
Colorado State Fairgrounds Economic and Fiscal Impacts Study

Colorado State Fair Board of Authority
Meeting
January 26, 2011

Study Overview

- The Colorado State Fair engaged Incentis Group to conduct an Economic and Fiscal Impact Study of the Colorado State Fairground (“CSFG”) Events upon the City of Pueblo, Pueblo County and State of Colorado economies.
- A separate study was conducted on the Economic and Fiscal Impacts of the National Little Britches Rodeo Finals upon the City of Pueblo, Pueblo County and State of Colorado economies. This report was issued in May 2010.
- This study was conducted and has been reported in three separate parts:
 - Annual Colorado State Fair (“CSF”)
 - National Little Britches Rodeo Finals (“NLBRF”)
 - Aggregate of other Off-Season Events (“OSE”)
 - Analysis does not include “High Impact” events
 - Further analysis will be conducted after 2011 “high impact” events data is available

Study Overview

- The Economic and Fiscal Impacts Study consists of:
 - Annual Economic Activity
 - Colorado
 - Pueblo County
 - City of Pueblo
 - Annualized Jobs Impact
 - Colorado
 - Pueblo County
 - City of Pueblo
 - Annualized Earnings Impact
 - Colorado
 - Pueblo County
 - City of Pueblo
 - Annual Fiscal Impact
 - Colorado
 - Pueblo County
 - City of Pueblo

Methodology

- Incentis Group incorporated methodologies that are highly accepted as reasonable in estimating economic and fiscal impacts associated with a given project or event.
- The Study estimates may differ from actual outcomes resulting from the CSFG events due to a number of factors including changes in tax rates, future volatility within the City, County and State economies and their industries and sectors, inflation variances, actual CSFG participant and attendance figures, reliability of tax and data sources, and other factors.

Methodology

- In estimating the economic impacts of the CSFG, including jobs, earnings, and economic activity, Incentis Group utilized input-output multipliers developed by Minnesota IMPLAN Group (IMPLAN).
 - IMPLAN is the developer of the IMPLAN economic impact modeling system. IMPLAN's tools are in use by over 1,000 public and private institutions.
 - The IMPLAN economic multipliers are specific to the City of Pueblo, Pueblo County and the State of Colorado and to the industries/sectors associated with the CSFG.
 - The IMPLAN multipliers assist us in estimating the jobs, earnings, and economic output impacts resulting from the CSFG.
 - When goods and services are produced in an industry a “multiplier effect” is created by the demand generated for other goods and services. This demand then dissipates through other industries and sectors within a given economy until it is immaterial.

Methodology

- In estimating the fiscal impacts of the CSFG, Incentis Group has applied the appropriate tax rates to the payroll and spending estimates.
- Incentis Group augmented this approach with specific tax and revenue data provided by the CSF, as well as, public tax information obtained from Colorado, Pueblo County and the City of Pueblo.
- Additionally, where appropriate, we have utilized the IMPLAN economic impact modeling system to estimate direct, indirect and induced taxes generated in the state and local economies as a result of the CSFG occurring in Pueblo that cannot be estimated by the methodology mentioned above.

Methodology

- **Basis of Study**
 - Number of attendees
 - Day Visitor
 - Hotel/Motel
 - Camping
 - Jobs and earnings of the employees of the direct employees of the CSF and other Fairground Event Organizations (“FEO”), such as the National Little Britches Rodeo Association
 - The spending that occurs throughout the state and local economics as a result of the events.
- The above factors are the inputs for the IMPLAN modeling and create the output of:
 - Economic Activity
 - Jobs Impact
 - Earnings Impact
 - Fiscal Impact

Methodology

- **Spending Profile**

- The majority of the economic and fiscal impacts from the CSFG are generated by the spending of the visitors participating in or attending events at the CSFG and the spending by the CSF and FEO on local contractors providing services to the CSFG.
- Visitor spending occurs at both the actual events occurring at the CSFG and within the state, county and city during the event period. Fairground spending includes expenditures such as camping fees, food from fairground vendors and retail purchases from non-food vendors. Local area spending includes expenditures within the community such as lodging, gas, retail merchandise, groceries and restaurant dining.
- We have relied on data provided by the CSF and FEO to estimate the types of visitors attending events at the CSFG.

Spending by Industry Chart

Industry	Day Visitors	Hotel/Motel	Campers
Motel, hotel cabin or B&B	\$ -	\$ 42.14	\$ 0.75
Camping fees	\$ -	\$ -	\$ 6.20
Restaurants & bars	\$ 6.35	\$ 17.61	\$ 4.40
Groceries, take-out food/drinks	\$ 3.71	\$ 3.81	\$ 4.02
Gas & oil	\$ 5.77	\$ 6.66	\$ 6.88
Other vehicle expenses	\$ 0.31	\$ 0.73	\$ 0.30
Local transportation	\$ 0.08	\$ 0.24	\$ 0.08
Admissions & fees	\$ 2.49	\$ 5.51	\$ 3.44
Clothing	\$ 0.71	\$ 1.83	\$ 1.17
Sporting goods	\$ 0.51	\$ 0.39	\$ 0.56
Souvenirs and other expenses	\$ 4.13	\$ 5.53	\$ 3.75
Total Spending Per Day	\$ 24.06	\$ 84.44	\$ 31.53

Spending Profile Chart - NLBRF

Type of Spending	Day Visitors	Hotel/Motel	Campers	Total Day Spend	Total Event Spend*
Motel, hotel cabin or B&B	\$ -	\$ 294	\$ 5	\$ 49,907	\$ 399,252
Camping fees + related expenses	\$ -	\$ -	\$ 39	\$ 22,784	\$ 182,274
Restaurants & bars	\$ 45	\$ 124	\$ 28	\$ 39,403	\$ 315,227
Groceries, take-out food/drinks	\$ 26	\$ 27	\$ 26	\$ 20,935	\$ 167,483
Gas & oil	\$ 39	\$ 45	\$ 42	\$ 34,415	\$ 275,323
Other vehicle expenses	\$ 2	\$ 5	\$ 2	\$ 2,114	\$ 16,913
Local transportation	\$ 1	\$ 2	\$ 0	\$ 601	\$ 4,809
Admissions & fees	\$ 19	\$ 43	\$ 24	\$ 22,078	\$ 176,622
Clothing	\$ 5	\$ 13	\$ 8	\$ 7,037	\$ 56,298
Sporting goods	\$ 4	\$ 3	\$ 4	\$ 2,884	\$ 23,068
Souvenirs and other expenses	\$ 29	\$ 39	\$ 24	\$ 22,386	\$ 179,084
Total Daily Spending per Group	\$ 169	\$ 595	\$ 201	-	-
Number of Groups	68	160	583	-	-
Total Daily Group Spending	\$ 11,527	\$ 95,515	\$ 117,503	\$ 224,544	\$ 1,796,353

* Calculated assuming each group is in attendance for the duration of the event (8 days).

Summary of All Events

	Economic Activity	Jobs	Earnings
Colorado	\$33,806,317	374	\$11,732,069
Pueblo County	\$24,696,445	328	\$ 7,999,450
City of Pueblo	\$24,292,936	321	\$ 7,959,412

Summary of Annual Colorado State Fair

	Economic Activity	Jobs	Earnings
Colorado	\$ 29,024,620	317	\$ 10,133,798
Pueblo County	\$ 21,070,456	279	\$ 6,771,482
City of Pueblo	\$ 20,957,687	278	\$ 6,737,076

Summary of NLBRF

	Economic Activity	Jobs	Earnings
Colorado	\$ 3,294,941	41	\$ 1,117,575
Pueblo County	\$ 2,490,885	34	\$ 889,533
City of Pueblo	\$ 2,205,729	29	\$ 885,502

Summary of Off-Season Events

	Economic Activity	Jobs	Earnings
Colorado	\$ 1,486,756	16	\$ 480,696
Pueblo County	\$ 1,135,104	15	\$ 338,435
City of Pueblo	\$ 1,129,520	14	\$ 336,834

Economic Activity

- Direct Economic Activity estimates the economic activity in dollar terms that is generated by the events at the CSFG within the state, county and city and that flows out to other businesses, jobs, government activities, etc. in the state and local economies.
- Indirect and Induced Economic Activity estimates the economic activity in dollar terms that is generated by other businesses, jobs, government activities, etc. in the state and local economies as a result of the direct economic activity generated by the events at the CSFG.
- Total Economic Activity is the sum of Direct and Indirect/Induced Economic Activity.

Economic Activity – CSF State of CO Example

Colorado Economic Activity				
IMPLAN Industry	Direct	Multiplier	Indirect/Induced	Total
Advertising and related services	\$ 427,712	2.0646	\$ 455,349	\$ 883,061
Commercial and industrial machinery and equipment rental and leasing	\$ 125,754	2.0089	\$ 126,875	\$ 252,629
Dairy cattle and milk production	\$ 800	1.5488	\$ 439	\$ 1,239
Electric power generation, transmission, and distribution	\$ 7,500	1.3711	\$ 2,783	\$ 10,283
Amusement and recreation industries	\$ 1,470,406	2.0233	\$ 1,504,607	\$ 2,975,013
Food services and drinking places	\$ 4,641,071	1.8870	\$ 4,116,542	\$ 8,757,613
Greenhouse, nursery, and floriculture production	\$ 18,000	1.4323	\$ 7,781	\$ 25,781
Hotels and motels, including casino hotels	\$ 4,491,022	1.8794	\$ 3,949,585	\$ 8,440,607
Investigation and security services	\$ 232,771	1.9510	\$ 221,354	\$ 454,125
Medical and diagnostic labs and outpatient and other ambulatory care services	\$ 38,000	1.8317	\$ 31,605	\$ 69,605
Other accommodations	\$ 159,362	1.8848	\$ 141,003	\$ 300,365
Other animal food manufacturing	\$ -	-	\$ -	\$ -
Performing arts companies	\$ 46,701	2.1599	\$ 54,168	\$ 100,869
Promoters of performing arts and sports and agents for public figures	\$ -	-	\$ -	\$ -
Radio and television broadcasting	\$ 767,635	2.3829	\$ 1,061,598	\$ 1,829,233
Retail Stores - Clothing and clothing accessories	\$ 249,651	1.8208	\$ 204,925	\$ 454,576
Retail Stores - Food and beverage	\$ 603,901	1.9234	\$ 557,668	\$ 1,161,569
Retail Stores - Furniture and home furnishings	\$ 54,353	1.9216	\$ 50,094	\$ 104,447
Retail Stores - Gasoline stations	\$ 539,421	1.7502	\$ 404,668	\$ 944,089
Retail Stores - General merchandise	\$ 661,103	1.9369	\$ 619,384	\$ 1,280,487
Retail Stores - Miscellaneous	\$ 238,436	1.8695	\$ 207,326	\$ 445,762
Retail Stores - Motor vehicle and parts	\$ 42,592	1.9432	\$ 40,174	\$ 82,766
Retail Stores - Sporting goods, hobby, book and music	\$ 106,163	1.9080	\$ 96,400	\$ 202,563
Telecommunications	\$ 22,176	2.0222	\$ 22,669	\$ 44,845
Transit and ground passenger transportation	\$ 119,896	1.6939	\$ 83,197	\$ 203,093
Total Economic Output	\$ 15,064,426		\$ 13,960,194	\$ 29,024,620

Economic Activity – NLBRF City of Pueblo Example

City				
IMPLAN Industry	Direct*	Multiplier	Indirect/Induced	Total
Hotels and Motels, Including Casino Hotels	\$ 399,252	1.4696	\$ 187,479	\$ 586,731
Food Services and Drinking Places	\$ 315,135	1.4392	\$ 138,392	\$ 453,527
Retail Stores - Food and Beverage	\$ 48,866	1.4708	\$ 23,006	\$ 71,872
Retail Stores - Motor vehicle and parts	\$ 3,210	1.4960	\$ 1,592	\$ 4,802
Transit and Ground Passenger Transportation	\$ 4,781	1.3932	\$ 1,880	\$ 6,661
Retail Stores - Clothing and clothing accessories	\$ 26,844	1.4061	\$ 10,901	\$ 37,745
Retail Stores - Sporting goods, hobby, book and music	\$ 9,109	1.4699	\$ 4,280	\$ 13,389
Retail Stores - General merchandise	\$ 48,498	1.4840	\$ 23,474	\$ 71,972
Medical and diagnostic labs and outpatient and other ambulatory care services	\$ 2,236	1.4199	\$ 939	\$ 3,175
Other accommodations	\$ 182,274	1.4876	\$ 88,871	\$ 271,145
Facilities support services	\$ 196,661	1.3744	\$ 73,624	\$ 270,285
Independent artists, writers, and performers	\$ 1,500	1.5607	\$ 841	\$ 2,341
Advertising and related services	\$ 8,001	1.5452	\$ 4,362	\$ 12,363
Retail Stores - Gasoline stations	\$ 44,962	1.3811	\$ 17,134	\$ 62,096
Accounting, tax preparation, bookkeeping, and payroll services	\$ 2,000	1.5810	\$ 1,162	\$ 3,162
Other computer related services, including facilities management	\$ 827	1.5961	\$ 493	\$ 1,320
Radio and television broadcasting	\$ 77,274	1.6841	\$ 52,865	\$ 130,139
Office administrative services	\$ 4,516	1.4847	\$ 2,189	\$ 6,705
Commercial and industrial machinery and equipment rental and leasing	\$ 27,384	1.4837	\$ 13,245	\$ 40,629
Investigation and security services	\$ 55,772	1.4844	\$ 27,014	\$ 82,786
Retail Stores - Miscellaneous	\$ 30,415	1.4700	\$ 14,294	\$ 44,709
Electric power generation, transmission, and distribution	\$ 4,288	1.2024	\$ 868	\$ 5,156
Waste management and remediation services	\$ 15,298	1.5047	\$ 7,721	\$ 23,019
Spectator Sports Companies	\$ 164,374	1.6464	\$ 106,255	\$ 270,629
Total Economic Output	\$ 1,673,477		\$ 696,626	\$ 2,205,729

* Direct Output will not match direct spending because output in the retail sector is calculated using the value added, or gross profit, by excluding the cost of goods sold. Retail margins were estimated for each industry in the geographic region.

Total Economic Activity Summary

	CSF	NLBRF	OSE	Total
Colorado	\$29,024,620	\$3,294,941	\$ 1,486,756	\$33,806,317
Pueblo County	\$21,070,456	\$2,490,885	\$ 1,135,104	\$24,696,445
City of Pueblo	\$20,957,687	\$2,205,729	\$ 1,129,520	\$24,292,936

Jobs Impacts

- Direct Jobs are jobs created by the organizations that administer and participate in events at the CSFG and by the spending that occurs in the state and local economies as a result of the events occurring at the CSFG.
- Indirect and Induced jobs are jobs that are generated by other businesses, jobs, government activities, etc. in the state and local economies as a result of the direct jobs created by the events at the CSFG and the spending that occurs in the state and local economy as a result of the events at the CSFG.
- Total Jobs are the sum of Direct and Indirect/Induced Jobs.

Jobs Impacts – CSF State of CO Example

Colorado Jobs				
IMPLAN Industry	Direct	Multiplier	Indirect/Induced	Total
Advertising and related services	4.50	1.67	3.00	7.50
Commercial and industrial machinery and equipment rental and leasing	0.39	3.05	0.80	1.19
Dairy cattle and milk production	0.00	0.00	0.00	0.00
Electric power generation, transmission, and distribution	0.00	0.00	0.00	0.00
Amusement and recreation industries	13.00	1.76	9.90	22.90
Food services and drinking places	86.50	1.30	25.60	112.10
Greenhouse, nursery, and floriculture production	0.20	1.00	0.00	0.20
Hotels and motels, including casino hotels	68.70	1.38	26.00	94.70
Investigation and security services	4.80	1.31	1.50	6.30
Medical and diagnostic labs and outpatient and other ambulatory care services	0.30	1.67	0.20	0.50
Other accommodations	1.60	1.63	1.00	2.60
Other animal food manufacturing	0.00	0.00	0.00	0.00
Performing arts companies	1.90	1.21	0.40	2.30
Promoters of performing arts and sports and agents for public figures	0.00	0.00	0.00	0.00
Radio and television broadcasting	7.78	1.85	6.60	14.38
Retail Stores - Clothing and clothing accessories	4.10	1.34	1.40	5.50
Retail Stores - Food and beverage	7.00	1.53	3.70	10.70
Retail Stores - Furniture and home furnishings	0.50	1.60	0.30	0.80
Retail Stores - Gasoline stations	5.80	1.45	2.60	8.40
Retail Stores - General merchandise	10.30	1.40	4.10	14.40
Retail Stores - Miscellaneous	5.30	1.28	1.50	6.80
Retail Stores - Motor vehicle and parts	0.50	1.60	0.30	0.80
Retail Stores - Sporting goods, hobby, book and music	2.00	1.30	0.60	2.60
Telecommunications	0.10	1.00	0.00	0.10
Transit and ground passenger transportation	1.60	1.38	0.60	2.20
Total Jobs	226.87		90.10	316.97

Total Jobs Impacts Summary

	CSF	NLBRF	OSE	Total
Colorado	317	41	16	374
Pueblo County	279	34	15	328
City of Pueblo	278	29	14	321

Earnings Impacts

- Direct Earnings are earnings created by the organizations that administer and participate in events at the CSFG and by the spending that occurs in the state and local economies as a result of the events occurring at the CSFG.
- Indirect and Induced Earnings are earnings that are generated by other businesses, jobs, government activities, etc. in the state and local economies as a result of the direct earnings created by the events at the CSFG and the spending that occurs in the state and local economy as a result of the events at the CSFG.
- Total Earnings are the sum of Direct and Indirect/Induced Earnings.

Earnings Impacts – CSF State of CO Example

Colorado Earnings				
IMPLAN Industry	Direct	Multiplier	Indirect/Induced	Total
Advertising and related services	\$ 170,025	1.8745	\$ 148,688	\$ 318,713
Commercial and industrial machinery and equipment rental and leasing	\$ 29,382	2.5173	\$ 44,580	\$ 73,962
Dairy cattle and milk production	\$ 34	4.0882	\$ 105	\$ 139
Electric power generation, transmission, and distribution	\$ 1,641	1.5491	\$ 901	\$ 2,542
Amusement and recreation industries	\$ 329,675	2.4928	\$ 492,150	\$ 821,825
Food services and drinking places	\$ 1,568,855	1.8343	\$ 1,308,860	\$ 2,877,715
Greenhouse, nursery, and floriculture production	\$ 5,848	1.4347	\$ 2,542	\$ 8,390
Hotels and motels, including casino hotels	\$ 1,491,142	1.8997	\$ 1,341,617	\$ 2,832,759
Investigation and security services	\$ 138,441	1.5226	\$ 72,353	\$ 210,794
Medical and diagnostic labs and outpatient and other ambulatory care services	\$ 13,527	1.7900	\$ 10,687	\$ 24,214
Other accommodations	\$ 40,175	2.1892	\$ 47,778	\$ 87,953
Other animal food manufacturing	\$ -	-	\$ -	\$ -
Performing arts companies	\$ 19,151	1.9797	\$ 18,762	\$ 37,913
Promoters of performing arts and sports and agents for public figures	\$ -	-	\$ -	\$ -
Radio and television broadcasting	\$ 670,863	1.5493	\$ 368,508	\$ 1,039,371
Retail Stores - Clothing and clothing accessories	\$ 79,093	1.8528	\$ 67,449	\$ 146,542
Retail Stores - Food and beverage	\$ 255,383	1.7174	\$ 183,204	\$ 438,587
Retail Stores - Furniture and home furnishings	\$ 21,258	1.7750	\$ 16,476	\$ 37,734
Retail Stores - Gasoline stations	\$ 160,658	1.8282	\$ 133,064	\$ 293,722
Retail Stores - General merchandise	\$ 287,949	1.7066	\$ 203,455	\$ 491,404
Retail Stores - Miscellaneous	\$ 121,605	1.5573	\$ 67,769	\$ 189,374
Retail Stores - Motor vehicle and parts	\$ 24,874	1.5276	\$ 13,124	\$ 37,998
Retail Stores - Sporting goods, hobby, book and music	\$ 40,922	1.7747	\$ 31,704	\$ 72,626
Telecommunications	\$ 3,964	2.7894	\$ 7,093	\$ 11,057
Transit and ground passenger transportation	\$ 50,568	1.5517	\$ 27,896	\$ 78,464
Total Earnings	\$ 5,525,033		\$ 4,608,765	\$ 10,133,798

Total Earnings Impacts Summary

	CSF	NLBRF	OSE	Total
Colorado	\$ 10,133,798	\$ 1,117,575	\$ 480,696	\$ 11,732,069
Pueblo County	\$ 6,771,482	\$ 889,533	\$ 338,435	\$ 7,999,450
City of Pueblo	\$ 6,737,076	\$ 885,502	\$ 336,834	\$ 7,959,412

Fiscal Impacts Summary

	CSF	NLBRF	OSE	Total
Colorado	\$ 1,498,363	\$ 121,461	\$ 77,224	\$ 1,697,048
Pueblo County	\$ 828,161	\$ 62,386	\$ 43,496	\$ 934,043
City of Pueblo	\$ 1,678,717	\$ 140,701	\$ 84,582	\$ 1,904,000
Total	\$ 4,005,241	\$ 324,548	\$ 205,302	\$ 4,535,091