

TRANSCRIPT

Tele-Workshop: Basics of Economic Impact Measurement

Chel Ethun (America's Byways Resource Center): All right, I don't hear any more beeps so I think we're probably ready to go. For those of you on the line, welcome to the America's Byways Resource Center Tele-Workshop called The Basics of Economic Impact Measurement. All of you should have received the, your e-mail through registration: three documents that you could review in advance, one is vocabulary for economic impact for byways, another is an article about the basics about economic impact, and the third are some questions that our facilitator will walk you through. The intent of this workshop is to give basic information about economic impact measurement. It's a concept that's been thrown around often within the byway community and you want to be able to establish at least a baseline of information.

Our speaker today is Shanna Ratner. Shanna is with Yellow Wood and Associates who has been selected as a contractor to work with the America's Byways Resource Center to develop an economic impact tool. The Tele-Conference, the Tele-Workshop that we've participating in today isn't so much about the tool but understanding the basics, although Shanna will talk about, discuss the tool that's being developed in the near future. For those of you that have more questions about the tool when you get done with the call, you're welcome to contact Henry Hanka here at the America's Byways Resource Center. He is the project lead. We also will set up a discussion forum on [bywaysonline](#). You will get a link to that sent to you via E-mail where you can continue the conversation. Yesterday we had a very robust discussion and I think many of you will want to continue this discussion. And we will be in the very near future getting out more information about the project status for the tool and you'll have an opportunity to continue to network, ask questions and get more information.

This recording is being, this recording is being telephoned! This telephone call is being recorded. There will be a pod cast available to the byway community members who weren't able to participate today. So please know that it is recorded. And that's about all I have. Did I miss anything, Henry or Shanna?

Henry Hanka (Resource Center): Yes, that's good.

Chel: OK, I'm going to turn it over to Shanna.

Shanna Ratner: Just to assure people that it will be an edited recording.

Chel: We'll take care of it, don't worry.

Shanna: Not to panic.

Shanna: Well, welcome everybody and thanks for joining us. I wish that I could see you all; it makes it much more entertaining when I can actually see your faces. But I appreciate the opportunity to meet you and interact with you even in this way. So I wanted to tell you a little bit about who I am before we get started and what Yellow Wood is, to get some sense of our perspective. I am trained as an agricultural economist from Cornell University and have been working my entire professional life in the field of rural community economic development. We've done a lot of work with communities all around the country and the United States looking at issues related to economic impact. Whether it's the impact of a big box store or it's the impact of a local natural gas terminal or it's the impact of an international port expansion, or whether it's the impact of being a border community; many, many different contexts in which we study the question of economic impact. And we've also worked, and we're a somewhat unusual firm in that we work on many, many different levels. We work with people at the Federal government; we also work with unincorporated citizen's groups at local levels. So we've had experience with a wide variety of different kinds of organizations, different kinds of structures, different scopes and scales of concern and I think that's in part why the Resource Committee was interested in working with us, the Byways Resource Center was interested in working with us.

So I want to tell you just a little bit about the project, just to give you a sense that this is the idea of creating a tool for byways to use to measure economic impact, is really a byways-driven idea. There's been over the years a fair amount of interest among byways in trying to figure out how to measure their economic impact. So the Resource Center decided that they would try to move forward, and they did it in a very interesting way, that is to say, they said, we want a tool that can be used by any byway in the country; whether it's large or small, whether it's urban or rural, whether it has a professional staff or a staff of all volunteers. And we're not sure, the Resource Center said, we're not sure that's possible. So we're going to set up a two-tier process: we're going to take a year to figure out whether or not, whether or not this can be done. And then if we can decide it can be done we will go forward and develop it. And the "we" is very interesting because the "we" in this is not simply the Resource Center and a consultant. The "we" is a national steering committee of byway leaders and state coordinators. And so the steering committee has been instrumental in the beginning, from the beginning and since the beginning in directing this project and helping us figure out whether what we're doing, what we're thinking actually is possible and has the potential to work on the ground. And so I just wanted to give you that as a little bit of background and share with you the notion that this is not an easy process. And also to clarify one other thing, what the Resource Center didn't do and we are not doing, is a national study of economic impact. That's not what this project is. This particular project is to create a tool that can be used by individual byways not to perform a study of economic impact on byways on a national basis. So just to clarify that.

Now what I'd like to do is go around, I have a list of the folks who signed up for the call, to go around and just have you tell me your name, the state you're from, me and everybody else. And then if you have a question coming into this call. If you have something related to economic impact in general or economic impact on byways in particular that you'd like to put out there. I would love to hear it at this point. So let me start with Karen Allen.

Listener: I'm here. I really don't have any particular questions coming into this. I'm the state byway coordinator in West Virginia and I'm really just trying to understand the basics.

Shanna: OK, great. And Jamie Anderson, and if I completely slaughter your name feel free to correct me.

Listener: Hi, I'm from Idaho and I'm part of a volunteer committee and we are looking to learn how we can measure this impact.

Shanna: Great. Christy Bailey?

Listener: I'm Christy Bailey with the Coal Heritage Trail in West Virginia and I also have Rachel Booth here with me. I don't have any particular questions at this point.

Shanna: OK, and Lou Bresee.

Listener: I thought you were saying my name when you said you couldn't pronounce things right, don't worry about it. I'm from Vermont with the Lake Champlain Byways and also with the Lake Champlain Bikeways, different organization but both have an interest in the same thing. No questions at this time.

Shanna: OK, and Rebecca Brown.

Listener: Hi, I'm with the Connecticut River Byway in Vermont and New Hampshire. And we're interested in, one basic question whether it's worth getting, trying to collect survey information from people at waypoint centers as something that we could start doing while your measurement tools are being fashioned. If that provides any kind of valid information and what we should be asking for.

Shanna: OK, good question. Let's see, Richard Delgado. Do we have Richard? OK, Julia Hart.

Listener: Yes, I am the state byway coordinator for the state of Arkansas work for the Highway and Transportation Department and I really have no questions coming in, I'm just trying to find out what's going on.

Shanna: OK, great. Denelle High Elk. Denelle you with us? OK, Alice Hypes. Mary Jahn.

Listener: Idaho, Northwest Passage Scenic Byway. I'm here to listen and learn.

Shanna: All right. Howard Lowe.

Listener: Hi, I'm the President of the Board of Directors of Lakes to Lockes Passage. We are the National Scenic Byway and All-American Road in northeast New York along Lake Champlain and Lake George. And one of the measures that we're interested in hearing more about are the multiplier formulas that we've seen used in economic impact studies.

Shanna: All right, we'll talk about that. Good. And Howard, I should tell you that you based on the address I see here; you live in the community in which I did my Master's research.

Listener: You made a good choice.

Shanna: (laughs) I sure did it was a lot of fun! OK, Teresa Mitchell.

Listener: I'm with Seaway Trail in New York and I'm here to hear what's happened and hear the report.

Shanna:: OK. Pat Moran. Do we have Pat? Ann Kiel.

Listener: Hello, we're from Maryland State Office, Maryland Office of Tourism Development and I have two other people with me today, Rebecca Dougherty and Bill Pencek. Our question is just looking for the best way to gather data to measure economic impact.

Shanna: OK.

Listener: Anything else Rebecca?

Listener: Yeah, we are, I don't know if anyone else is in the same situation but we are doing a byways research project and I'm most interested in knowing what type of baseline data I'm going to be needing to collect because soon it's going to be too late to collect the baseline data.

Listener: And I think we're interested in, this is Bill, we're interested in sort of a, our traditional measurements, we're a very performance and measurement driven organization: how what might come out of this model would relate to the typical types of measurements that we had which is taken and extended for conversions and visitors who make inquiries, literature requests and etc.

Shanna: OK, good. Let's see, Diane Rossiter.

Listener: Hi, I am the Associate Director for Illinois Lincoln Highway Coalition. We are the management agency for Lincoln Highway in Illinois, the only part of Lincoln Highway that has its national scenic byway designation and I do not have any questions, I just here to learn today.

Shanna: OK, great. Sue Ryan.

Listener: Hi, I'm from the Great River Road National Scenic Byway in Minnesota, representing the Minnesota link of that. And I also am here to learn more, especially excited about the tool. We're very interested in implementing some kind of formal economic impact studies along our byway.

Shanna: OK, Cindy Small. Cindy? All right. Adrienne Trapani. Twyla Witt.

Listener: Yes, this is Twyla Witt. I'm with the Nebraska Division of Travel and Tourism. I'm the state byways consultant. Nebraska has nine state designated scenic byways and one is planning on trying to work for their national nomination.

Shanna: OK, great. And Carol Zoff. And Twyla, did you have a question?

Listener: inaudible

Shanna: Good enough. All right. So I thought that I would start out by giving you a about fifteen or so minutes, fifteen-twenty minutes of a presentation on some specific concepts, some specific ideas and then we'll open it up to questions. If I haven't covered the things you brought to the call, let's make sure that we come back to those.

All right, I want to just start out by saying that byways were created in part to generate economic impact. And in that's what's actually written into the legislature, so it's a fair question to ask is do they do that? And in order to ask that question you first have to understand what economic impact actually is; what it means to say you're measuring economic impact. If you do, for example, a one-time survey of visitor spending, you're not measuring economic impact by a one-time survey. You're measuring economic significance, perhaps, of what's happening, the behaviors that are happening at a single point in time. In order to measure impact you need to have, which several of you have referred to, you need to have a baseline. You need to have information that points, at one point in time and then there needs to be some activities that have occurred, and then you need to be measuring it at a subsequent point on time and the purpose being to determine whether those activities in fact have an impact. So there's an awful lot of literature out there that calls itself economic impact that really isn't economic impact. Economic impact can only be measured if you have a baseline and then something occurs, and then, or fails to occur however you want to, whatever the circumstances are, and then you look at the impact of that. So that's just a very fundamental thing to do, to try to wrap your head around.

The second piece that's very important is the concern and the difficulty in measuring the impact of byways and of byway designation. As we all know, the roadways that became byways existed, for the most part, long before designation. And many of the intrinsic qualities that are, that made those byways designate-able also existed, to one extent or another, before designation. So to simply say that, you know, any car that drives along your roadway, you know, and any spending that occurs in your corridor, you know, can be attributed to byway designation, it's not usable. It's not realistic not defensive and really doesn't make much sense. So then the question comes, you know, becomes how do you tie economic impact back to what's special about a byway and the activities that are unique to the byway itself. And so in working with the National Steering Committee we've defined basically three elements and I know that some of you may have also participated in the survey. The steering committee helped us conduct a survey with byways leaders and state coordinators around the country to get a broader sense of what people wanted to learn about their byway and mostly what they would do with the information if they had it. One of the key pieces in, one of the rules of the road in research that we adhered to was if you don't know what you're going to do with the research results when you have them then there's absolutely no point in collecting the information. So we were very interested to figure out what byways thought they wanted now and what they thought they were going to do with it when they found it out. And the three things that we found that they wanted know about were investments related to designation, visitation related to designation and spending related to designation. And what we found out they most

wanted to do with it by in large was to be able to discuss it, present it and use it with local officials. That was the far in away the most desired use of the information.

Listener: Now what was the first one? I couldn't hear that.

Shanna: Investments.

Listener: Thank you.

Shanna: OK, so investments, visitation and spending.

So what I want to talk to you a little bit about is how we see those three, how we see it being possible to tie those three back to the byway itself and kind of get at that question of how do you differentiate general activity from activity that's specific to the byway.

So let's start with just talking about investments. Investments for byways really boils down to investments into the intrinsic qualities for which the byways were designated. So there are six intrinsic qualities and at this point in the development of the tool we thought we'd focus on two of them and we'd expect that over time to be able to add the other four but we're not yet there. The two we focused on are historic building re-use and renovation and natural resource conservation and protection. Natural resources broadly defined so not just limited to the definition of no human contact. And so if you, so those cover two intrinsic quality areas. So if you have, as a byway made investments yourself, as a byway organization in properties that contain those or for that matter, any of the other four intrinsic qualities then it's reasonable to say that investment is tied to the designation, because the investment occurred through the activities of the byway which presumably wouldn't be there if there weren't byway designation. There is additional investment, however that you could count related to the byway.

So, for example, if the byway organization solicited a joint application with another organization but the byway organization was a partner in that, then that investment could reasonably be considered. If another organization were to step forward to match a byway investment, because they found value in it and they wanted to support it, but again, there was the byway component to it then that would be a reasonable thing to include. Sometimes you have organizations along your byway who are using the existence of the byway as leverage to obtain their own funds or justify their own finances. They may be having byway staff or volunteers that serve on a team or committee of another group. They may have byway staff or volunteers delivering expert testimony in support of another group's activities. You might have a byway organization write a letter of support, or you might have another organization using byway designation or the presence of a byway as justification for their own proposal. So in any of those circumstances we would also say there is a direct tie, a document able to the significance and the influence of the existence of the byway.

Another option would be, another circumstance would be if you had a project that was privately funded so that there was no grant received or anything like that, it was simply a private individual choosing to make an investment in a property that was connected to an intrinsic quality. In that case if that person, or family or, you know, group, business, was able to tell you and would be willing to commit to writing the fact that their presence along a byway was a factor in making the investment, then you could count that. So for example, if someone owned a property and decided that they were going to turn it into a bed and breakfast because the byway designation they felt was going to provide them with sufficient visibility and customers to justify that investment, then that, that's an investment that can be legitimately tied back to the business of byway designation. So that's the kind of thinking that we're pursuing on the investment stage, phase of this.

Now there are also three types of investment activities that we think you ought to be thinking about a little bit: the first is planning, investment in planning for property. And that could mean lots of different, you know, different kinds of activities that go with the planning. Another one is actual construction, or in the case of natural resource properties, actual protection: purchasing easement, purchasing fee simple, that kind of thing. And the third is operation. So if

you have, for example, a museum that you've invested in and that museum, you know operates, has an operational budget every year then that also is a form of investment in the interim terms we're looking for. And so would be any educational activities that were onsite related to the intrinsic qualities of the property. And, you know people, a couple of you asked, what is the kind of baseline information that we should be collecting at this point? And the first thing that I would tell you to think about if you don't already have it is to get a complete and up-to-date list of all the property owners in your byway corridor, particularly those who are owners of property that have and embody intrinsic qualities. That's going to be a very important piece of information to have at the onset. All right, so I want to go on and talk a little bit about the visitation component and then a little bit about the spending component.

Listener: About the investment component, has there been any conversation at all, you know, at the same time tracking the positive investment, the need, the desire, the ability, the feasibility of tracking negative investments as well?

Shanna: We haven't gone there. In part because this is a complicated enough endeavor at this point the way it sits. I think that if we can develop and what we're after; remember is to develop a tool that's simple enough that any byway is going to be able to use it whether or not they have professional staff. So we're trying to do this, to streamline this to the point where it's really something that people can do without an undue investment in, you know, in time or other kinds of investment.

Listener: Right. One thing....

Shanna: Go ahead.

Listener: of the three factors or the three most important measures, investment, visitation and expenditures, for investment particularly to get what you're after is the net, you know.

Shanna: Yeah

Listener: investment, it would seem important to factor that into the thinking, the negative investment.

Shanna: How would you characterize that? Give me an example. What are you thinking of as negative investment?

Listener: If the intrinsic quality is you know,

Shanna: is degraded?

Listener: Or the natural resources, you know, and the unsympathetic development, the subdivision and development of the parcel.

Shanna: OK, so what we'd actually think about as that is disinvestment.

Listener: Exactly, that's negative; disinvestment is another thing is the collapse of an historic property.

Shanna: Yeah I think that's great and we definitely ought to be considering that. I think that's a good, a point well taken

Shanna: OK, so are we ready to move on to the visitation piece? So visitation, again tricky question because if you live on a byway that has sites that have their own reputation, national reputation, international reputation that were drawing visitors long before byway designation . It's hardly appropriate to claim that visitation as the result of byway designation, that's just inappropriate. So how do you figure out which visitation is really due to byways, the byway designation?

And our solution to that, recognizing that we don't live in a perfect world and there is no perfect answer to any of these questions; our take on that is you tie, you look at visitation in terms of the sites that either were developed by the byway organization themselves, or similarly to the investment list were developed in cooperation with others as a byway project; or exhibits onsite that may have their own reputation, their own market draw but where you've been able to put in an exhibit on that site that's specific to the byway; or something that, let's see, I just had one of those things that went out of my mind.

So you've got the byway, the site you've developed yourself, a site, something that's onsite that has its own draw, or you have something on your byway that wasn't recognized as having any value from a visitation standpoint until the byway organization came along and interpreted it and marketed it and promoted it. And those sites will also be, you know, a viable thing to link to the visitation to the sites will be viable thing to link to the activities of the byway, the designation of the byway. So that's how we're thinking about it and we're thinking about the use of what's calling people counting technology to be able to actually track visitation to the sites on a 24/7, 365 basis and that's a somewhat longer conversation but just to give you a little bit of a sense of that.

So let's go on to the spending side. At the spending side we're talking about the categories of spending that are typically looked at for tourism spending, so lodging, transportation, amusements, meals, recreation, retail, and souvenirs, that kind of thing. And what we're looking at are three different levels, if you will, of spending. So the first one would be gross spending. What does a person who comes to your byway spend out of pocket on the day that they visit your byway? What is that, what is that gross spending? So if somebody comes and they're spending a hundred dollars a day then that would be, what came out of their wallet that's gross spending. But in order to really accurately reflect the impact of that spending on your byway there are two other forms of leakage that you really need to consider.

The first one is what we would call consumer leakage. That is to say if a visitor comes to your byway and during that day they spent a hundred dollars it could be that they've only spent about, you know, fifty of those dollars in your byway corridor. And the rest of that spending took place outside the byway corridor either because it just was the nature of their travel pattern and where they started the day and where they ended the day or because your byway doesn't offer certain spending opportunities. So, for example, if your byway doesn't have a recreational component then the amount of spending that would be attributed to recreation wouldn't be spent within your byway. Or if your byway doesn't have lodging facilities or doesn't have a campground or doesn't have restaurants then clearly the amount of spending that a typical visitor would spend on those things isn't going to be happening within your byway. So you would want to adjust the gross spending for the consumer leakage fee. And we're going to be coming up; part of the tool is going to be a fairly simple methodology for doing that.

The second piece that is important and very, very, very seldom considered in studies and should be considered, we feel is the producer leakage, which is to say if someone is coming to your byway and let's say that they're spending the night in a bed and breakfast and that they're spending fifty dollars a night to stay in that bed and breakfast. Well the bed and breakfast has to supply linens and shampoo and food and maid services and things like that. Much of what the bed and breakfast owner purchases in order to be able to provide the experience to the visitor is not purchased within the byway corridor. So that represents, also a form of leakage. And what that means is of the fifty dollars that your visitor spends on that nice lodging only a proportion of that money actually remains within the byway. A portion is being spent outside. So if you take the gross spending and you subtract the consumer leakage and you subtract the producer leakage then you get net spending. And the net spending gives you an estimate of the dollars that actually are going to be remaining at the end of the day in your byway to have an economic impact. The other thing that this particular construction allows you to do, of course, is to understand the relationship between the net spending and the gross spending and be able to say to the communities surrounding your byway, look, this is the amount that's being spent in our byway, this is the amount that you guys are benefiting from outside of our byway. So you too have, ought to have a vested interest in supporting our byway's intrinsic qualities and our attractions because the spending, not all the spending that happening is actually being captured by the byway. At the same time this

particular construction will allow you within the byway to say, look what kind of economic development could we pursue to be able to capture a higher degree and a greater amount of that gross spending to thereby increase the amount of economic impact that actually takes place within our byway corridor.

So that's the basic construct that we're looking at to deal with spending. Here's the bad news about spending and about the data that exists right now: there is no data at the national level in particular, and as far as we can tell there are very few states who have really any data to get excited about at this level either, data on byway spending patterns in particular, OK? That data isn't something that you can simply go find, it's not out there by and large. Furthermore more states the degree that which the states put actual energy into doing research on a regular basis to look at visitor spending in their state varies tremendously from state to state. And much of the work that's done at the state level is based on subsets of national samples and the national samples by and large have been fairly small. So when you take them at the state level they're even smaller and they're really from a statistical point of view, questionable in terms of what you're getting. Some states invest a lot, they do their own work, they hire professional firms and they do their own professional survey work and come up with their own numbers. And some states do that on a fairly regular basis and that's a step in the right direction. It still doesn't give you byway spending information but it gives you some decent state level information. However not every state has that level of information, so the other thing to know is there are three types of spending that we're looking at, three types of people that we would like to include that the byways community has directed us to include. One is spending by local people, by people who live within the byway corridor because they're involved and can be very, very important and can definitely be generating economic impact and it's easy to miss if all you're focusing on is visitors.

The second category would be in-state day visitors, people who live close enough to be a day visitor. Then you have in-state overnight visitors and out of state visitors. And again, at the state level there's very, very little research on any kind of local folks, there's typically not much on in-state day folks. Often there's not even a lot on in-state overnight. Most states if they're going to do this work focus on out of state visitors. So again we're needing to do some research to come up with some conversion factors that will rate the spending patterns there. So we're hopeful that in working with the America's Byways Resource Center we will be able to figure out a way to come up with some consistent data at least at the state level if not to be able to afford to go the next step and actually have some byway specific spending data again, at the state level or potentially at the regional level or a multi-state level.

So that it's a fly in the ointment and it's something to be aware of and you know, and recognizing again that it's not a perfect world. So this goes back a little bit to the question that was raised earlier about is it worth doing visitor surveys? The answer is yes and no. Visitor surveys, as you guys know are very, very expensive to do. It's labor intensive, it's, and they typically don't give you, they typically give you a very narrow window of experience because you're getting the data for the weeks in which you do the survey. You're not getting it for twelve months of the year. Typically because they're expensive and cumbersome to mount they're not done on a regular basis. So again you tend to get these significant kind of data but not really impact data out of surveys. And you've got all kinds of response bias and stuff to worry about.

What we're, what will probably happen with this tool is we'll be asking people to use local knowledge to try to get a sense of how many of the visitors to their byway in a specific place are local, are in-state day and overnight and are out of state. That's a fairly simple thing to get at. There may be ways to do it that don't require surveys. So for example, chambers, attractions, other folks on your byway may be already recording that information. You may be able to get a pretty decent estimate from statistics that are already being gathered. But if you feel that you can't that's a pretty simple thing that could be asked of visitors on a, on a monthly basis, you know, one day a month for twelve months, something like that so you can see some seasonal variations. It wouldn't be particularly costly or particularly intrusive you could simply ask people the zip codes that they're from and be able to derive it that way. What you don't want to do with that is look at license plates because rental cars, as you know have in-state license plates and that could be very misleading in terms of who's actually visited your site.

I also wanted to talk a little bit to get to this question of multipliers and the way these studies are generally done. The way the studies are generally done, and again, most of them are not impact studies, they're significance studies but the way they're generally done is somebody collects some data or estimates some data with respect to gross spending and then they plug it into an econometric model of one sort or another. And that model then adds in multipliers. And there are various forms of multipliers: income multipliers, employment multipliers and those multipliers are based on the notion that someone who, for example with an income multiplier, someone who earns a dollar doing an activity that might be byway related would then spend a portion of that dollar within the byway. And then someone else would earn a portion of that dollar and they would re-spend a smaller portion of you know, what they earned so you get, that's the concept that there is a multiplier. The problem is that multipliers are most reliable at a very large geographical scale. So you can talk about national multipliers, you can talk about state multipliers, as soon as you start talking about county multipliers you're already on pretty shaky ground. By the time you start to talk about sub-county multipliers, basically you're on no ground at all.

Why is that? It's pretty clear. It's because the smaller your geographic region, and smaller the complement of comprehensive goods and services that are available. And particularly today with our global economy and the amount of internet commerce that takes place you simply can't assume that people spend their money within, in this case, a byway corridor, which is the unit that we're interested in. Most byway corridors are sub-state many of them are even sub-county. So that the notion of using multipliers to measure impact within a byway is really not a good idea. It's fundamentally likely to be misleading, likely to inflate your figures in ways that are not helpful in understanding what's really going on.

So the tool that we're working on doesn't use multipliers. What's the result of that? The result of that is that we're coming with what we know are conservative estimates. So at the end of the day you're going to be able to say, we know minimally that this amount of impact is taking place. And we know that in fact that it's great than this because there's some multiplier but we can't, there's no basis on which to compute a reliable multiplier on a corridor basis so we're not going to use those. What we're going to be able to say is here's what we know minimally is real, we know is pretty real, pretty real, pretty defensible level of impact and it is the minimal amount, it's the conservative estimate.

And we, just so you have a sense of this, we've done work like this again, in many other places. One of the places that we've done it is with the Clatsburg North County Chamber of Commerce in Clinton County, New York. We've worked with them for about a dozen years to measure the economic impact of Canadian, their position on the border with Canada and with Canadian spending, Canadian involvement in the economy. We did it without multipliers and it was a very powerful and has been a very persuasive for people. You know Albany, in Washington DC they've been able to get lots of ongoing investment in various things because they've been able to say, this is conservative but as far as we can tell it's as real as we can make it. The thing to understand about the studies that are done using multipliers they're not bad studies in the sense that it's a well understood methodology; they're often badly applied because the geographic area is too small for the methodology that's being employed. And many people look at those studies that use multipliers; number one they don't understand them. Number two, they can't, because they don't understand them, they can't explain them convincingly to anyone. And number three they have a sense in their gut that the figures are inflated. And so what we're trying to do is come up with something where at the end of the day you can have a very comfortable feeling in your gut that you understand where your numbers came from, you can explain them and that they're not inflated in that way.

So that's kind of the philosophy that we've entered into this with and that's the philosophy that the steering committee is very much supporting. Although in all fairness it should be said that they, from time to time say, gee aren't our numbers going to be so conservative that they're not convincing? Well not convincing in comparison to what? So just going to put that out there for you. So I've been talking at you for awhile now so what I'd like to do is open it up for comments and questions

Several listeners at once

Listener: When you say in comparison to what, the thing that comes to my mind is comparison to opening up land that was preserved for development, you know, I think we're going to be comparing it with, not we, but people will be comparing it with what happens with the lost tax revenue that might have happened if we put houses on a piece of property and people lived there? So there is something to compare to.

Shanna: Right. What I was trying to get at is if you have a, it's rare to be in a situation where you have a study that's used an econometric model and a study that hasn't that are otherwise comparable. That's what I was talking about. So yes, your point, your point, you know is valid and I think that there are a lot of things about the nature of economic development and the nature of those economic instances or impacts that are not widely understood. One of them being that generally speaking residential development is the most expensive form of development that a community can engage in and that open land, preserved land tends to be much better fiscally for a community than developed land, particularly residential land. And that's not what this tool is going to speak to but there are many other tools out there that can speak to that.

Listener: I think that what we need to compare it to. I don't know what those tools are.

Shanna: I can tell you what they are: they're called Cost of Community Services studies. And they were first invented by the American Farmland Trust. They have about a twenty year history of use now in this country. And if you go on the internet and look for American Farmland Trust or look for Cost of Community Services studies you will find a gazillion models for how to make those comparisons.

Listener: I have a question. When you say that about the consumer leakage and that not all the consumer spending is spent on the byway corridor, how far? It seems like if, yeah if it's not right on the road sometimes there's places that are just around the corner or the byway might be designed based on qualities that are not exactly contingent to the road but there might be some businesses that are very close, I mean. How do you define what that corridor is or how far off the byway, I mean, to me it seems like more...

Shanna: Let me answer that. There's a pretty straightforward answer. When byways prepare their corridor management plan initially, they define their corridor of interest. For some byways that corridor extends many, many, many miles from the roadway itself. For some byways they defined it fairly narrowly. That is yet another one of the many variations among byways across the country. But byways themselves define their corridor and byways also revise their corridor management plan. So certainly as far as I know unless I hear differently from Henry or Chel here, as far as I know a byway could decide at some point that they wanted to either expand or contract what they consider to be their corridor. But in terms of what this tool's designed to do and the way it was framed by the steering committee is it's about impact on the byway corridor as the byway has defined it.

Listener: OK

Another Listener: Can I follow up on that with a very specific example to clarify a few things with regards to this leakage business and so forth. Let me take the case that you have a B and B is on the byway you also have a historic site that's on the byway. The people clearly came to go to that historic site and they claim, or they're staying in the B and B so all of that money counts. But in the evening they go to the movie theater down the block that clearly was not part of the byway designation, you know, it's a movie theater. But the reason those people bought those tickets and the popcorn is because they came to see the attractions on the byway.

Shanna: Right and the byway's fortunate that they had a movie theater within the byway that they could go to.

Listener: Well what I heard earlier when we were having this discussion was that you did not count money that was not byway designated in terms of a, it was there because of the byway.

Shanna: No, no, that's not, let me clarify the confusion. That's not what I was saying.

Listener: OK

Shanna: What I'm saying is that in terms of visitation, right, in terms of the people that you count as coming through a byway because of the byway. Those people have to be counted at a site of byway significance. So you're not counting people who go to the movie theater, OK? You're counting people who go to the museum, if that's an important piece of the byway and it's a museum that did not have its own self-standing reputation or a museum that the byway has a particular exhibit at and you can count at that particular exhibit. So that's where your visitation numbers come from. Your spending then would include whatever spending those folks are doing, allowing for the fact that if you are a very small byway with very limited services and you're surrounded by communities that are not in your corridor that offer many more services than you do, that there's going to be consumer leakage because in that case people wouldn't have a movie theater in your corridor to go to. If they wanted to go to movies they'd be going someplace else outside the corridor.

Listener: Thank you.

Shanna: OK.

Another Listener: So you do count it. Maybe it's

Shanna: Absolutely.

Listener: Maybe it's, sounds like a negative curve.

Shanna: It's something that you don't; leakage is a term of a cost, of ours. It's neither negative or position. I understand that it can sound like it has negative connotations. But what I said is that at the end of the day you're able to differentiate between gross spending and net spending and show your surrounding communities that they have benefited from your work on your byway.

Listener: Right. But on the visitation, sort of tracking help us to get at, I guess and I understand that through the methodology that is being thought of and being suggested and all of that. And I'm new to the tourism office. I've been more on the product development side of things less on the tourism market side of things. But it just seems to me that the most, sort of legitimate, most defensible way that a tourism marketing office, or a byway marketing office can track impact to visitation is to do things like, you know to conversion studies which don't have to be complicated they can be very easy. What that is, is just, you know, the marketing of your byway or your system of byways you give a, there's a 1-800 number to call to ask for the maps and the materials on the byway on that the byway system. There's contact between the byway manager or the byway marketer and the potential consumer. And then the byway manager or marketing organization, whether it's local or statewide sort of months later can get back to that perspective client that requested information. And you then can literally track them through the conversions of how many of the inquiries are attributed to byway visitors. It just seems to me that the most simply methodology or formula whereby a byway manager or a county marketing organization or a state marketing organization can do that. That would be a tremendously valuable, I think.

Shanna: Would you like a response to that?

Listener: Sure, absolutely.

Shanna: All right, here's my response. That requires a whole infrastructure, a professional infrastructure that many, many byways simply do not have and do not have access to. So for byways that have that infrastructure in place, sure if that's how you want to get your visitation numbers that's one option. If in fact that's done in a consistent, sufficiently valid, reliable kind of way, you know more power to you. Many, many byways simply don't have that

option, number one. Number two, the methodology that we're recommending for tracking visitation is a technology, OK. It's a variety of different people-counting technologies that do not require folks to make phone calls, that do not require, you know invading, it's harder and harder these days to get people to respond to phone calls. We're all over marketed with telemarketing messages and that kind of stuff. But what we were looking for is the most streamlined yet reliable way to gather visitation data that would require the, a minimum investment in time and equipment and would provide data on a 24.7 365 basis. The other thing that your particular process would not tell you is, unless you made it into a much more, much longer, much more complicated survey is exactly where people were going, when they were going there, what your visitation patterns really look like on the ground. And again, that's something we have been told by byways they very much would like to know. It makes sense they would like to know that because if you understood what your byway visitation patterns looked like then you could determine what you want to do about that.

Listener: I hear you and I don't disagree. Another thing that it doesn't give you about these conversion studies is, and surveys don't give you is total visitation.

Shanna: Right.

Listener: They just give you a sense of what, what kind of impact they're having. But I think that, you know, it's just in the business either in the conservation and product development side and now in the marketing side and it still continues to be too much of a divide, I think, between the product development and marketing folks, who could work together very cooperatively. And I think that if a byway manager, a byway management entity is a one person operation or a volunteer operation and doesn't have the resources or staff to do this, you know, there are other organizations out there to partner with, who

Shanna: That's a point really well taken and one of the things that we're going to be doing is as we bring this tool out is to pilot test it with a couple of byways which is our next step, is to work with them to see what are all the possible sources of the information that this tool needs to work properly. And what sources are going to work best for what byways. What kind of partnerships are possible; that's part of what we're going to be exploring, you know. It's a point very, very well taken and we're well aware of it. And what we want to try to figure out is, you know, what's the best advice to give byways so that they can make the most out of existing data and existing resources and not reinvent the wheel.

Listener: Right.

Another Listener: Shanna based on that you mentioned that it would be a good idea to get addresses of all property owners within the corridor, especially the ones with intrinsic qualities. What's, for property owners and also for businesses, what's the kind of information that we might be getting that would be useful for this purpose, later?

Shanna: Say that again. What's the question; I'm not sure what your question is.

Listener: You said that it would be good to get addresses of property owners.

Shanna: Know how to contact your property owners, yup. Are you asking, what information would we be asking them for?

Listener: Yeah, because if we're, we're considering trying to get a data base of businesses and hadn't thought of property owners that makes a lot of sense.

Shanna: Right.

Listener: In addition to address, what would be good other things to find out?

Shanna: What you would want to find out is, that particular data base is important for a couple of reasons: one is because it's how you're going to find out about investment. So you can choose, you'll be able at the end of the day to choose how many properties you want to track investment on based on your own resources and based on what you know is happening in the byway. But you will ultimately to order to get some, at least of that information, you're going to be getting it from property owners. So in order to be able to account for private investment, in order to be able to account for investment that doesn't come directly through the byways organization you're going to want to get the information from property owners. Likewise on things like operations budgets, money that's been put into construction, that kind of thing. So that's one set of things. The other thing is if you've got property on which you may want, down the road, to install people counting technology because it fits the criteria we mentioned earlier, then you're going to want to establish a relationship with those property owners. So that when the time comes you're able to explain to them why you what to do this and you're able to get their permission to do it. Does that help?

Listener: So are you suggesting that this is an outreach kind of exercise, rather than just an address collection?

Shanna: I'm suggesting that at this stage in order to be able to most quickly identify a baseline when the time comes, it's a really good preparation but that ultimately and you know, I should say at this point that we're probably a year and a half or so away from having a tool that you can actually pick up and use. But when that time comes that's the information you're going to build on to do the outreach that you decide to do.

Listener: What is the criteria that will be used for the participants in your pilot project?

Shanna: Well we've got, we're going to be working closely with two communities, both of which are represented on the National Steering Committee and the reason for that is these are folks who have been in this process from the beginning and are well aware of many of the challenges, many of the complexities and are willing to invest the rather considerable amount of effort it's going to take to put this in place on the ground in two places. And I should mention that what they're getting out of this is not very much from the point of view of data because it's not a year long trial and you need a year long period to make the tool make sense for a byway at least that's open for a year at a time that is a feasible byway. So they're making a considerable investment in helping in the next step of the development. Once that development is complete, assuming that the resource is complete they will then go through and produce it in an electronic version and then we'll have another round of testing and that would be a longer test period and that would be a period where other folks would have an opportunity to get involved if you want. At that stage there still will be, you'll still have to make some investment on your own, actually doing the data collection and that kind of thing and there will be feedback on how well it's working.

Several people at once

Shanna: Go ahead.

Listener: I have a question about how valid visitation patterns would be based on fees that are collected along the byway for intrinsic recreation use. So we have user fees and we are tracking the number of people paying. How valid could we extrapolate benefits to the byway from that?

Shanna: Well you have the benefits of the fees that are paid, right? And out of that you would have take the cost of providing those experiences and what that looks like, right?

Listener: We don't get to collect the fees. We just get to see the data on how many visits paid the fees.

Shanna: Right and what I'm saying is you could see how many visits and then if you could get data on what the fees were you would know what the gross fee payment looked like say over a year's period.

Listener: OK.

Shanna: And that would be part of your spending puzzle. It's certainly not a comprehensive look but it would give you a piece of the puzzle. And certainly again it depends on you know, fees for what? Part of the, part of what's gone on is that some byways have said, well gee we have visitors centers and people sign in there and isn't that a good thing? And well yes and no. You know visitors centers typically are not open 24/7 so you're missing people who go to the visitor center when it's closed. If you have unmanned sites of significance, then you're missing those folks if you're not, you know if you're relying on the sign ins, they're not all going to sign in if there's not someone there to encourage them to do that, and sometimes even if there is somebody there. So you know, each potential source of data has its own constraints it has its own profile. And we're hoping that through this Alpha test process, pilot test process we'll be able to help people sort through a little better what are their best sources of data for this and which ones to really stay away from because they're not going to get you what you want. They're not going to get you where you need to go. I had a very interesting conversation with someone from the Billy the Kid Trail in New Mexico about just this point and we were talking about the difference between using visitors center data and using people counting data and the more we talked about it the more he realized the value would come from the people counting data because of what the visitor center is missing. So, you know, so those are things to think about.