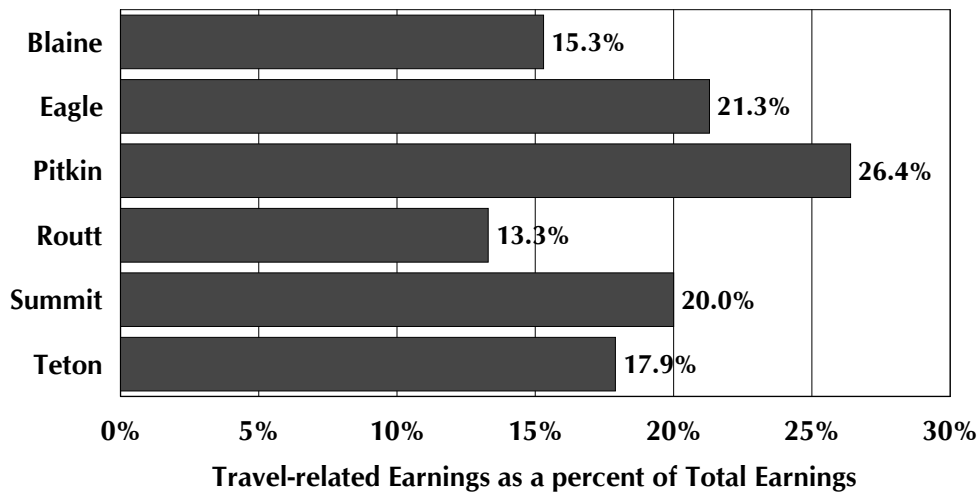


Sources: Dean Runyan Associates and Bureau of Economic Analysis

## VISITOR-RELATED EARNINGS

The proportion of earnings generated by visitor-oriented businesses (i.e., lodging, eating & drinking establishments and recreation services) can be viewed as a general indicator of the degree to which visitors contribute to the local economies of these counties, particularly in resort communities where a high proportion of spending on eating, drinking and recreation is visitor-related. As shown in Figure 4-4, Pitkin and Eagle counties had the highest proportion of earnings generated by these types of businesses.

Figure 4-4  
**Lodging, Eating & Drinking, and Recreation Earnings  
as a Percent of Total Earnings by County, 1999**

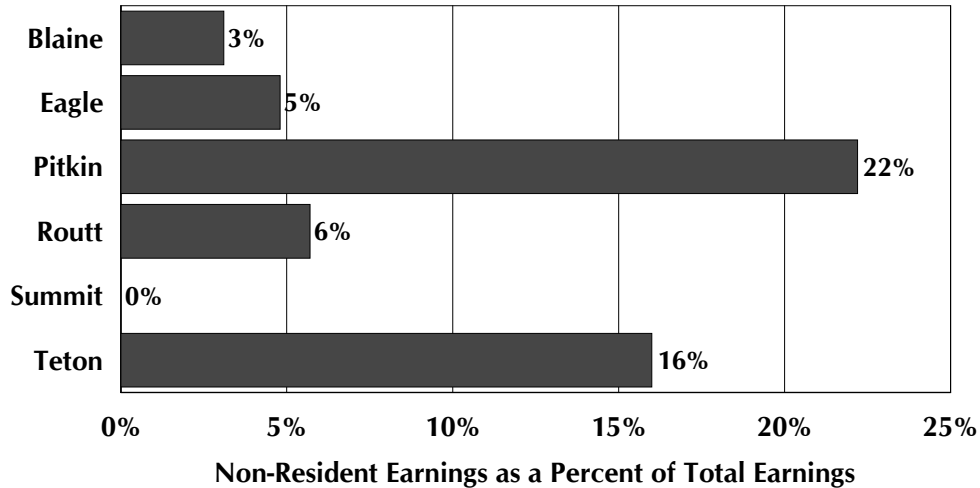


Sources: Dean Runyan Associates and Bureau of Economic Analysis

## NON-RESIDENT EARNINGS

Figure 4-5, on the following page, shows non-resident earnings as a percentage of total earnings. This is a measure of the amount of earnings paid by local county employers to residents of another county. The proportion of non-resident earnings is important for a number of reasons. It is, of course, one indication of interregional commuting patterns for workers (for which many of the Colorado mountain resort communities are notorious). Additionally, it may be a reflection of the necessity for employers to pay higher wages to attract labor (note Pitkin County in Figures 4-3 and 4-5). It may also, as in the case of Blaine County, provide an explanation for the relatively lower proportion of travel-related employment in the county (Figure 4-4). A largely resident labor force will generate demand for local goods and services that a non-resident labor force will not. (A significant proportion of the residents of Summit County, Utah actually work outside of the county. For this reason, the proportion of travel-related earnings is higher in Summit County than it otherwise would be.)

**Figure 4-5  
Non-Resident Earnings as a Percent of Total Earnings, 1999**



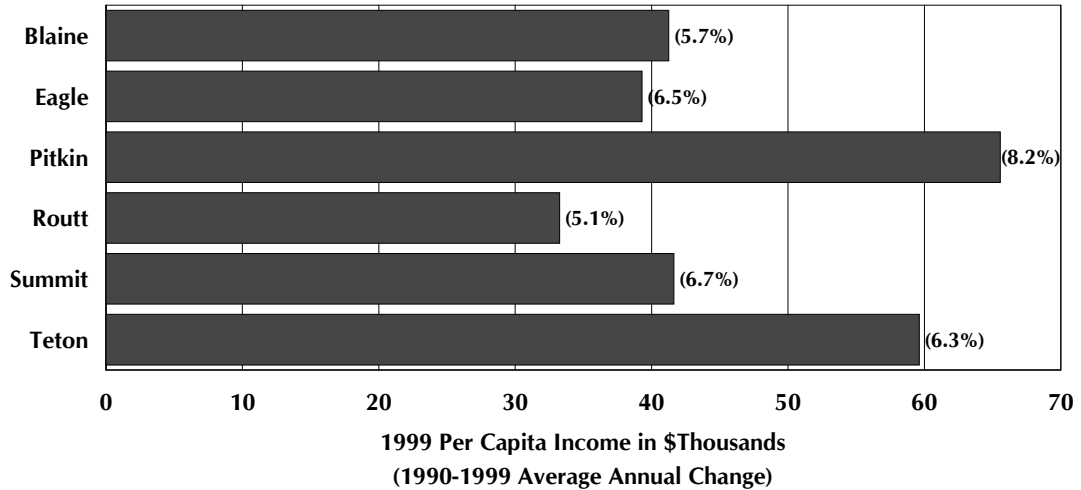
Sources: Dean Runyan Associates and Bureau of Economic Analysis

**PERSONAL INCOME**

As discussed in section 2, per capita personal income includes wages, capital payments (interest, dividends and rental income), and government transfer payments. As is shown in Figure 4-6 on the following page, the range of annual per-capita income among resort communities is substantial. Routt County, Colorado had a per capita income of \$33,300 in 1999 while the per capita income of Pitkin County residents was nearly twice as great (\$65,600). In the case of these communities, this differential is primarily a function of average earnings (see Figure 4-3) and the amount of income that is derived from interest, dividends and rental income (see Figure 4-7 on following page).

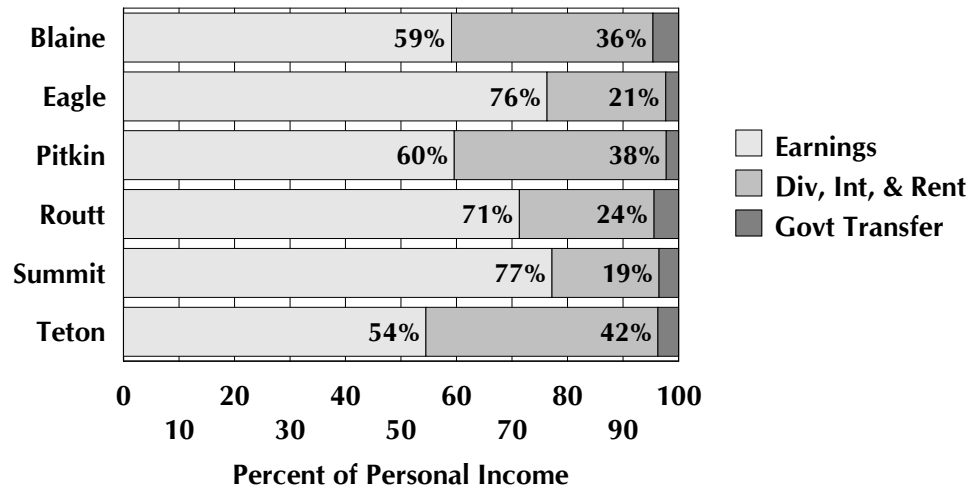
High levels of capital payments, as is the case in Blaine, Pitkin and Teton counties also contributes to the economic base of the local economy because a portion of this income will be spent on local goods and services. In this regard, it is worth noting that the relative diversity of Blaine County’s economy (Figure 4-4) is a function of both its resident work force (Figure 4-5) and a high proportion of income derived from interest, dividends and rent. None of the other resort communities examined here has both of these characteristics.

**Figure 4-6**  
**Per-Capita Income by County, 1999**  
**Average Annual Percentage Change, 1990-99**



Sources: Dean Runyan Associates and Bureau of Economic Analysis

**Figure 4-7**  
**Components of Personal Income, 1999**



Sources: Dean Runyan Associates and Bureau of Economic Analysis

**GENERAL RETAIL SALES AND LODGING TAXES**

Table 4-2, below, shows the general retail sales taxes in each of the different resort communities. Overall, tax rates range from 6 to 8.6 percent. These general retail sales tax rates do not apply to specific exemptions and do not include any special taxes that may apply to certain types of purchases such as food and beverages in restaurants, liquor, and auto rental.

**Table 4-2  
General Retail Sales Taxes**

	Sun Valley (ID)	Ketchum (ID)	Jackson (WY)	Park City (UT)	Aspen (CO)	Vail (CO)	Steamboat Spr. (CO)
State Sales Tax	5.00%	5.00%	4.00%	4.75%	2.90%	2.90%	2.90%
County Sales Tax*			2.00%	2.60%	3.50%	1.50%	1.00%
Municipal Sales Tax	3.00%	1.00%			2.20%	4.00%	4.50%
<b>Combined Tax Rate</b>	<b>8.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>7.35%</b>	<b>8.60%</b>	<b>8.40%</b>	<b>8.40%</b>

Note: Does not include restaurant, liquor, auto rental and other special taxes

Source: Dean Runyan Associates

Table 4-3 shows the various local and state taxes applied to transient lodging in the different resort communities. With the exception of Jackson, Wyoming, all of these resort communities have combined room taxes in the range of 8.5 to 10.5 percent (Jackson discontinued its municipal room tax in the mid-1990's.).

**Table 4-3  
Taxes on Lodging**

	Sun Valley (ID)	Ketchum (ID)	Jackson (WY)	Park City (UT)	Aspen (CO)	Vail (CO)	Steamboat Spr. (CO)
State Sales Tax	5.00%	5.00%	4.00%	4.75%	2.90%	2.90%	2.90%
State Room Tax	2.00%	2.00%					
County Sales Tax*			2.00%	2.60%	3.50%	1.50%	1.00%
Municipal Sales Tax					2.20%	4.00%	4.50%
Municipal Room Tax	3.00%	2.00%		3.00%		1.40%	1.00%
<b>Combined Tax Rate</b>	<b>10.00%</b>	<b>9.00%</b>	<b>6.00%</b>	<b>10.35%</b>	<b>8.60%</b>	<b>9.80%</b>	<b>9.40%</b>

\*includes Regional Transit Tax for Aspen & Vail

\*Includes local sales tax, county option tax, and resort communities tax for Park City

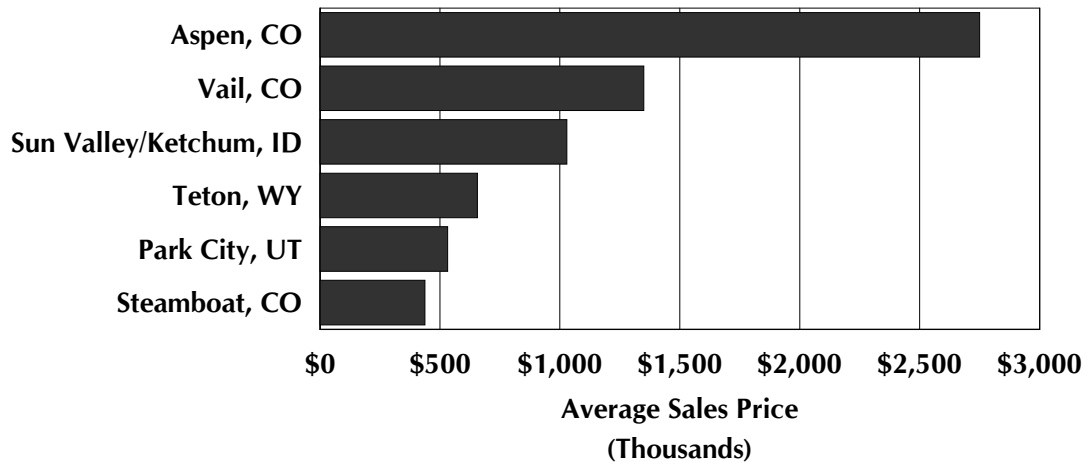
Source: Dean Runyan Associates

### AVERAGE SINGLE-FAMILY HOME SALES PRICE

For purposes of comparison, the average sales price of single-family homes was compared within the primary resort areas in each of the counties. Aspen, CO had the highest average sales price with single-family homes selling for about \$2.7 million during 2000. As shown in Figure 4-8, the average sales price of single-family homes was just over \$1 million in Sun Valley/Ketchum and \$440,000 in Steamboat Springs.

Figure 4-8

### Average Sales Price of Single-Family Homes, 2000



Sources: Dean Runyan Associates, Sawtooth Board of Realtors, & Rocky Mountain Resort Alliance





## 5. DIRECT SPENDING & EMPLOYMENT IMPACTS OF VISITORS TO BLAINE COUNTY

This section describes the direct spending and employment impacts of visitors in Blaine County. Visitors are defined as those individuals that travel to Blaine County for pleasure, business or other personal purposes, providing that such travel is not of a routine or commuting nature. In the case of Blaine County, most of this travel involves visitors that stay overnight in commercial lodging (hotels, motels, bed & breakfasts or rented condominiums), or visitors that stay overnight in their own or rented vacation home. Blaine County visitors also include a relatively small number of travelers that stay overnight in commercial campgrounds, the unpaid accommodations of a friend or relative, or are day visitors. In the findings reported in this section, visitors that stay overnight in vacation homes are referred to as “vacation home visitors.” All other visitors are referred to as “short-term visitors.”

The estimates for 1991 through 2000 were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The input data used to detail the economic impacts of the visitor sector were derived from various local, state and federal sources. In addition, the analysis in this section of the report provides estimates of spending by residents of Blaine County on selected services and retail goods, as well as the earnings and employment generated by this spending. These estimates of resident spending are provided to illustrate the relative economic impact of visitor and resident spending in the county.

### ECONOMIC IMPACTS NOT INCLUDED IN THIS SECTION

There are three types of economic impacts that are not included in this section of the report, as they are better addressed in separate sections that immediately follow. Specifically:

- This section does not include an analysis of the earnings and employment in the construction industry that is generated by visitor spending. The construction industry and visitor-induced construction spending will be examined in Section 6.
- The local tax receipts generated by visitors will be discussed in Section 7. The local tax receipts included in this analysis will be the state 5 percent sales tax (a portion of which is shared with local governments), the Ketchum and Sun Valley local option taxes, and property taxes.
- The economic impact measurements reported in this section represent direct economic impacts only. Direct economic impacts include only the spending by visitors and residents and the employment directly attributable to that spending. Indirect or “multiplier” effects, which refer to the additional spending of businesses and employees induced by the initial visitor or resident spending, are discussed in Section 8.

## ECONOMIC IMPACT CATEGORIES

The specific categories of direct impacts included in this analysis are as follows:

Impact Category	Description
Spending or Expenditures	Expenditures by visitors or residents in Blaine County for personal trade and services (defined below), including applicable local and state taxes paid at the point of sale.
Total Earnings	The earnings (wage and salary disbursements, earned benefits and proprietor income) of employees of businesses that receive expenditures.
Employment	Employment associated with the above earnings, including both full- and part-time positions of wage and salary workers and proprietors.

Visitors and residents are classified according to the following typology:

Type of Visitor or Resident	Description
Short Term Visitor	Travelers staying in commercial accommodations where a transient lodging tax is collected. Visitors staying in campgrounds and day travelers are also included.
Vacation Home Visitor	Travelers using their own vacation home or timeshare, and those borrowing or renting a vacation home where a transient lodging tax is not collected.
Resident	All residents of Blaine County, eighteen years of age or older.

## PERSONAL TRADE AND SERVICES

The spending and related impacts (i.e., earnings and employment) included in this study refer to “personal trade and services”, a specific group of retail trade and service businesses defined below. In general, personal trade and services are those goods and services purchased by visitors at their destination. Residents also purchase many of these services. In this analysis, estimates of spending on personal goods and services are provided for short-term visitors, vacation home visitors and residents.

Personal trade and services include the primary travel-related businesses of lodging, recreation and eating & drinking establishments. These businesses, as well as transportation and retail establishments, account for most of the spending of short-term visitors. However, with the possible exception of lodging, short-term visitors do not account for all of the business receipts of these establishments. For example, both residents and visitors eat at restaurants and make retail purchases.

Vacation home visitors, many of whom reside in the county for a substantial portion of the year, purchase a wider range of goods and services while “visiting.” While they typically do not rent rooms in commercial lodging establishments, they do purchase goods and services in the other types of visitor-related businesses discussed above. This would include expenditures related to home maintenance, personal care and other retail goods and services. In addition, vacation home visitors also spend relatively more on some items, such as groceries, than do short-term visitors.

There are many personal expenditures that are not included in the personal trade and services category either because of lack of information or because of the complexity of the transaction (e.g., third party or insurance payments). These excluded items include medical, legal, social, business, and government goods and services. They are especially significant for residents, and to a lesser extent vacation home visitors. However, an analysis of these expenditures is beyond the scope of this study and would not significantly affect our findings in regard to visitor-related economic impacts.

Table 5-1 shows the size of the Personal Trade and Services category in relation to the entire Blaine County economy. Table 5-2, lists the specific industries and business types included in the personal trade and service category. The employment and earnings data in both of these tables is for 1998, the most recent year for which such information is available for the Bureau of Economic Analysis.

Table 5-1  
**Personal Trade & Services in Blaine County**  
 1998

	Employment (jobs)		Earnings (\$Million)	
Personal Trade & Serv	6,390	39%	103	24%
All Other	9,980	61%	323	76%
<b>Blaine County Total</b>	<b>16,370</b>		<b>426</b>	

Sources: Dean Runyan Associates, Bureau of Economic Analysis and Minnesota Implan Group.

Table 5-2  
**Blaine County Personal Trade & Services, 1998**

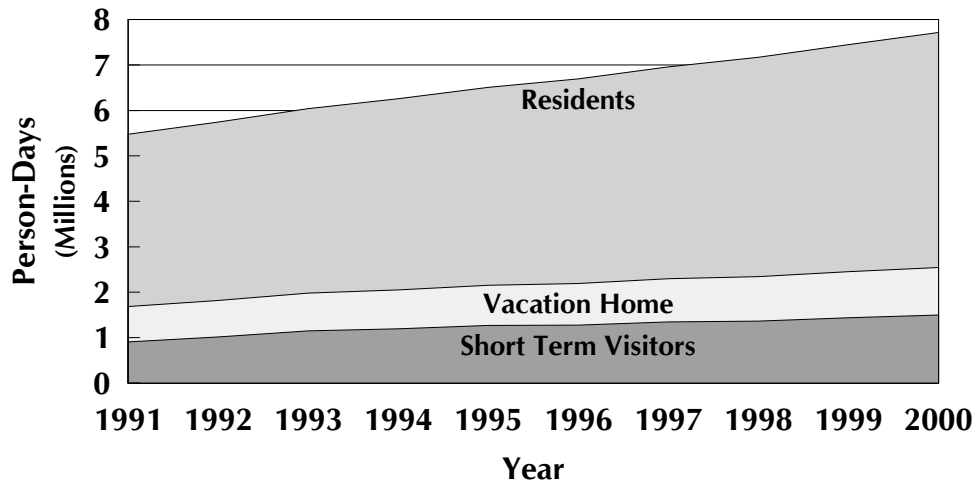
	Employment (jobs)	Earnings (\$000)
<b>Primary Travel Industry</b>		
Amusement and Recreation Services, N.E.C.	922	12,162
Eating & Drinking	1,431	18,112
Hotels and Lodging Places	1,008	19,669
<b>Retail</b>		
Apparel & Accessory Stores	228	4,397
Building Materials & Gardening	105	2,970
Food Stores	310	6,662
Furniture & Home Furnishings Stores	196	4,877
General Merchandise Stores	16	200
Miscellaneous Retail	809	9,413
Motorcycles, Bicycles, and Parts	3	104
Sporting and Athletic Goods, N.E.C.	14	1,118
<b>Other Services</b>		
Beauty and Barber Shops	190	1,989
Domestic Services	190	2,867
Electrical Repair Service	11	132
Laundry, Cleaning and Shoe Repair	200	2,328
Miscellaneous Personal Services	45	359
Miscellaneous Repair Shops	31	494
Motion Pictures	143	3,834
Portrait and Photographic Studios	103	1,224
Watch, Clock, Jewelry and Furniture Repair	18	200
<b>Other Recreation</b>		
Bowling Alleys and Pool Halls	16	81
Commercial Sports Except Racing	65	549
Membership Sports and Recreation Clubs	19	327
<b>Automobile</b>		
Automobile Parking and Car Wash	15	187
Automobile Rental and Leasing	70	1,087
Automobile Repair and Services	68	2,355
Automotive Dealers & Service Stations	164	5,606
<b>Total Personal Trade &amp; Services</b>	<b>6,389</b>	<b>103,302</b>

Source: Dean Runyan Associates, Bureau of Economic Analysis, and Minnesota Implan Group.

## VISITOR AND RESIDENT PERSON-DAYS IN BLAINE COUNTY

Figure 5-1 shows the estimated number of person-days in Blaine County for residents, visitors that stay in vacation homes, and short-term visitors. The estimates for each category refer to the number of persons eighteen years and older.

Figure 5-1  
**Blaine County Person-days**  
(18 years & older)



Source: Dean Runyan Associates

To summarize Figure 5-1 (see also the detailed table at the end of this section):

- Resident person-days in Blaine County increased from 3.8 million in 1991 to 5.2 million in 2000. This is an average annual increase of 3.5 percent per year, which corresponds to the rate of population growth in the county. In 2000, residents accounted for an estimated 67 percent of all person days in the county.
- Short-term visitors accounted for 1.5 million person-days in 2000, up from 900,000 in 1991. This is an average annual increase of 5.8 percent per year. This corresponds to the annual rate of growth in room sales (8.8 percent per year) over the same period, after adjusting for increases in room rates. In 2000, short-term visitors accounted for an estimated 19 percent of all person-days in the county.
- Visitors that stayed in vacation homes accounted for 800,000 person-days in 1991 and more than 1 million person-days in 2000, an average annual rate of increase of 3.4 percent. This rate of increase corresponds to our estimate of the number of vacation homes built in the county since the 1990 census. Approximately, one-third of all existing housing in 1990 and new construction

since then has been for vacation homes. However, since owners of vacation homes spend only part of the year in Blaine County, their total number of person-days in the county is less than one-third. In 2000, an estimated 14 percent of all person-days were by visitors staying in vacation homes.

Detailed estimates for each year can be found at the end of this section. Appendix D describes the method by which these estimates were calculated and provides a description of the RTIM methodology.

### ECONOMIC IMPACTS OF VISITOR & RESIDENT SPENDING ON PERSONAL TRADE & SERVICES

Table 5-3 summarizes the economic impact of visitor and resident spending on Personal Trade and Services. More detailed estimates for spending, earnings and employment can be found in the tables at the end of this chapter.

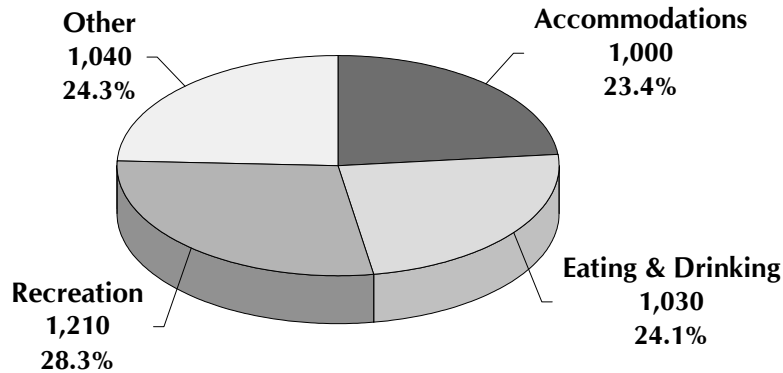
The estimates in Table 5-3 can be compared to reported earnings and employment in Table 5-2. For the year 2000, the estimated earnings (\$115.8 million) and employment (6,340 jobs) totals for all visitors and residents approximate the totals reported in table 5-2, (\$103.3 million earnings and 6,389 jobs for 1998). This indicates that our method of segmenting Personal Trade & Services among Short-term Visitors, Vacation Home visitors and residents reasonably reproduces the reported earnings and employment for this group of businesses.

Table 5-3  
**Blaine County Personal Trade & Services, 1991 & 2000**

	1991	2000	Average Annual Change	Percent of All Visitors & Residents	
				1991	2000
<b>Short Term Visitors</b>					
Spending (\$Million)	57.9	120.5	8.5%	25.9%	29.7%
Earnings Generated (\$Million)	22.0	44.4	8.1%	34.7%	38.4%
Employment Generated (jobs)	1,780	2,660	4.6%	38.2%	41.9%
<b>Vacation Home</b>					
Spending (\$Million)	64.6	110.6	6.2%	28.9%	27.2%
Earnings Generated (\$Million)	17.5	29.9	6.2%	27.6%	25.9%
Employment Generated (jobs)	1,280	1,610	2.6%	27.5%	25.4%
<b>Residents</b>					
Spending (\$Million)	100.8	175.0	6.3%	45.1%	43.1%
Earnings Generated (\$Million)	23.9	41.4	6.3%	37.7%	35.8%
Employment Generated (jobs)	1,600	2,080	3.0%	34.3%	32.8%
<b>All Visitors &amp; Residents</b>					
Spending (\$Million)	223.4	406.2	6.9%	100.0%	100.0%
Earnings Generated (\$Million)	63.3	115.7	6.9%	100.0%	100.0%
Employment Generated (jobs)	4,660	6,350	3.5%	100.0%	100.0%

Figure 5-2 shows the distribution of visitor-generated employment among business categories. Visitor-generated employment in Blaine County is approximately equally divided among accommodations, eating & drinking, recreation, and other goods and services (including retail, ground transportation).

Figure 5-2  
**Visitor-Generated Employment in Blaine County, 2000**



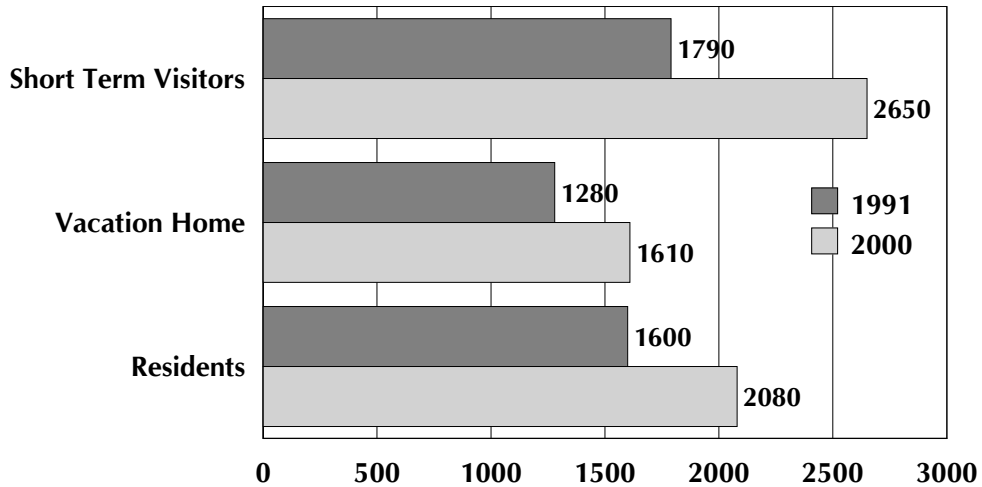
Note: Includes employment generated by Short-term visitors and Vacation home visitors. The employment category refers to the type of work or service performed, not the industry classification.  
**Source: Dean Runyan Associates**

As indicated in Figure 5-3, on the following page, the spending of Short-term Visitors during the past decade has generated about one-half of the employment growth in personal trade and services. This greater proportionate impact is due primarily to two factors:

- The total spending of short-term visitors has increased at a greater rate than both residents and visitors in vacation homes because of the increase in visitor volume (person-days) during this period.
- The expenditures of short-term visitors generate relatively more jobs than do equivalent expenditures by residents and vacation home visitors. This is because more of the spending of short-term visitors goes to labor-intensive service jobs in accommodations, food service and recreation than does the spending of residents and vacation home visitors.



Figure 5-3  
**Personal Trade & Services Employment**



Source: Dean Runyan Associates

Table 5-4, below, provides an estimate of the distribution of travel-generated employment in Blaine County for 2000. Approximately 70 percent of all employment in Blaine County is located in Ketchum and Sun Valley. Of these 11,660 jobs (7,810 in Ketchum & 3,850 in Sun Valley), 3,990 jobs or 34 percent are travel-generated.

Table 5-4  
**Travel-Generated Employment  
 by Jurisdiction, 2000**

	Vistor-Generated		Total	Percent Vis-Gen
	Short Term Visitors	Vacation Home		
Hailey	160	110	3,740	7%
Ketchum	1,050	840	7,810	24%
Sun Valley	1,470	630	3,850	55%
Other	0	0	1,000	0%
<b>Total</b>	<b>2,680</b>	<b>1,580</b>	<b>16,400</b>	<b>26%</b>

Source: Dean Runyan Associates, Bureau of Economic Analysis, and U.S. Bureau of Census County Business Patterns. Note: Employment is place of work, not residence of worker. Other includes Bellevue, Carey, and unincorporated areas.

## DIRECT ECONOMIC IMPACTS OF VISITORS: SUMMARY

The analysis in this section has focused on the source of earnings and employment for personal trade and services in Blaine County. Personal trade and services comprises almost 40 percent of all jobs in Blaine County and more than one-fourth of all earnings. Our estimates indicate that visitor spending contributes about two-thirds of all employment and earnings in the personal trade and services category. In total, visitor spending directly generates 26 percent of all jobs in Blaine County, and 18 percent of all earnings. Furthermore, visitor spending in Blaine County has been increasing at a greater rate than resident spending over the past ten years. This is largely because the volume of short-term visitors has increased at a greater rate than the resident population. On the basis of this analysis, there is no evidence that the significance of the visitor industry for the Blaine County economy is diminishing.

Table 5-5  
**Blaine County Visitor Impacts**

	Visitor Spending (\$ Million)	Earnings (\$ Million)	Employment (jobs)
1991	122.6	39.5	3,060
1992	135.9	43.3	3,160
1993	151.5	47.1	3,360
1994	161.3	50.5	3,570
1995	174.2	56.5	3,790
1996	181.0	60.1	3,940
1997	193.0	63.5	4,040
1998	200.6	66.2	4,080
1999	215.3	70.3	4,180
2000	231.2	74.3	4,270
Average Annual Change, 1991-2000			
	7.3%	7.3%	3.8%

Source: Dean Runyan Associates.

### Blaine County Spending for Personal Trade & Services (\$ Million)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>Visitors - Short Term</b>										
Accommodations	17.6	20.4	24.1	25.9	28.5	29.0	31.2	32.4	35.0	37.6
Eating & Drinking	14.1	16.1	18.6	19.8	21.7	21.9	23.6	24.4	26.3	28.0
Recreation	14.0	16.2	18.9	20.2	22.2	22.7	24.4	25.2	27.2	29.2
Other Retail & Serv	12.3	14.1	16.4	17.6	19.4	20.0	21.1	21.1	23.3	25.7
Total Spending	57.9	66.8	78.0	83.5	91.7	93.5	100.4	103.1	111.8	120.5
<b>Vacation Home</b>										
Eating & Drinking	7.4	8.0	8.5	8.9	9.5	10.1	10.7	11.2	11.9	12.7
Recreation	11.5	12.3	13.1	13.8	14.7	15.6	16.5	17.3	18.4	19.7
Other Retail & Serv	45.7	48.9	52.0	55.0	58.3	61.9	65.5	68.9	73.2	78.2
Total Spending	64.6	69.1	73.5	77.8	82.5	87.5	92.6	97.5	103.5	110.6
<b>Residents</b>										
Eating & Drinking	11.0	11.8	12.5	13.3	14.1	15.0	15.9	16.7	17.8	19.1
Recreation	4.9	5.2	5.6	5.9	6.3	6.6	7.0	7.4	7.9	8.5
Other Retail & Serv	85.0	91.0	96.9	102.7	109.0	115.9	122.9	129.5	137.7	147.5
Total Spending	100.8	107.9	115.0	121.8	129.4	137.5	145.8	153.7	163.5	175.0
<b>All Visitors &amp; Residents</b>										
Accommodations	17.6	20.4	24.1	25.9	28.5	29.0	31.2	32.4	35.0	37.6
Eating & Drinking	32.6	35.8	39.6	42.1	45.3	46.9	50.2	52.4	56.0	59.8
Recreation	30.3	33.7	37.5	39.9	43.1	44.9	47.9	49.9	53.5	57.3
Other Retail & Serv	142.9	153.9	165.3	175.3	186.7	197.7	209.5	219.6	234.2	251.4
Total Spending	223.4	243.9	266.5	283.1	303.6	318.5	338.8	354.3	378.8	406.2
<b>Percentage of Total</b>										
Visitors - Short Term	25.9%	27.4%	29.3%	29.5%	30.2%	29.4%	29.6%	29.1%	29.5%	29.7%
Vacation Home	28.9%	28.3%	27.6%	27.5%	27.2%	27.5%	27.3%	27.5%	27.3%	27.2%
Residents	45.1%	44.3%	43.2%	43.0%	42.6%	43.2%	43.0%	43.4%	43.2%	43.1%

### Blaine County Personal Trade & Service Earnings (\$ Millions)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>Visitors - Short Term</b>										
Accommodations	10.4	11.3	11.8	12.9	16.1	18.0	18.7	19.4	20.2	20.7
Eating & Drinking	4.8	5.5	6.3	6.7	7.4	7.4	8.0	8.3	8.9	9.5
Recreation	5.1	5.9	6.9	7.4	8.1	8.3	8.9	9.2	10.0	10.7
Other Retail & Serv	1.6	1.9	2.2	2.4	2.6	2.7	2.9	2.9	3.1	3.4
Total Earnings	22.0	24.6	27.2	29.4	34.2	36.5	38.5	39.8	42.3	44.4
<b>Vacation Home</b>										
Eating & Drinking	2.6	2.8	3.0	3.1	3.3	3.5	3.7	3.9	4.2	4.5
Recreation	3.8	4.1	4.4	4.6	4.9	5.2	5.5	5.8	6.1	6.6
Other Retail & Serv	11.0	11.8	12.6	13.3	14.1	15.0	15.8	16.7	17.7	18.9
Total Earnings	17.5	18.7	19.9	21.0	22.3	23.7	25.0	26.4	28.0	29.9
<b>Residents</b>										
Eating & Drinking	3.8	4.1	4.4	4.6	4.9	5.2	5.6	5.9	6.2	6.7
Recreation	1.6	1.8	1.9	2.0	2.1	2.2	2.4	2.5	2.7	2.9
Other Retail & Serv	18.4	19.7	21.0	22.2	23.6	25.0	26.6	28.0	29.8	31.9
Total Earnings	23.9	25.5	27.2	28.8	30.6	32.5	34.5	36.4	38.7	41.4
<b>All Visitors &amp; Residents</b>										
Accommodations	10.4	11.3	11.8	12.9	16.1	18.0	18.7	19.4	20.2	20.7
Eating & Drinking	11.3	12.4	13.7	14.5	15.6	16.2	17.3	18.1	19.3	20.6
Recreation	10.6	11.8	13.1	14.0	15.1	15.7	16.8	17.5	18.8	20.1
Other Retail & Serv	31.1	33.4	35.7	37.8	40.3	42.7	45.2	47.5	50.6	54.2
Total Earnings	63.3	68.8	74.3	79.3	87.1	92.7	98.0	102.6	108.9	115.7
<b>Percentage of Total</b>										
Visitors - Short Term	34.7%	35.7%	36.6%	37.1%	39.3%	39.4%	39.3%	38.8%	38.8%	38.4%
Vacation Home	27.6%	27.2%	26.7%	26.5%	25.6%	25.5%	25.5%	25.7%	25.7%	25.9%
Residents	37.7%	37.1%	36.6%	36.4%	35.1%	35.1%	35.2%	35.5%	35.5%	35.8%

## Blaine County Personal Trade & Service Employment

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>Visitors - Short term</b>										
Accommodations	710	710	710	780	890	980	990	1,000	1,000	1,000
Eating & Drinking	440	470	540	580	620	630	660	660	680	700
Recreation	510	550	620	660	660	670	700	700	720	750
Other Retail & Serv	120	130	150	180	200	200	210	210	210	220
Total Employment	1,780	1,860	2,020	2,190	2,380	2,480	2,550	2,560	2,620	2,660
<b>Vacation Home</b>										
Eating & Drinking	240	240	250	270	280	300	300	310	320	330
Recreation	380	380	390	410	400	420	430	440	440	460
Other Retail & Serv	650	680	700	710	730	750	760	780	800	820
Total Employment	1,280	1,300	1,340	1,390	1,410	1,460	1,500	1,520	1,560	1,610
<b>Residents</b>										
Eating & Drinking	350	350	380	400	420	440	450	460	480	490
Recreation	160	160	170	180	170	180	190	190	190	200
Other Retail & Serv	1,090	1,120	1,160	1,180	1,220	1,250	1,280	1,300	1,340	1,380
Total Employment	1,600	1,640	1,700	1,760	1,800	1,870	1,920	1,960	2,010	2,080
<b>All Visitors &amp; Residents</b>										
Accommodations	710	710	710	780	890	980	990	1,000	1,000	1,000
Eating & Drinking	1,030	1,060	1,170	1,240	1,320	1,370	1,410	1,430	1,480	1,530
Recreation	1,060	1,090	1,170	1,240	1,240	1,260	1,310	1,330	1,360	1,400
Other Retail & Serv	1,870	1,930	2,000	2,070	2,140	2,200	2,250	2,290	2,350	2,430
Total Employment	4,670	4,800	5,060	5,330	5,590	5,810	5,960	6,040	6,180	6,350
<b>Percentage of Total</b>										
Visitors - Short Term	38.2%	38.8%	39.9%	41.0%	42.5%	42.7%	42.7%	42.4%	42.3%	42.0%
Vacation Home	27.4%	27.0%	26.4%	26.0%	25.2%	25.1%	25.1%	25.2%	25.2%	25.3%
Residents	34.4%	34.2%	33.6%	33.0%	32.3%	32.2%	32.2%	32.4%	32.5%	32.7%

### Person-Days in Blaine County

(thousands of days for persons 18 years & older)

	Short term Visitors	Vacation Home	Residents
1991	904	778	3,792
1992	1,015	804	3,925
1993	1,147	831	4,063
1994	1,194	858	4,205
1995	1,268	887	4,353
1996	1,274	917	4,506
1997	1,347	948	4,664
1998	1,363	979	4,828
1999	1,439	1,012	4,997
2000	1,498	1,046	5,173
91-00	5.8%	3.4%	3.5%



## 6. CONSTRUCTION

This section discusses the construction sector of the Blaine County economy. This sector includes general building contractors for new residential, commercial and industrial buildings; special trade contractors that are employed by general building contractors or perform maintenance and repair work on existing facilities; and heavy construction contractors that work on a variety of construction projects, including public works.

The analysis in this section is focused on that segment of the construction industry that can be attributed to visitor spending. Estimates of visitor-generated construction activity are less straightforward and ultimately less precise than estimates of visitor spending on personal trade and services in the preceding section. There are three principal reasons for this.

First, expenditures on visitor-related construction activities are related to anticipated visitation and expenditures made by visitors in a future time period. In the case of commercial facilities, construction expenditures are investments predicated on expectations of future visitor behavior. In other words, major construction activity at a point in time is actually related to visitor activity at a later and extended period of time. The same is true with regard to the construction of vacation homes by private owners. Although these construction activities are typically not strictly business investments, they are still predicated on future use. All of this means that even if precise measurements of visitor-related construction activity can be determined (which may be further complicated by mixed use facilities such as retail establishments), it is analytically useful to distinguish visitor-related construction activities from the type of visitor-related impacts discussed in the preceding section.

Second, there is typically more out-of-county leakage on construction expenditures than on expenditures for personal goods and services. This is especially true for non-residential new building construction. Non-local construction services are more likely to be employed in commercial, industrial and public works because of scale and the requirement for more specialized contractors.

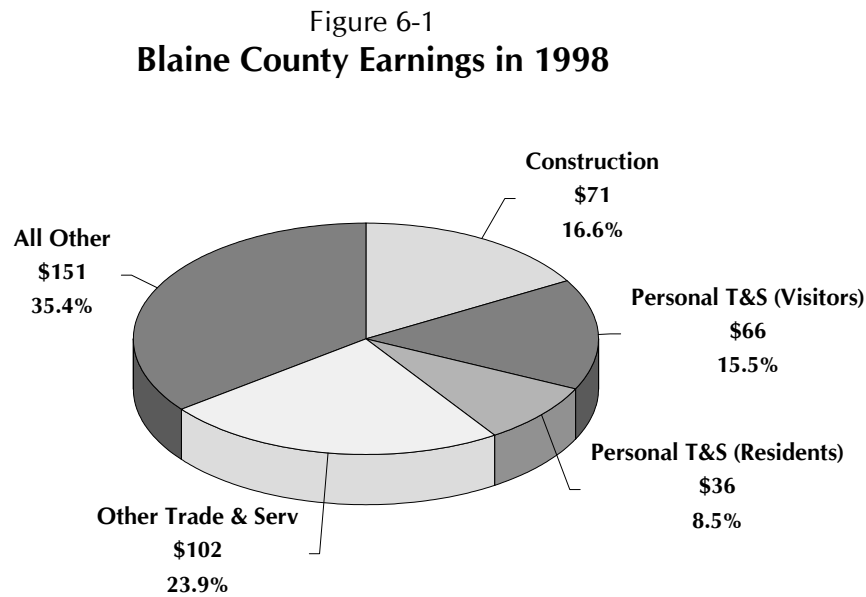
Finally, a considerable portion of the construction industry is related to maintenance and repair work, rather than new construction. Many of these workers are under the direct employment of real estate management firms involved in maintenance and repair work for buildings owned or managed by those firms. This type of work, particularly as it relates to commercial, industrial and public facilities, is an operational expense of the enterprise and thus an "indirect" effect of consumer spending. The maintenance and repair work at a hotel, for example, is a business expense paid for by room revenues. These indirect construction effects are therefore properly included in the subsequent section concerning indirect and induced impacts of visitor spending.



The remainder of this section will provide a review of the main elements of the construction industry in Blaine County, and an estimate of the direct construction employment and earnings related to visitor activity.

### CONSTRUCTION INDUSTRY EARNINGS IN BLAINE COUNTY

Construction employment in Blaine County accounted for roughly 16.6 percent of all earnings in 1998, as shown in Figure 6-1 below. The earnings for the entire construction industry approximates the earnings generated by visitor spending on personal trade and services.



Sources: Dean Runyan Associates, Minnesota IMPLAN Group, Inc. and Bureau of Economic Analysis

Figure 6-2, on the following page, provides a comparison of construction industry earnings in Blaine County with the State of Idaho. Construction is broken out in terms of general building contractors, heavy construction contractors and special trades. Overall, the proportion of earnings attributable to construction is approximately twice as great in Blaine County as it is in the State of Idaho (17 percent versus 8 percent). Furthermore, general building contractors comprise a larger proportion of construction employment in Blaine County.

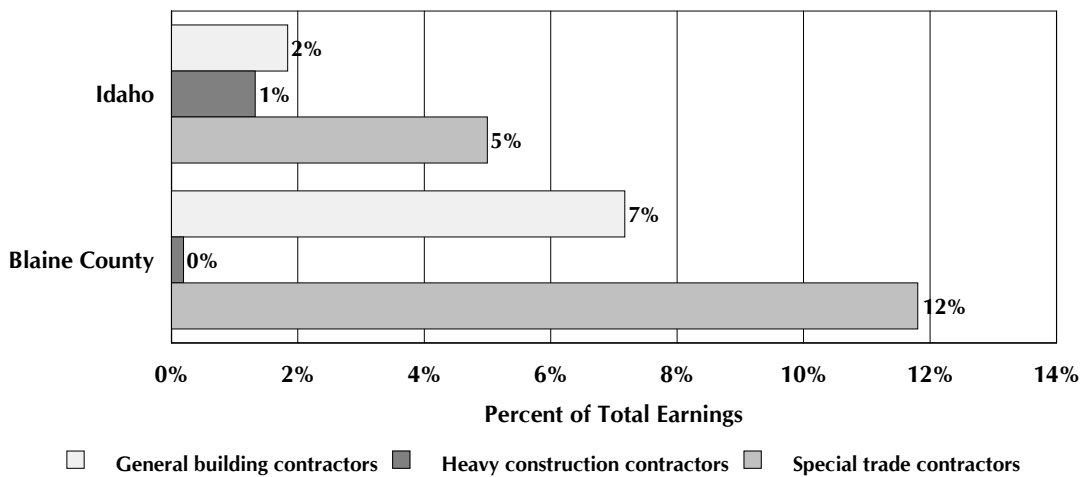
Figure 6-3 is similar to the graph provided in Section 2 of this report, with the exception of the detailed breakout of the construction sector. While the proportion of construction earnings in Blaine County is intermediate in relation to other resort communities, Blaine County has the highest proportion of general building contractors.

Taken together, these graphs indicate that:

- Construction earnings in Blaine County, as well as in many other resort communities, is higher than the state of Idaho as a whole;
- New building is the primary reason for the above-average earnings in the construction industry in Blaine County. (About 75 percent of general building contracting is related to residential uses in Blaine County. This includes permanent residences and vacation homes.)

Figure 6-2

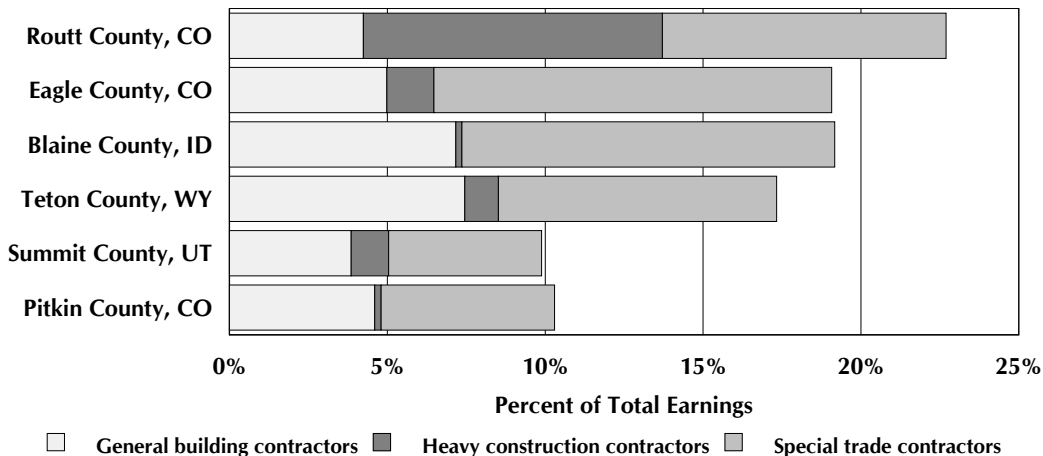
**Construction Earnings as a Percentage of Total Earnings  
in Blaine County and the State of Idaho, 1999**



Sources: Dean Runyan Associates and Bureau of Economic Analysis

Figure 6-3

**Construction Earnings as a Percentage of Total Earnings  
in selected Resort Communities, 1999**



Sources: Dean Runyan Associates and Bureau of Economic Analysis

Figure 6-4 completes our overview of the Blaine County construction industry. While construction employment in Blaine County has increased over the past decade (particularly from 1993 to 1996), construction employment is inherently less stable than many other sectors of the economy. In Blaine County, the level of new residential building activity has probably contributed the most to fluctuations in employment.

Figure 6-4  
**Construction Employment in Blaine County,  
1990-1999**



Source: Dean Runyan Associates and Bureau of Economic Analysis

## CONSTRUCTION OF PERMANENT RESIDENCES AND VACATION HOMES IN BLAINE COUNTY

This section concludes with an estimate of construction employment and earnings that is related to the building of new permanent residences and vacation homes. As Table 6-1 indicates, approximately 70 percent of all new construction value in 1999 and 2000 Blaine County was related to new residential structures. These new dwellings were distributed throughout the county. Approximately one-third of all residential construction value was in Ketchum, one-third in unincorporated areas of the county, 21 percent in Sun Valley and the remainder (13 percent) in Hailey.

Table 6-1  
**Value of New Construction**

	new dwelling units	total permits	New Construction		additions, alterations, & repairs	Total Const.
			resident. (\$Million)	nonresid. (\$Million)	(\$Million)	(\$Million)
Hailey						
1999	66	259	9.1	2.2	1.5	12.9
2000	204	305	19.0	3.4	1.4	23.7
Ketchum						
1999	123	165	35.9	11.5	7.1	54.5
2000	66	171	37.1	11.2	6.2	54.5
Sun Valley						
1999	42	134	22.1	1.5	6.5	30.1
2000	35	151	23.6	0.5	6.0	30.2
Unincorporated						
1999	88	196	36.9	21.6	6.8	65.3
2000	72	146	38.7	0.8	7.6	47.1
Blaine County Total						
1999	319	754	104.1	36.8	21.9	162.8
2000	377	773	118.4	15.9	21.2	155.5

Source: Mountain States Appraisal and Consulting, Inc., Boise, ID

The new construction of permanent residences and vacation homes is associated with somewhat less than one-half of all construction employment in the county, and one-third of all construction earnings (see Table 6-2). Despite the importance of new residential construction in Blaine County, the fact remains that a considerable proportion of construction work is concerned with maintenance and repair of non-residential facilities. In addition, average construction wages are higher in non-residential construction.

We estimate that 290 construction jobs, with earnings of \$8.4 million, were related to the construction of vacation homes in Blaine County in 2000. This estimate is consistent with the geographical distribution of the value of new residential construction shown in Table 6-1, on the previous page, and our estimates of vacation home visitor volume.

Table 6-2  
**Employment & Earnings  
 by Type of Construction**  
 2000

	Employment (jobs)	Earnings (\$Million)
Vacation Home	290	8.4
Permanent Residences	610	15.5
Other*	1,300	51.0
<b>Total</b>	<b>2,200</b>	<b>74.9</b>

Source: Minnesota Implan Group, Bureau of Economic Analysis, and Dean Runyan Associates.

\*Note: Other includes heavy construction, new construction in the commercial and industrial sectors and maintenance and repair for commercial, industrial and public facilities.

There are, of course, some construction jobs in commercial and public building that are visitor-related but are not included in the estimates found in Table 6-2. As discussed in the introduction to this section, these jobs are difficult to estimate without examining particular construction projects in detail – a task that is beyond the scope of this study. Furthermore, many construction jobs are actually concerned with repair and maintenance, and are thus included in indirect effects of visitor spending. In conclusion, our estimates of visitor-related construction activity is a conservative baseline that reflects building activity during the last decade. At particular times, this estimate might be augmented by specific visitor-related construction projects.

## 7. INDIRECT ECONOMIC IMPACTS OF VISITORS

This section describes important indirect economic impacts generated by visitor spending in Blaine County. Part of the money spent by visitors is re-spent in Blaine County by visitor-related businesses, in purchasing services and supplies in the area, as well as by the employees who work in those businesses and purchase goods and services in the County. This section provides a picture of the magnitude and the types of businesses that generate these additional indirect impacts. Indirect impacts are discussed in terms of employment (jobs) and earnings (wages, benefits and proprietor income). Indirect impacts flow from the direct impacts of both short-term and vacation home visitors.

Before proceeding, it is useful to clarify a few of the terms that appear in this discussion. Additional discussion, as well as a description of the IMPLAN methodology we used, can be found in Appendix E.

Direct impacts represent the employment and earnings attributable to expenditures made directly by Blaine County visitors.

Indirect impacts represent the employment and earnings associated with businesses that supply goods and services to the businesses that directly serve visitors.

Induced impacts represent the employment and earnings that result from purchases for food, housing, transportation, recreation, and other goods and services made by the employees of businesses that directly serve visitors.

For purposes of discussion in this report, indirect and induced impacts are collectively called indirect impacts.

## TOTAL TRAVEL IMPACTS

It is important to understand the magnitude and distribution of total visitor-generated impacts for all businesses in Blaine County. As shown in Table 7-1, spending by visitors generates nearly 6,000 jobs in Blaine County, with about one-quarter of these jobs generated through indirect impacts. Total earnings amounts to nearly \$120 million, of which about \$37 million is a result of indirect impacts. Overall, this analysis shows that about 37% of employment and 29% of earnings in Blaine County are generated both directly and indirectly through visitor spending.

Table 7-1

### Total Impacts Generated by Blaine County Visitors, 2000

	Employment (Jobs)	Earnings (\$ 000)
Direct	4,560	82,680
Indirect	620	16,932
Induced	800	20,370
Total	5,980	119,982

Source: Dean Runyan Associates & Minnesota IMPLAN Group, Inc.

The distribution of impacts generated through Blaine County visitor spending occurs in a variety of business types including: recreation, eating and drinking, lodging and property management, retail trade, miscellaneous services, and construction. As viewed in terms of total earnings (wages, benefits and proprietor income), lodging and property management becomes more significant due to relatively higher wages, as compared to recreation and eating and drinking. A detailed breakdown of the distribution of employment and earnings appears on the following pages in Tables 7-2 and 7-3, with graphic illustrations shown in Figures 7-1 and 7-2.

Table 7-2

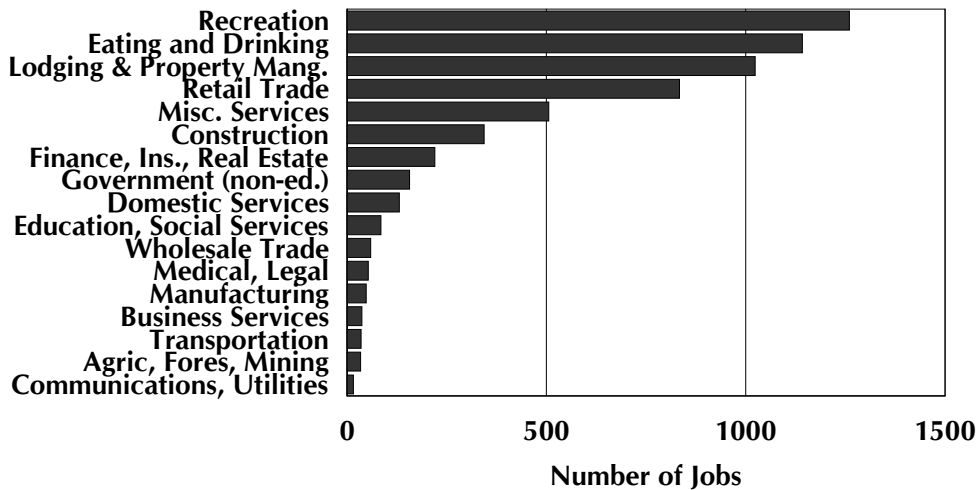
**Total Employment Generated by Blaine County Visitors, 2000**

Industry Group	Employment (Jobs)			Total
	Direct	Indirect	Induced	
Agric, Fores, Mining	0	21	13	34
Construction	290	35	17	344
Manufacturing	0	38	9	48
Transportation	0	25	10	35
Communications, Utilities	0	11	5	16
Wholesale Trade	0	41	19	59
Eating and Drinking	1,034	24	84	1,142
Retail Trade	620	46	168	834
Finance, Ins., Real Estate	0	145	75	220
Lodging & Property Mang.	996	14	14	1,024
Misc. Services	300	144	62	506
Recreation	1,204	31	25	1,260
Medical, Legal	0	4	49	53
Education, Social Services	0	0	85	85
Business Services	0	31	6	37
Government (non-ed.)	0	9	148	157
Domestic Services	116	0	10	131
<b>Total</b>	<b>4,560</b>	<b>620</b>	<b>800</b>	<b>5,980</b>

Source: Dean Runyan Associates & Minnesota IMPLAN Group, Inc.

Figure 7-1

**Total Employment Generated by Blaine County Visitor Spending, 2000**



Sources: Dean Runyan Associates and Minnesota IMPLAN Group, Inc.



Table 7-3

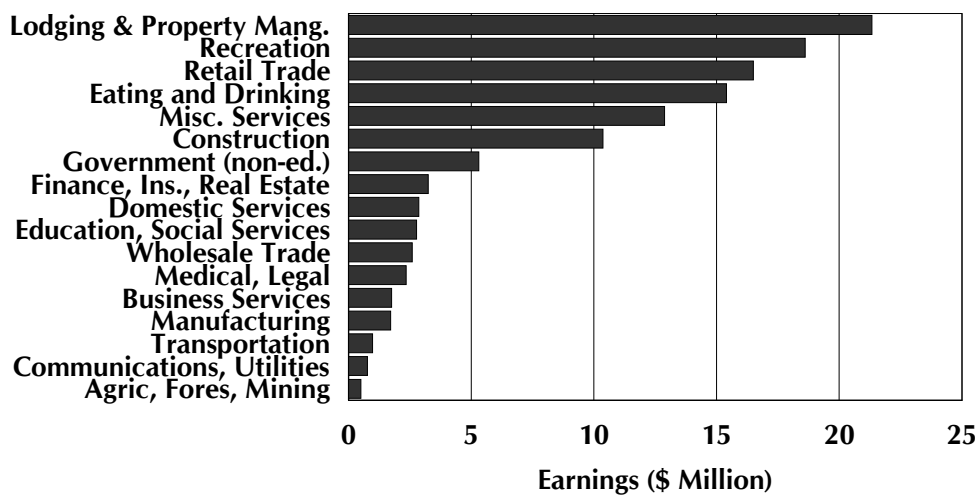
**Total Earnings Generated by Blaine County Visitors, 2000**

Industry Group	Earnings (\$ 000)			Total
	Direct	Indirect	Induced	
Agric, Fores, Mining	0	338	166	504
Construction	8,363	1,370	637	10,370
Manufacturing	0	1,378	341	1,718
Transportation	0	744	239	982
Communications, Utilities	0	499	274	773
Wholesale Trade	0	1,785	811	2,596
Eating and Drinking	13,968	318	1,120	15,406
Retail Trade	12,465	852	3,185	16,501
Finance, Ins., Real Estate	0	1,831	1,420	3,251
Lodging & Property Mang.	20,739	293	302	21,335
Misc. Services	7,189	4,406	1,285	12,879
Recreation	17,263	896	457	18,616
Medical, Legal	0	207	2,144	2,350
Education, Social Services	0	5	2,770	2,774
Business Services	0	1,538	217	1,755
Government (non-ed.)	0	472	4,835	5,307
Domestic Services	2,694	0	169	2,863
<b>Total</b>	<b>82,680</b>	<b>16,932</b>	<b>20,370</b>	<b>119,982</b>

Source: Dean Runyan Associates & Minnesota IMPLAN Group, Inc.

Figure 7-2

**Total Earnings Generated by Blaine County Visitor Spending, 2000**



Sources: Dean Runyan Associates and Minnesota IMPLAN Group, Inc.

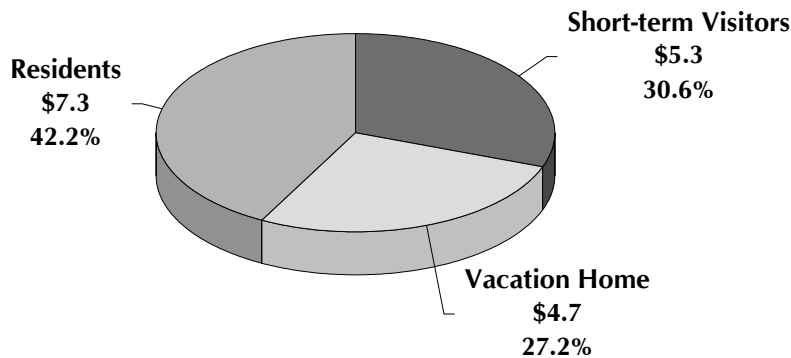
## 8. TAX IMPACTS

This section deals with the local tax impacts of visitor spending in Blaine County. Three types of tax revenues are analyzed: the 5 percent state sales tax (a portion of which is shared by the state with local governments), the local option taxes levied in Ketchum and Sun Valley, and property taxes. This section focuses on the source of local tax revenue (i.e., by visitor, type of property and location). It does not attempt to equate estimates of tax revenues in the County to specific budgets of local governments.

### IDAHO 5 PERCENT SALES TAX

The State of Idaho levies a 5 percent sales and use tax on retail sales, rentals of tangible personal property, admission fees and room fees in commercial lodging. (There is an additional 2 percent Hotel/Motel tax that is not included in this analysis.) During the 1999 fiscal year, the state collected approximately \$18 million in sales tax receipts in Blaine County, of which approximately \$1.6 million was shared with local jurisdictions (Bellevue, Carey, Hailey, Ketchum, Sun Valley, and the County). As Figure 8-1 indicates, visitors accounted for almost six out of every ten revenue dollars.

Figure 8-1  
**Idaho State Sales (5%) Tax Receipts for 2000**  
(\$ Millions)



Sources: Dean Runyan Associates and Idaho State Tax Commission

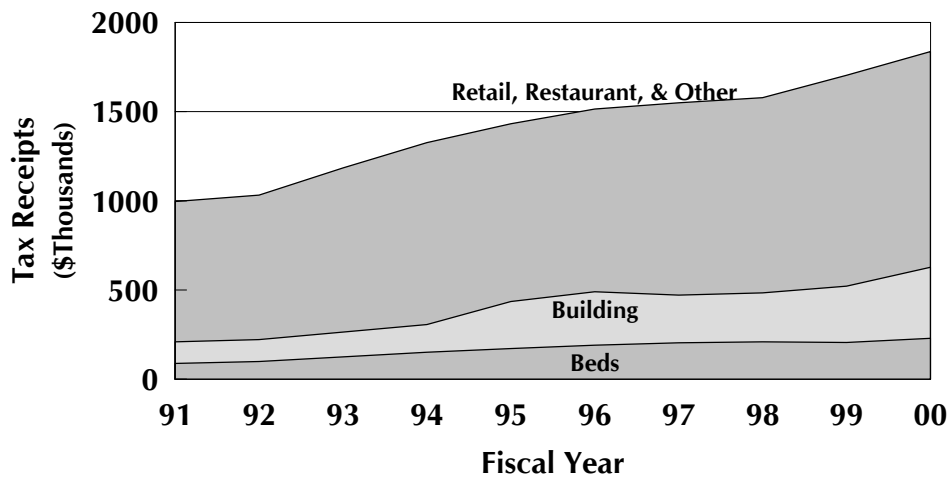
A table containing a detailed breakout of state sales tax receipts can be found at the end of this section. (Note: The estimate of total tax receipts for the calendar year generated by visitors and residents does not exactly correspond to the collections reported by the state, although in most cases the estimates are within five percent. The fact that our estimates of tax receipts are close to the reported receipts is another indication that our model's representation of spending behavior in Blaine County by visitors and residents is reasonable.)



**KETCHUM AND SUN VALLEY LOCAL OPTION TAXES**

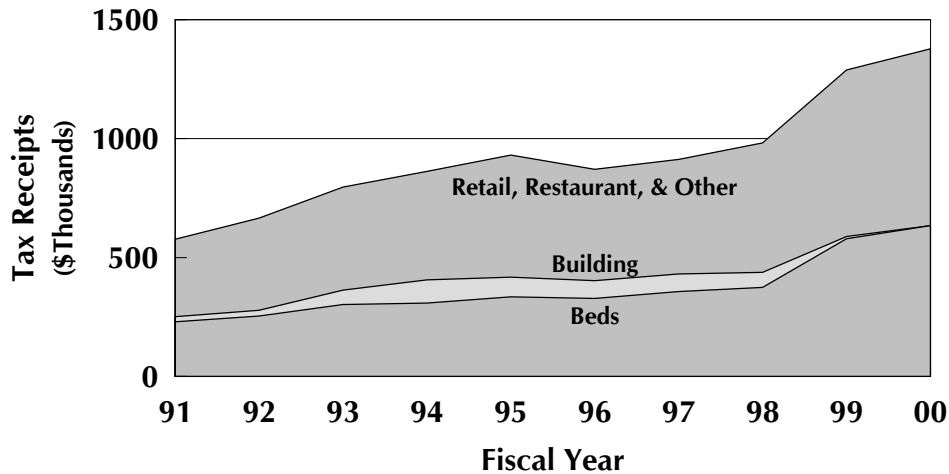
Both Ketchum and Sun Valley are authorized by the state to levy a local option tax. In Ketchum, the tax rate is 2 percent on lodging and liquor by the glass, and 1 percent on other retail sales. In Sun Valley, the tax rate on lodging and retail sales was increased from 2 to 3 percent in January of 1999. Various exemptions apply to these taxes (e.g., groceries & medical in both jurisdictions, for Sun Valley building materials and lift tickets were exempted in Jan. 1999). Figures 8-2 and 8-3, below, show the growth increase in local option tax collections during the past decade.

Figure 8-2  
**Ketchum Local Option Tax Receipts**  
 1991-2000 Fiscal Years



Sources: Dean Runyan Associates and City of Ketchum

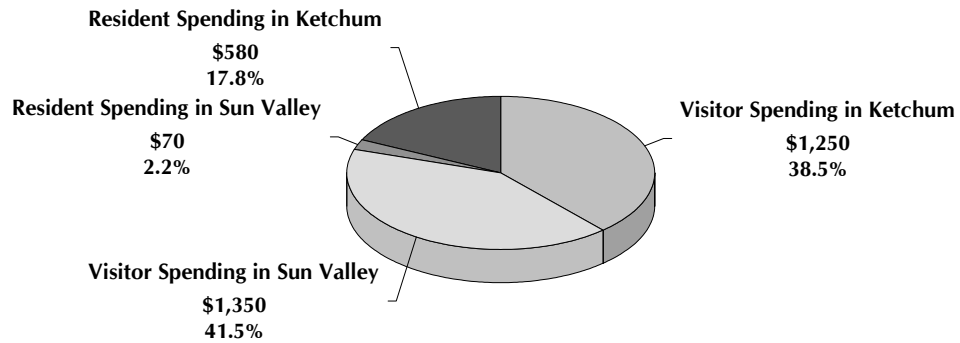
Figure 8-3  
**Sun Valley Local Option Tax Receipts**  
 1991-2000 Fiscal Years



Sources: Dean Runyan Associates and City of Sun Valley

Our estimate of the total local option tax receipts generated by visitors in Ketchum and Sun Valley is shown in Figure 8-4. Visitors generate approximately 80 percent of the total local option tax receipts. The proportion of local option tax receipts generated by visitor spending is considerably greater than for the state sales tax, primarily because the state sales tax applies throughout the county, whereas the local option taxes apply to the principal visitor destinations and activities in the County.

Figure 8-4  
**Local Option Tax Receipts, 2000**  
 (\$ 000)



Source: Dean Runyan Associates

Table 8-1 provides a breakout of local option tax receipts by jurisdiction. About two-thirds of all local option tax receipts in Ketchum are generated by visitors, whereas 95 percent of all such tax receipts in Sun Valley are visitor-related. A table providing additional detail concerning local option tax receipts can be found at the end of this section.

Table 8-1  
**Local Option Tax Receipts by Jurisdiction, 2000**  
 (\$000)

	Visitors		Residents		Total
	(\$000)	% of total	(\$000)	% of total	
Ketchum	1,250	68%	580	32%	1,830
Sun Valley	1,350	95%	70	5%	1,420
Total	2,600	80%	650	20%	3,250

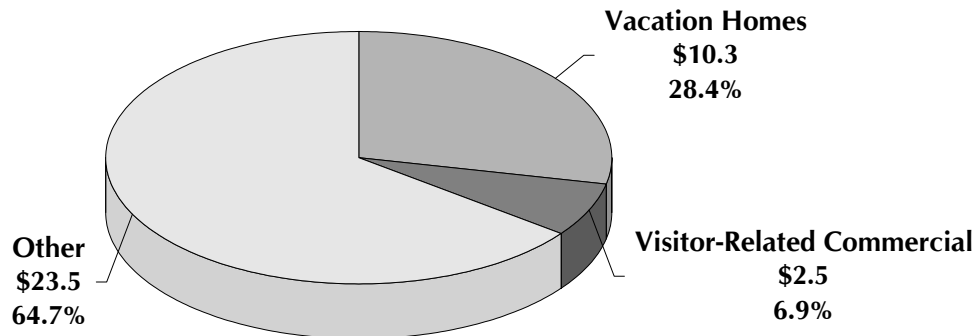
Source: Dean Runyan Associates, City of Ketchum and City of Sun Valley.

## PROPERTY TAX RECEIPTS

Property tax receipts provide by far the largest proportion of local tax revenues in Blaine County. In the 2000 fiscal year, more than \$36 million dollars in property taxes were collected throughout Blaine County. Of this amount, approximately 75 percent was related to residential properties (both permanent residences and vacation homes), while 57 percent of the total was collected in Ketchum and Sun Valley.

Figure 8-5 provides a breakout of property tax receipts by source. Vacation homes (28.4 percent of the total) are a significant source of property tax revenue, both because of the high proportion of vacation homes in the County (about one-third of all homes), and the importance of residential properties for the tax base. Visitor-related commercial properties provide an additional 6.9 percent of property tax revenues. This category represents properties that are entirely visitor-oriented (e.g., a hotel), and properties that provide a portion of their services to short-term and vacation home visitors (e.g., a restaurant).

Figure 8-5  
**Property Tax Receipts, 2000**  
(\$ Million)



Source: Dean Runyan Associates

An estimate of the source of property tax receipts by jurisdiction is provided in Table 8-3 on the following page. Approximately 36 percent of all property tax receipts in Ketchum are visitor-related (\$2.5 million for vacation homes and \$1.3 million for commercial properties). The corresponding estimate for Sun Valley is 63 percent (\$5.0 million vacation homes and \$1.2 million commercial).

Table 8-3  
**Source of Property Tax Receipts, 2000**  
(\$ Millions)

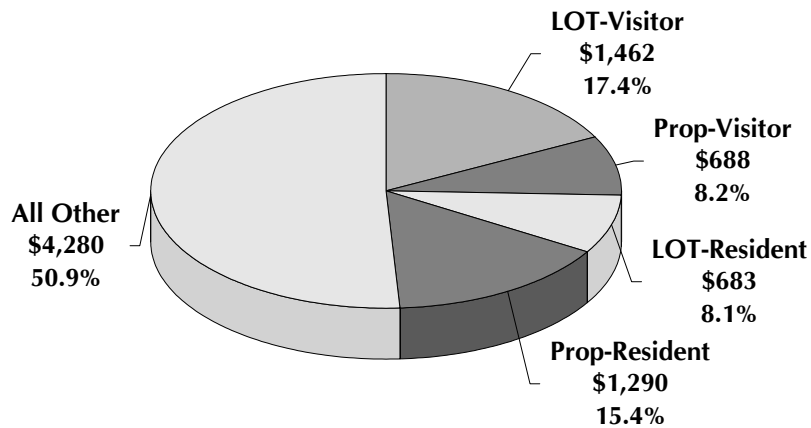
	Vacation Homes	Visitor/ Comm.	Resident.	Other	Total Tax Receipts
Ketchum	2.5	1.3	5.9	0.9	10.5
Sun Valley	5.0	1.2	2.1	1.7	10.0
Other	2.7	0.0	9.6	3.4	15.8
<b>County Total</b>	<b>10.3</b>	<b>2.5</b>	<b>17.6</b>	<b>6.0</b>	<b>36.3</b>

Sources: Dean Runyan Associates and Blaine County Tax Assessor.  
Note: Other tax category includes commercial properties not related to visitor use and agricultural/mining. Other geographical location refers to Bellevue, Carey, Hailey and unincorporated areas of Blaine County.

**KETCHUM AND SUN VALLEY BUDGET REVENUES**

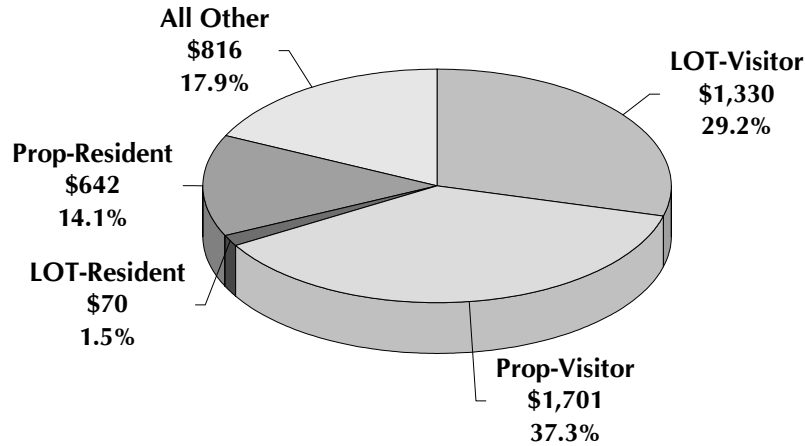
Visitor-related taxes are a major source of revenue for the cities of Ketchum and Sun Valley, as indicated in Figures 8-6 and 8-7. Visitor-related tax receipts represent one-fourth of Ketchum budget revenues and two-thirds of Sun Valley revenues. These estimates do not include the visitor-related portion of the remainder of budget revenues. For example, many of the charges and fees that comprise the remainder of the budget revenues are costs of business that are passed on to consumers, including visitors.

Figure 8-6  
**Ketchum Budget Revenues, 2000 FY**  
(\$ Thousand)



Source: Dean Runyan Associates and City of Ketchum

Figure 8-7  
**Sun Valley Budget Revenues, 2000 FY**  
 (\$ Thousand)



Dean Runyan Associates and City of Sun Valley

**SUMMARY OF TAX RECEIPTS**

Table 8-4 summarizes the tax impacts of visitors. Because the principal source of tax revenues in Idaho counties is property taxes, vacation home ownership is the primary mechanism by which tax receipts are generated from visitors. Room taxes and other local option taxes, on the other hand, generate the highest proportion of tax receipts from visitors.

Table 8-4  
**Summary of Visitor-Generated  
 Tax Receipts, 2000**

Blaine County Total, 2000  
 (\$ Million)

	Total Receipts	Visitor-Generated	Percent Visitor Related
State Sales Taxes*	1.6	0.9	58%
State Room Tax	0.7	0.7	100%
Local Option Taxes	3.2	2.6	80%
Property Taxes	36.3	12.8	35%
<b>Total</b>	<b>41.8</b>	<b>17.0</b>	<b>41%</b>

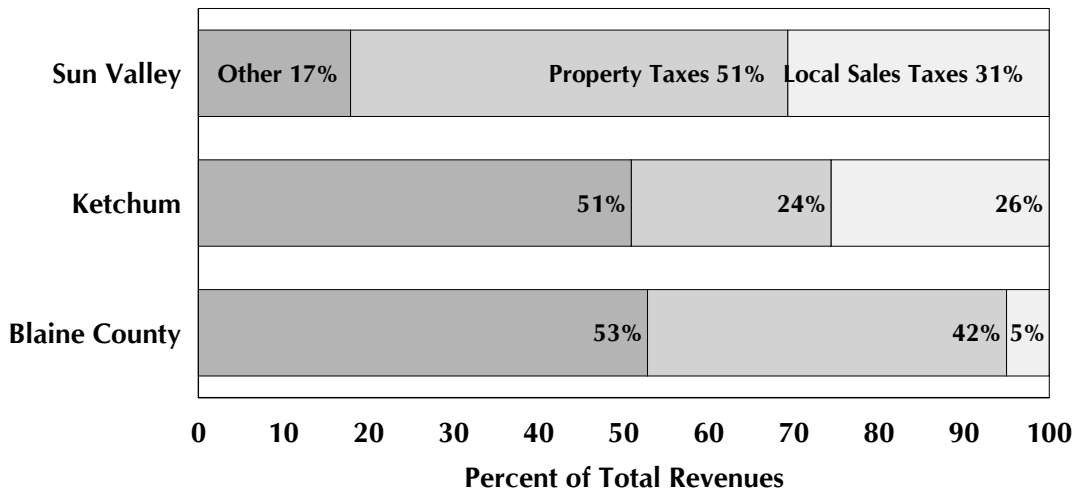
Source: Dean Runyan Associates.

Note: \*Total Receipts for State Sales Taxes refers to estimate of total revenue shared by state with the County and local jurisdictions. Local option taxes include all local bed and other taxes in Sun Valley and Ketchum.



Figure 8-8 indicates the importance of the local option tax receipts for the cities of Ketchum and Sun Valley. Almost one-third of all budget revenues in Sun Valley are derived from the local sales tax, while one-fourth of all revenues in Ketchum are received from the local option tax. The county estimates, based on U.S. Census Bureau data, include all jurisdictions and tax districts within Blaine County (including the cities of Ketchum and Sun Valley).

Figure 8-8  
**Local Budget Revenues**



Sources: Dean Runyan Associates, City of Ketchum, City of Sun Valley and U.S. Bureau of the Census

## 9. SUMMARY AND CONCLUSIONS

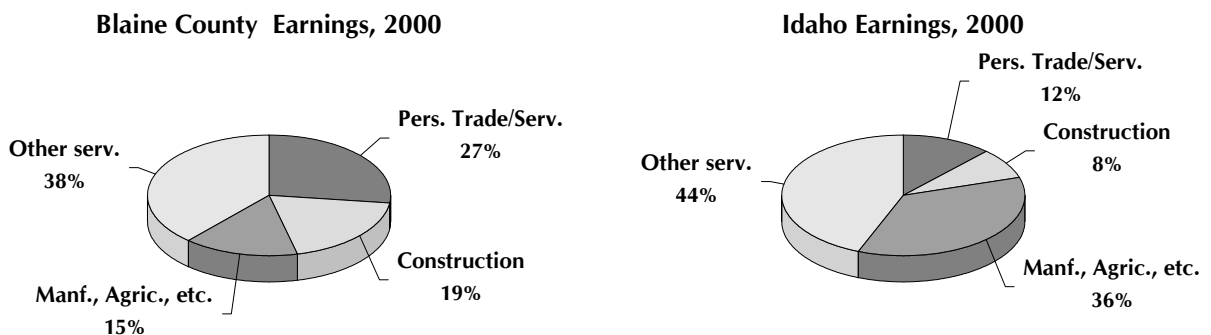
This final section provides an overview of the Blaine County economy and a summary of the primary findings contained in this study.

### STABILITY & GROWTH DURING THE LAST DECADE

Over the past decade, the population and employment of Blaine County have increased at about the same rate – three and one-half percent per year (see Figures 4-1 and 4-2). While these rates of increase in population and employment were higher than the State of Idaho, the increases were not extraordinary compared either to the western United States or other resort communities. For example, Teton County, Wyoming (Jackson Hole), Eagle County, Colorado (Aspen), and Summit County, Utah (Park City) all had population increases of 5 percent per year or higher during the last decade (see Figure 4-1). All of the resort communities except for Pitkin County (Vail) had higher rates of employment growth (see Figure 4-2).

It is also important to note that the basic structure of the Blaine County economy has not fundamentally changed during the past decade (see Figure 2-2). In 2000, the major industrial sectors of the economy (e.g., manufacturing, constructions, retail trade, services, etc.) had about the same share of employment and earnings as they did in 1990.

More specifically, personal trade and services, and construction are especially important sources of earnings and employment in Blaine County. Personal trade and services, those goods and services purchased on a regular basis by residents and visitors (see Table 5-2), comprise about one-fourth of the earned income in the county. Construction comprises another one-eighth. Proportionately, these two sectors are twice as large as they are for the entire Idaho economy. The proportion of manufacturing, mining, agriculture and other non-service oriented employment is correspondingly lower in Blaine County.



Sources: Dean Runyan Associates, Bureau of Economic Analysis and Minnesota IMPLAN Group, Inc.

## RISING PERSONAL INCOME

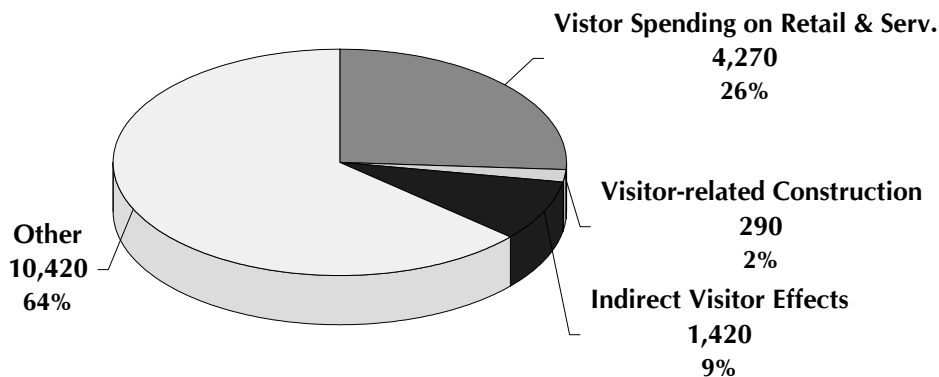
Per capita income in Blaine County has actually increased at a greater rate (5.7 percent per year) than either population or employment. There are two reasons for this: (1) Average annual earnings per job increased by 4.8 percent per year (see Figure 2.4). (2) Many residents of Blaine County received high levels of non-earned personal income in the form of dividends, interest and rental income. In Blaine County, more than one-third of personal income was derived from interest, dividends and rent (see Figure 2-7). The 1999 per capita income of over \$41,000 in Blaine County was almost twice as great as that of the state of Idaho. Only two of the other resort communities examined in this report (Aspen and Jackson Hole) had significantly higher per capita incomes.

## ECONOMIC IMPACTS OF VISITOR SPENDING

The primary impact of visitor spending on the Blaine County economy was from the purchase of personal goods and services. Short-term and vacation home visitor spending accounted for 4,270 jobs. This is about two-thirds of all employment in Personal Trade and Services, and about one-fourth of all Blaine County employment. The construction of vacation homes in Blaine County contributed an additional 290 jobs during 2000 (as well as preceding years during the decade).

The total impacts of visitor spending were 5,980 jobs and \$120 million in earnings in 2000 — representing 37 percent of all employment and 29 percent of all earnings in the county. (Total impacts include visitor spending, construction and all other indirect and induced employment and earnings.)

### Visitor-Generated Employment in Blaine County, 2000



Sources: Dean Runyan Associates and Bureau of Economic Analysis

## **DIVERSIFIED RESORT ECONOMY**

Compared to other resort communities, (this study compared Ketchum-Sun Valley with Park City, Utah; Jackson Hole, Wyoming; and Aspen, Steamboat Springs, and Vail in Colorado), Blaine County has several advantages. Of all of these resort communities, only Blaine County has both (1) a high proportion of personal income derived from investments, and (2) a predominantly resident workforce. (See Figures 4-7 and 4-5). These two factors generate demand for goods and services that directly and indirectly create local jobs. This includes not only the personal goods and services noted above, but also other business and professional services. Hence, Blaine County has a relatively diversified local economy compared to most other resort communities.

The economic impact of visitor spending, discussed above, should be seen in the context of a diversified local economy. There are indirect and induced affects in the economy because local residents tend to provide the goods and services demanded by visitors. On the other hand, the spending of non-earned income by local residents also contributes to the broader base of services in the county that support visitor-related business. Short-term visitors, vacation home residents, new permanent residents, and existing residents all play significant roles in the local economy.

## **EMPLOYMENT AND LOCATION OF RESIDENTS**

As is common in other resort communities, many individuals may be employed in more than one job and commute from other towns to their place of work.

About 70 percent of all jobs in the county are in Ketchum and Sun Valley. About one-half of the persons that are employed in Sun Valley and Ketchum reside elsewhere. As a result, an estimated 6,000 workers commute to Ketchum and Sun Valley from other locations.

The number of jobs in the county (17,000) and the number of residents 18 years of age and older (14,400) also suggests that some employed residents may hold more than one part-time job or, in the case of the self-employed, own more than one business.

However, it should again be noted that relative to many other resort communities, Blaine County has a predominantly local work force.

## **HOUSING**

Over the last decade, housing has become much more expensive for workers in Blaine County. The average sale price of a new home increased between 8 and 9 percent per year in Blaine County during the past decade, while average earnings increased by 4.8 percent per year. In 2000, the average price of a new residence was over \$1 million in Sun Valley/Ketchum, \$715,000 in Mid-Valley, and \$218,000 in Hailey/Bellevue.

The average sale price of a single family home in Blaine County is similar to prices in other resort communities (between \$450,000 to \$650,000), with the exception of Aspen and Vail where prices are considerably higher (\$2.7 million and \$1.4 million, respectively).

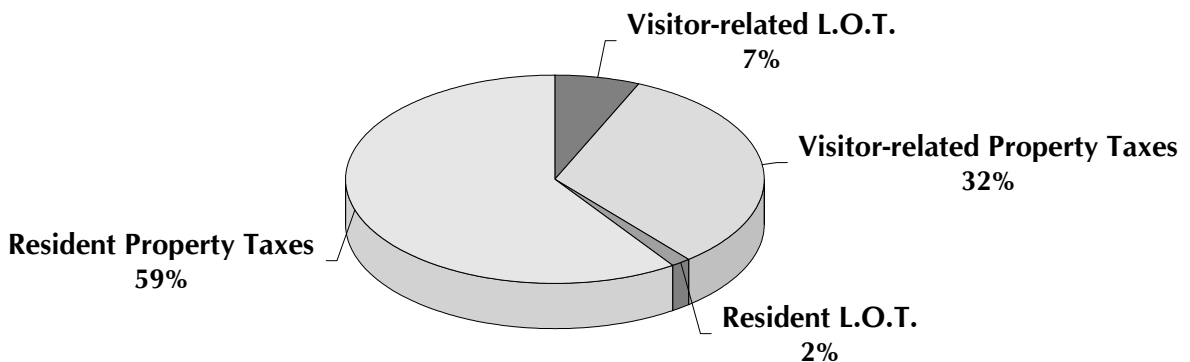
Affordable housing is not only an equity issue, but is also critical for the ability of the county to maintain its economic strengths through the employment of a resident work force.

New residential construction has been substantial in Blaine County during the past decade. From 1990 to 2000, between 200 and 400 new housing units were constructed each year.

### TAX IMPACTS OF VISITORS

Visitors make a substantial contribution to local revenues received in Blaine County. The local option taxes collected in Ketchum and Sun Valley are almost 80 percent visitor-related, while about 35 percent of all property tax receipts in Blaine County are derived from visitors. About two-thirds of all budget revenues in Sun Valley are visitor-related. About one-fourth of all budget revenues in Ketchum are visitor-related. This does not include the indirect effects of visitor spending, or the visitor-related portion of non-tax revenues such as fees and charges.

### Visitor-Generated Local Tax Receipts in Blaine County, 2000



Source: Dean Runyan Associates, City of Ketchum, City of Sun Valley and Blaine County Assessor

## APPENDICES

<i>APPENDIX A.</i>	<i>AGE DISTRIBUTION AND HOUSING CHARACTERISTICS</i>
<i>APPENDIX B.</i>	<i>SURVEY INSTRUMENT</i>
<i>APPENDIX C.</i>	<i>EMPLOYMENT AND WORKFLOW ESTIMATES</i>
<i>APPENDIX D.</i>	<i>REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY</i>
<i>APPENDIX E.</i>	<i>IMPLAN MODELING SYSTEM</i>



## AGE DISTRIBUTION AND HOUSING CHARACTERISTICS FOR SELECTED COUNTIES

## Total Persons and Age, 1990

<b>County</b>	<b>All Persons</b>	<b>Persons under 20</b>	<b>Persons 20 to 64</b>	<b>Persons 65 &amp; over</b>	<b>Percent under 20</b>	<b>Percent 20 to 64</b>	<b>Percent 65 &amp; over</b>
Blaine County, ID	13,552	3,855	8,801	896	28.4%	64.9%	6.6%
Eagle County, CO	21,928	6,004	15,222	702	27.4%	69.4%	3.2%
Pitkin County, CO	12,661	2,290	9,814	557	18.1%	77.5%	4.4%
Routt County, CO	14,088	3,947	9,333	808	28.0%	66.2%	5.7%
Summit County, CO	15,518	5,550	9,076	892	35.8%	58.5%	5.7%
Teton County, CO	11,172	2,910	7,539	723	26.0%	67.5%	6.5%

## Total Persons and Age, 2000

<b>County</b>	<b>All Persons</b>	<b>Persons under 20</b>	<b>Persons 20 to 64</b>	<b>Persons 65 &amp; over</b>	<b>Percent under 20</b>	<b>Percent 20 to 64</b>	<b>Percent 65 &amp; over</b>
Blaine County, ID	18,991	4,961	12,548	1,482	26.1%	66.1%	7.8%
Eagle County, CO	41,659	10,700	29,710	1,249	25.7%	71.3%	3.0%
Pitkin County, CO	14,872	2,693	11,166	1,013	18.1%	75.1%	6.8%
Routt County, CO	19,690	4,959	13,739	992	25.2%	69.8%	5.0%
Summit County, CO	29,736	9,604	18,686	1,446	32.3%	62.8%	4.9%
Teton County, CO	18,251	3,982	13,005	1,264	21.8%	71.3%	6.9%

## 1990-2000 Percent Change

<b>County</b>	<b>All Persons</b>	<b>Persons under 20</b>	<b>Persons 20 to 64</b>	<b>Persons 65 &amp; over</b>
Blaine County, ID	40.1%	28.7%	42.6%	65.4%
Eagle County, CO	90.0%	78.2%	95.2%	77.9%
Pitkin County, CO	17.5%	17.6%	13.8%	81.9%
Routt County, CO	39.8%	25.6%	47.2%	22.8%
Summit County, CO	91.6%	73.0%	105.9%	62.1%
Teton County, CO	63.4%	36.8%	72.5%	74.8%

Source: U.S. Bureau of the Census.



### Housing Characteristics, 1990

County	Families	Households	Total Housing Units	Occupied Units	Vacant Units	Owner Occupied	Renter Occupied	Vacation Home
Blaine County, ID	3,328	5,506	9,500	5,506	3,994	3,534	1,972	2,933
Eagle County, CO	5,081	8,354	15,226	8,354	6,872	4,802	3,552	5,138
Pitkin County, CO	2,687	5,877	9,837	5,877	3,960	3,082	2,795	3,065
Routt County, CO	3,451	5,483	9,252	5,483	3,769	3,353	2,130	2,839
Summit County, CO	3,776	5,271	11,256	5,271	5,985	3,753	1,518	3,636
Teton County, CO	2,803	4,568	7,060	4,568	2,492	2,691	1,877	1,457

### Housing Characteristics, 2000

County	Families	Households	Total Housing Units	Occupied Units	Vacant Units	Owner Occupied	Renter Occupied	Vacation Home
Blaine County, ID	4,841	7,780	12,186	7,780	4,406	5,357	2,423	3,723
Eagle County, CO	9,020	15,148	22,111	15,148	6,963	9,649	5,499	5,932
Pitkin County, CO	3,185	6,807	10,096	6,807	3,289	4,027	2,780	2,728
Routt County, CO	4,778	7,953	11,217	7,953	3,264	5,505	2,448	1,977
Summit County, CO	7,502	10,332	17,489	10,332	7,157	7,813	2,519	6,114
Teton County, CO	4,177	7,688	10,267	7,688	2,579	4,215	3,473	2,121

### Housing Characteristics, Percent Change 1990-2000

County	Families	Households	Total Housing Units	Occupied Units	Vacant Units	Owner Occupied	Renter Occupied	Vacation Home
Blaine County, ID	45.5%	41.3%	28.3%	41.3%	10.3%	51.6%	22.9%	26.9%
Eagle County, CO	77.5%	81.3%	45.2%	81.3%	1.3%	100.9%	54.8%	15.5%
Pitkin County, CO	18.5%	15.8%	2.6%	15.8%	-16.9%	30.7%	-0.5%	-11.0%
Routt County, CO	38.5%	45.0%	21.2%	45.0%	-13.4%	64.2%	14.9%	-30.4%
Summit County, CO	98.7%	96.0%	55.4%	96.0%	19.6%	108.2%	65.9%	68.2%
Teton County, CO	49.0%	68.3%	45.4%	68.3%	3.5%	56.6%	85.0%	45.6%

Source: U.S. Bureau of the Census

Note: Households equals the number of occupied housing units. Vacant Units and Vacation Homes equal the total housing units.

Total Housing Units equals Vacant plus Owner Occupied and Renter Occupied.

Vacation homes are a portion of vacation homes specifically referred to as "for occasional, seasonal, or recreational use."



Sun Valley/Ketchum Chamber of Commerce P.O. Box 2420 Sun Valley, ID 83353

## BLAINE COUNTY ECONOMIC IMPACT STUDY

The Sun Valley/Ketchum Chamber of Commerce has hired Dean Runyan Associates to conduct a current economic analysis for Blaine County. We need input from employers in the area to help determine where employees live and work. This information is not available from any other source. Please take a few minutes to complete this questionnaire, and return it in the postage-paid envelope by March 30, 2001.

Your answers will be used for research purposes only and will be kept strictly confidential.

### ABOUT YOUR BUSINESS/ORGANIZATION

1. What is your primary business/organization? (Check  one answer only)

- |  |   |
|--|---|
| <input type="checkbox"/> hotel/motel/resort/bed & breakfast      | <input type="checkbox"/> banks, finance, & insurance      |
| <input type="checkbox"/> real estate/property management         | <input type="checkbox"/> business & professional services |
| <input type="checkbox"/> restaurants, bars, and caterers         | <input type="checkbox"/> other services                   |
| <input type="checkbox"/> wholesale                               | <input type="checkbox"/> utilities                        |
| <input type="checkbox"/> retail/grocery/liquor/convenience store | <input type="checkbox"/> government                       |
| <input type="checkbox"/> art gallery/studio                      | <input type="checkbox"/> education                        |
| <input type="checkbox"/> recreation                              | <input type="checkbox"/> non-profit organization          |
| <input type="checkbox"/> construction/building trades            | <input type="checkbox"/> other (please specify) _____     |
| <input type="checkbox"/> medical, health, & wellness             | _____   |

2. How long has your business been in operation? \_\_\_\_\_ years

3. How many months per year is your business/organization open? \_\_\_\_\_ months

4. Where is the primary location of your business/organization? (Check  one answer only)

- |                                     |  |
|-------------------------------------|--|
| <input type="checkbox"/> Ketchum    | <input type="checkbox"/> Bellevue            |
| <input type="checkbox"/> Sun Valley | <input type="checkbox"/> Other Blaine County |
| <input type="checkbox"/> Hailey     |  |

5. Does your business/organization provide housing for any employees?

- no
- yes → How many employees? \_\_\_\_\_ (number)  
How many housing units? \_\_\_\_\_ (number)

(please continue on other side)

6. What is the average number of paid employees for each season of the year?  
(do not include business owners)

	<u>Employment for peak periods</u>		<u>Year-Round</u>	
	Summer Season (May-Sept.)	Ski Season (Dec.- March)	(including peak periods)	
Full-time	_____	_____	_____	(employees <b>working 35 hours or more per week, but not business owners</b> ; enter "0" if you have none)
Part-time	_____	_____	_____	(employees <b>working fewer than 35 hours per week</b> ; enter "0" if you have none)

7. How many business owners regularly work in the business/organization?

	<u>Employment for peak periods</u>		<u>Year-Round</u>	
	Summer Season (May-Sept.)	Ski Season (Dec.- March)	(including peak periods)	
Full-time	_____	_____	_____	(business owners <b>working 35 hours or more per week</b> ; enter "0" if you have none)
Part-time	_____	_____	_____	(business owners <b>working fewer than 35 hours per week</b> ; enter "0" if you have none)
Unpaid	_____	_____	_____	Include children, unpaid relatives

8. Where do the employees who work in your business/organization live (for seasonal employees please list location of residence during the period of time they are working).

Location	# of employees	Percent
• Ketchum	_____	_____ %
• Sun Valley	_____	_____ %
• Hailey	_____	_____ %
• Bellevue	_____	_____ %
• Other Blaine County	_____	_____ %
• Twin Falls County/Twin Falls	_____	_____ %
• Camas County/Fairfield	_____	_____ %
• Gooding County/Gooding	_____	_____ %
• Lincoln County/Shoshone	_____	_____ %
• Jerome County/Jerome	_____	_____ %
<b>Total</b>	_____	<b>100%</b>

**Thank you for your help.**

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## EMPLOYMENT AND WORKFLOW ESTIMATES

One of the findings of this study was that, in comparison to other resort communities, Blaine County has had a substantially residential workforce over the past decade (i.e., most of the employees that work in Blaine County also reside in Blaine County). This finding is supported by the survey of Blaine County employers conducted by Dean Runyan Associates (Section 3) and the earnings estimates by place of residence and place of work published by the Bureau of Economic Analysis. The survey of employers indicated that while there is substantial work-related commutes to Ketchum and Sun Valley from other areas of the county (notably Hailey), only about 1000 individuals commute from out of the County to work in Blaine County. The earnings estimates of the Bureau of Economic Analysis indicate that total earnings by place of work for Blaine County is about three percent greater than the total earnings for Blaine County residents. This compares to Pitkin County's (Aspen) 22 percent and Teton County's (Jackson Hole) 16 percent.

This appendix further substantiates this finding by examining 1990 employment workflow data from the U.S. Census, population counts from the 1990 and 2000 Census, and traffic counts and estimates from the Idaho Department of Transportation.

Table C-1, below, indicates that according to the 1990 Census, 737 individuals that were residents of other counties were employed in Blaine County out of a total of 8,120 employed persons (9 percent). Conversely, 155 Blaine County residents (about 2 percent of all employed Blaine County residents) were employed in another county. Finally, a comparison of the Census place of work employment counts with the BEA employment estimates suggests that many individuals hold multiple jobs (or in the case of the self-employed, own multiple businesses).

The Census data provided in Table C-1 is consistent with the BEA data cited earlier. With respect to the number of Blaine County employees that do not reside in the county, an earnings differential of about 3 percent would translate into a larger percentage of employed individuals if the wages earned in those jobs (e.g., service and retail) were lower than average. According to the BEA, the actual earnings differential in 1990 was \$5.9 million (the total place of work earnings less the amount earned in Blaine County by Blaine County residents). If we assume an average annual wage of \$10,000 in 1990, this would be equivalent to 590 jobs ( $\$5.9 \text{ million} / \$10,000 \text{ annual wage} = 590 \text{ jobs}$ ). The earnings differential in 1999 was about \$13.5 million. If we assume an average annual wage of \$15,000 in 2000 (an increase in wages of about 4 percent per year), the result is 900 jobs ( $\$13.5 \text{ million} / \$15,000 = 900$ ).

The estimates derived from BEA earnings data represent net flows of earnings (earnings by non residents in the county less earnings by residents who work out of

county). In the case of Blaine County, however, this does not appear to be a major factor since, at least in 1990, only a small portion of earnings were earned out of the county.

Table C-1  
**EMPLOYMENT AND WORKFLOW, 1990**

	Blaine	Eagle	Pitkin	Teton	Routt
<b>Census Employment</b>					
County Place of Work	8,120	13,515	12,281	7,240	8,497
Blaine Resident	7,383	10,865	7,482	6,261	7,796
Out-of-County	737	2650	4799	979	701
Percent Out-of-County	9%	20%	39%	14%	8%
County Residents	7,538	13,094	8,045	6,303	8,030
Work in Blaine County	7,383	10,865	7,482	6,261	7,796
Work out-of-county	155	2229	563	42	234
Percent work out-of-county	2%	17%	7%	1%	3%
<b>BEA Employment</b>					
County Place of Work	12,099	20,176	17,552	12,284	14,122
Census Plc. of Wrk. as % of BEA	67%	67%	70%	59%	60%

Source: Dean Runyan Associates, U.S. Census Bureau, and Bureau of Economic Analysis

It is also important to notes that the workflow characteristics do not necessarily represent commuting patterns, much less daily commuting patterns. This affects both Blaine County residents that work out of county and Blaine County employees that do not reside in Blaine County. There are numerous examples of where different places of work and places of residence do not imply daily work commutes (e.g., housing for temporary, seasonal workers that normally reside elsewhere, telecommuting, etc.). In this regard, it should be noted that about one-third of the 737 out-of-county residents employed in Blaine County were not from Idaho. This suggests that many of these out-of-county residents did not commute to work on a daily basis.

With respect to work-related commuting patterns, a further complication is introduced by the fact that the physical work site can be different than the location of the employer (place of work) and the residence of the employee. Construction work is often of this nature. In situations such as this neither the Census workflow data or the BEA earnings data would capture actual commuting patterns between counties. However, there is no reason to believe that this effect would be overriding, especially given the level of construction employment in the county and construction activity, as well as the other mitigating situations noted above.

Table C-2, below, provides employment and workflow estimates derived from the Census and BEA data, population counts for the 1990 and 2000, and traffic counts

from the Idaho Department of Transportation. In most cases, the year 2000 figures are estimates made by Dean Runyan Associates.

Based on the 1990 Census, and BEA earnings and employment estimates from 1990 through 1999, Dean Runyan Associates estimates that there were 1,260 non-resident workers in Blaine County in 2000. For the reasons discussed above, not all of these individuals commuted to Blaine County on a daily basis. On the other hand, there are some work related commutes that this estimate may not capture.

Table C-2  
**Employment and Workflow Estimates, 1990 and 2000**

	1990	2000	Pct. Chg.
Total Employment (Jobs)	12,099	<i>16,600</i>	37%
Persons Employed in County	8,120	<i>11,780</i>	45%
Resident Population aged 20-64	8,801	12,548	43%
Out-of-County Residents Employed	737	<i>1,260</i>	71%
Traffic Count Avg Jan-Mar (N. Shoshone)*	1,737	<i>2,731</i>	57%
Traffic Count Avg Year (N. Shoshone)*	2,376	<i>3,450</i>	45%
Bellevue - Hailey annual Estimate	<i>3,443</i>	<i>5,000</i>	45%
Bellevue - Hailey Jan-Mar Estimate	<i>2,517</i>	<i>3,958</i>	45%
One Direction			
Traffic Count Avg Jan-Mar (N. Shoshone)*	869	<i>1,366</i>	57%
Traffic Count Avg Year (N. Shoshone)*	1,188	<i>1,725</i>	45%
Bellevue - Hailey annual Estimate	<i>1,722</i>	<i>2,500</i>	45%
Bellevue - Hailey Jan-Mar Estimate	<i>1,259</i>	<i>1,979</i>	45%

Source: Dean Runyan Associates, U.S. Census Bureau, Bureau of Economic Analysis, and Idaho Department of Transportation. *Italicized* figures represent estimates made by Dean Runyan Associates.

\*N. Shoshone Traffic Count taken on monthly basis 5.2 miles north of Shoshone on Highway 75. Bellevue-Hailey annual estimate of 5,000 for the year 2000 is from the Idaho Department of Transportation. All other (*italicized*) estimates made by Dean Runyan Associates.

Table C-2 also provides a comparison with the resident population aged 20 through 64 with the number of persons employed in the county. It should be noted that the ratio between these two numbers for 1990 and 2000 is reasonable and consistent with the estimates of out-of-county residents employed in Blaine County.

Finally, Table C-2 provides traffic count data. Actual monthly counts are available from a traffic counter located 5.2 miles north of Shoshone on State Highway 75. These counts, in conjunction with other counters in Blaine County are used by the Department of Transportation to make the other annual estimates provided in Table C-2. Dean Runyan Associates made adjustments to these annual estimates based on the traffic count data from the counter north of Shoshone. January through March estimates were used to filter out seasonal recreational travel. Our estimate of

Bellevue – Hailey one-way traffic for January through March (1,259 in 1990 and 1,979 in 2000) is also consistent with the estimates of out-of-county residents employed in Blaine County (737 in 1990 and 1,260 in 2000). As expected, the estimates are higher than the non-resident workforce estimates. Some of this traffic will represent the delivery of goods, travel for personal business, and other incidental travel. However, these estimates of traffic do not suggest that the non-resident workforce estimates are too low.

Based on available data sources, Dean Runyan Associates estimates that there were between 1,000 and 1,500 work related commutes to Blaine County in 2000. This estimate should be reviewed upon the release of the 2000 Census Workflow tables.

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SUMMARY OF  
REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODS

**Types of Short-term Visitors**

There are four categories of short-term visitors that are estimated separately: (1) visitors that stayed overnight in a hotel, motel, B&B, or rented condominium where a bed tax was collected; (2) campers that stayed in commercial or public campgrounds; (3) visitors that stayed as guests in the private home of a resident or vacation home owner, and; (4) day visitors. Because categories (2), (3), and (4) are relatively small in Blaine County, all four categories were combined as Short-term visitors.

The spending on accommodations for those visitors using commercial lodging is estimated from bed tax receipts and average per person room or unit rates. Their spending on other goods and services (e.g., food, recreation) is estimated from survey data. Survey data is also used to estimate the volume and spending of private home visits and day trips.

**Vacation Home Visitors**

Vacation home visitation and expenditures are estimated from an inventory of vacation homes (U.S. Census and building permits) and survey data.

**Related Travel Impacts**

Spending by travelers generates jobs, earnings, tax revenues.

**Total Earnings** generated directly from traveler expenditures are estimated from the payroll-to-receipts ratio obtained from the 1997 Economic Census for the State of Idaho, and earnings estimates from the Bureau of Economic Analysis.

**Employment** in each business category is calculated from wage and earnings data from the Bureau of Economic Analysis.

**Local Taxes** consist of local room taxes, or transient lodging taxes, and local option sales taxes applicable to traveler purchases.

**State Taxes** consist of local state sales taxes (5 percent) applied to traveler spending on accommodations, retail shopping, restaurant meals, entertainment, and the state (2 percent) room tax.



## Visitor Volume

Resident person-days were calculated directly from population estimates of persons eighteen years and older, with the assumption that each resident spent 315 days per year in the County. The remaining days of the year (50 days) might be spent on vacations or shopping trips outside of the county or other expenditures (via mail or internet) out of the county. For example, the 2000 Census estimates that there were 16,421 persons eighteen years or older in Blaine County in 2000. This yields 5.2 million person-days ( $16,421 \times 315 = 5,172,615$ ).

Vacation home person-days were calculated from estimates of the number of vacation homes in the county with the assumption that each vacation home was occupied by two persons eighteen years and older for 120 days during the year. The vacation home estimates were derived from the 1990 Census, 1996 estimates of the City of Ketchum Planning Department, the number of new building permits in Blaine County from 1990 to 2000, and resident household growth in the County from 1990 to 2000. The 2000 estimate of 1.0 million person-days for users of vacation homes was calculated as follows:  $4,359$  vacation homes  $\times$  2 adults  $\times$  120 days =  $1,046,160$  person-days.

In contrast to the preceding two visitor/resident categories, estimates of the number of person-days for short-term visitors were not needed to generate expenditure estimates. The visitor volume estimates were derived

from our expenditure estimates by applying an average daily per person spending estimate to the total expenditure estimates for short-term visitors. It should be noted here that the high rate of growth for short-term visitors (5.8 percent per year) compared to residents and long-term visitors is consistent with the growth of room sales in the county from 1991 to 2000 with adjustments increases in room rates. Room sales, based on bed tax receipts, increased from \$15.8 million in 1991 to \$33.9 million in 2000, an average annual increase of 8.8 percent.

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## IMPLAN MODELING SYSTEM

IMPLAN is a widely used, nationally recognized economic impact model, first developed by the U.S. Forest Service. IMPLAN can be used to measure the direct and indirect impacts associated with economic changes in a particular region or local area. This methodology has been packaged, along with the necessary data files, as IMPLAN Pro by the Minnesota IMPLAN Group, Inc. (MIG) of Stillwater, Minnesota, and provides the basis for the indirect analysis in this report.

The following are some of the conventions used by IMPLAN.

### **Database Components**

The IMPLAN databases consist of two major parts: 1) national-level matrices and tables and 2) economic and physical data at the county and/or state level. The national matrices are combined with regional data to create a regional model, which can be edited to reflect local conditions.

IMPLAN data is divided into four main categories:

1. Industry Output
2. Employment
3. Value Added (includes employee compensation)
4. Final Demands

**Industry output** represents the dollar value (producer price of goods and services) of an industry's total production. The data is derived from a number of sources including Bureau of Census economic censuses and the BLS employment projections.

**Employment** is listed as a single number of jobs for each industry. The data is derived from ES202 employment security data supplemented by county business patterns and Regional Economic Information System (REIS) data. All IMPLAN databases, after 1985, include both full-time and part-time workers in employment estimates.

**Value Added** includes employee compensation, proprietor income, other property type income, and indirect business taxes. Employee compensation includes the total payroll costs (including benefits) of each industry in the region. Proprietary income consists of payments received by self-employed individuals (includes private business owners, doctors, and lawyers). Other property type income consists of payments from rents, royalties, dividends, and interest. Indirect business taxes consist primarily of excise and sales taxes paid by individuals to businesses.

**Final Demands** are the dollar value of goods and services purchased by consumers and institutions (federal, state and local government). Personal consumption expenditures are the largest component of final demand. It consists of payments by individuals/households to industries for goods and services used for personal consumption.

### **Trade Flows**

Trade flows describe the movement of goods and services between a defined region and the outside world (imports and exports into and out of the study region). Regional Purchase Coefficients (RPC's) were used to estimate how much of the local production of a commodity will supply local demand, and how much will be exported from the region. RPC's represent the portion of local demand purchased from local producers for each commodity. IMPLAN software automatically generates RPC's for each commodity with a set of econometrically-based equations.

### **Indirect Impacts**

Input-output models are driven by final consumption (or final demand). Industries respond to meet demands directly or indirectly (by supplying goods and services to industries responding directly). Each industry that produces goods and services generates demands for other goods and services. These other producers, in turn, purchase goods and services. These indirect purchases (indirect effects) continue until "leakage" from the region (imports, wages, profits, etc.) stop the cycle.