
The Economic Impact of Six Rockland Properties in 2016



Economic Forum

COLLEGE OF BUSINESS

UNIVERSITY OF COLORADO
COLORADO SPRINGS

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2016 Economic Impact Analysis:

The Effects of Rockland Properties (Rockland Hotel, Cooley Camp, Ferndale Beach, Peakville Valley Ranch, Roscoe Ranch, and Livingston Manor) on the Roscoe County Region

Direct Revenue and Costs

There are various components that comprise the total economic impact of a business: industry sales/revenue, capital expenditures, labor (employee compensation) and federal/state/local taxes. In order to properly gauge economic impact, these key data points were collected from Rockland's financial officers. As Table 1 shows, between all Rockland Properties (Rockland Hotel, Cooley Camp, Ferndale Beach, Peakville Valley Ranch, Roscoe Ranch and Livingston Manor), total industry sales in 2016 were \$146,397,458. Capital expenses for all Rockland properties in 2016 were \$18,676,231. The associated headcount was 2,422 employees and corresponding wages/salaries and benefits were \$64,523,982. Information on subcategories within each of these revenue and cost components was also collected to input as much detail as possible (for accuracy). Taxes paid by all six properties are detailed in Table 2. IMPLAN software was used to conduct the analysis, and it is the current "gold standard" software for analyzing the economic impact. IMPLAN is a proprietary database and analytical tool that combines government and primary data. This software enables the user to specify location all the way to the zip code level although for the purposes of this study, Roscoe County is the geographic area of analysis. IMPLAN also uses specific industry codes to match revenue and costs to the appropriate economic multiplier. The resulting analyses are a highly accurate measure of the economic influence a business or group of businesses has on the entire local economic landscape.

**Table 1. Major Revenue & Cost Categories
All Six Rockland Properties**

Total Sales/Revenue	\$146,397,458
Capital Expenditures	\$18,676,231
Employee Headcount	2,422
Wages/Salaries	\$64,523,982

Table 2. Taxes Paid: All Rockland Properties

Sales and Use Tax	\$5,538,325
Lodging Tax (Only Rockland Hotel and Peakville Valley Ranch)	\$1,412,641
Property Tax	\$2,971,895

Measuring Economic Impact

In addition to the direct revenue and costs listed above, there is additional economic activity that stems from the Rockland properties. For example, there is significant business-to-business activity that occurs between these Rockland properties and local businesses that provide goods or services for the properties (e.g. food suppliers or raw material suppliers for construction). This comprises the "indirect" economic impact. In addition, employees of the Rockland properties are consumers of local goods and services, which they are able to purchase because of their wages/salaries from employment at the Rockland properties (e.g. local grocers employed at grocery stores where Rockland employees buy food). This comprises the "induced" economic impact. In the economics vernacular, the indirect and induced components are called "the multiplier effect." A comprehensive economic impact analysis will sum the direct, indirect, and induced impacts. The detail below breaks down the components of the total economic impact: employment (full and part-time), labor income associated with employment, value added impact (or contribution to gross regional product) and total output (or industry sales).

Employment

The total direct headcount in 2016 was 2,468 for workers who worked for these various properties as well as the labor hired for capital projects (Table 3). The Rockland properties generated an additional, estimated 578 jobs through the business-to-business, or “indirect effect” in Roscoe County. The Rockland properties also generated an estimated 376 “induced” jobs through the household income of the direct employees’ spending within the community. Hence, the total employment impact through direct, indirect and induced effects for all six properties in 2016 was 3,422 jobs.

Labor Income

Labor income includes employee compensation (wages and benefits) and proprietor income. The direct labor income of Rockland employees in 2016 was \$71,939,447 (Table 3). Labor income of indirect employees (employee salaries and benefits from those businesses that do business with Rockland properties) was \$15,698,361. The induced labor income was \$10,578,924, and this comprises the income effect of employees spending money in the local economy. The combination of these indirect and induced effects creates the “multiplier effect.” The total direct, indirect and induced labor income for the six properties in 2016 was \$98,216,732.

Table 3. Direct and Multiplier Impact of All Six Rockland Properties				
Impact Type	Employment (headcount)	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	2,468	\$71,939,447	\$92,317,346	\$181,866,587
Indirect Effect	578	\$15,698,361	\$27,601,793	\$70,092,569
Induced Effect	376	\$10,578,924	\$17,595,481	\$50,954,482
Total Impact	3,422	\$98,216,732	\$137,514,620	\$302,913,638

Value Added

Value added is the difference between total outputs (or sales) and their intermediate inputs (the amount the producer has to spend in order to conduct business). This impact measures the added value to the gross regional product (GRP). Another way to think of this is to say that this value added amount is the contribution these six Rockland properties have on the local economy within Roscoe County. The direct value added to the Rockland properties in 2016 was \$92,317,346 (Table 3). The indirect (or business-to-business) effect of value added was \$27,601,793. The induced effect of value added was \$17,595,481, and this represents the impact of the value added to local economic spending patterns by all six property employees. The total direct, indirect and induced value added for the six properties in 2016 was \$137,514,620, representing a significant contribution to local gross regional product.

Output

Output describes the value of industry production, and total output is set in producer prices. Output measures the increase in local business sales revenue, and it does not subtract out the costs of intermediate inputs as does the value added measure. Direct output of the six Rockland properties in 2016 was \$181,866,587 (Table 3). Indirect (or additional business-to-business) output was \$70,092,569. Induced output was \$50,954,482, and this represents the incremental output in the region that results from employees spending in the local economy. The total direct, indirect and induced output for all six properties in 2016 was \$302,913,638.

Regional Absorption

As discussed above, the total economic impact is comprised of the direct inputs from the Rockland properties, the indirect effect of business-to-business activity, and the induced effect of Rockland employees acting as consumers in the local economy. It is important to remember, however, that the total economic impact is also highly influenced by the proportion of goods purchased by the Rockland properties that are locally sourced. For example, there is a much larger economic impact if 90% of the food purchased by the Rockland properties is locally sourced as opposed to only 10%. Clearly, if 90% were locally sourced, the business-to-business impact (the “indirect effect”) is much greater, which would, in turn, make the total economic impact much higher. Hence, the size of the total economic impact in the region is directly tied to the region’s local commodity availability or the local economy’s ability to meet local demand.

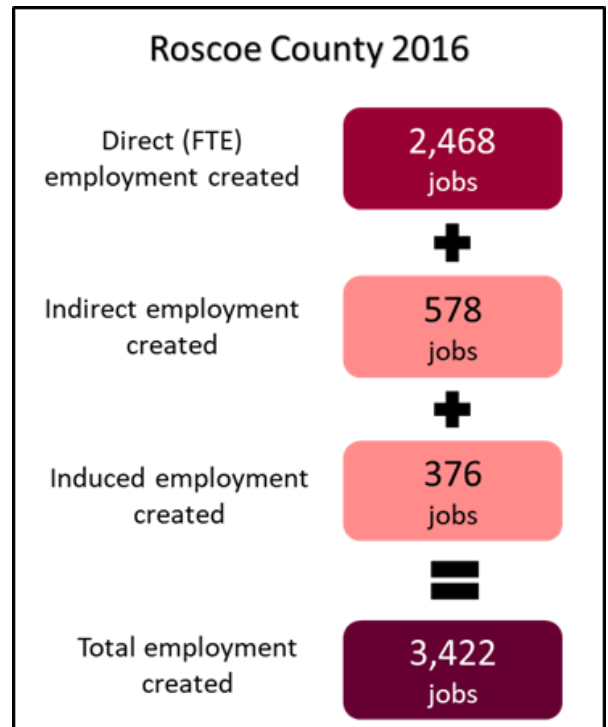
IMPLAN has specific regional absorption estimates for the hotel industry within Roscoe County, and that percentage is 19.1% locally sourced goods across all relevant industries.

Gross Absorption

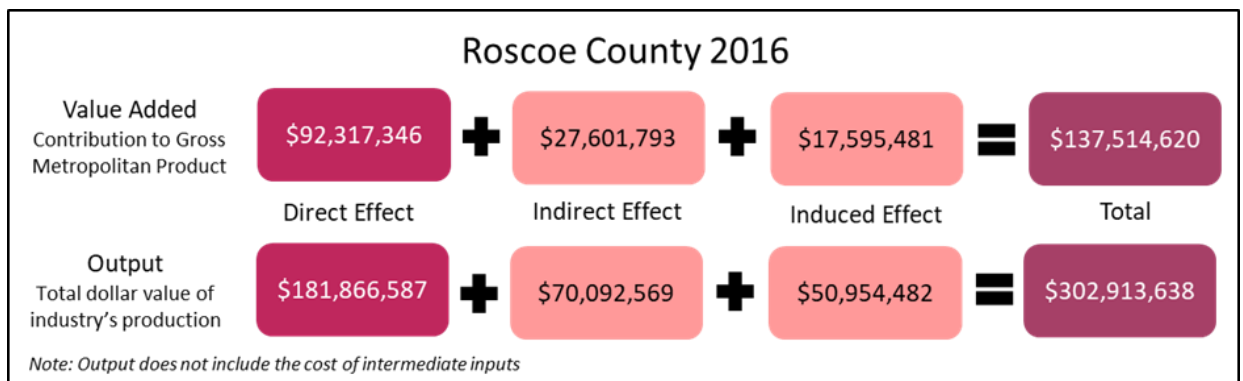
IMPLAN also has estimates in terms of the percentage of total output that goes towards the purchase of intermediate inputs. For the hotel industry within Roscoe County, that estimated percentage is 38.1%.

Total Economic Impact of All Six Rockland Properties

As summary Table 3 shows, these Rockland properties have generated a total effect (sum of direct, indirect, and induced) of 3,422 jobs; a total labor income effect of \$98,216,732; total value added (or contribution to gross regional product) of \$137,514,620; and total output (or industry sales) of \$302,913,638.



From an economic impact perspective, it is important to note that a large proportion of the dollars generated by these properties come from outside the region, meaning that these are not simply recycled dollars within Roscoe County. They are new dollars being introduced into the local economy by visitors who live outside the region. Hence, there is the positive impact of the Rockland properties in their own right, but there is also the contribution these properties make in terms of regional, economic development and sustainability. This adds to the overall influence these properties have on the local economy since the introduction of new dollars assists in the long-term economic stability and growth of the region.



The Economic Impact of Rockland Hotel, Cooley Camp and Ferndale Beach on the Roscoe County Region, 2016

Tourism Overview

Rockland Hotel offers a unique experience highlighting the picturesque mountain scenery in Fremont Central while enjoying the luxurious amenities of a resort. Two of Rockland’s wilderness experiential locations include Cooley Camp, lying atop Galilee Mountain, and Ferndale Beach, along the Willowmoe River. Rockland welcomes an average of 968 visitors a day, most of whom stay an average of 2.59 days and spend an estimated amount on site of \$189.39 per person per day. While Rockland Hotel is a desired tourist destination, locals from Roscoe County often dine on the property to experience this historic resort. Given its allure to tourists and locals alike, as well as the high volume of activity, the economic impact of Rockland’s lodging resorts is significant.

Direct Revenue and Costs

There are various components that comprise the total economic impact: industry sales/revenue, capital expenditures (34% sourced locally), labor (employee compensation) and federal/state/local taxes. Rockland Hotel’s total industry sales include revenue from rooms, the spa, the golf course, food and beverage, and retail (called “revenue sources”). In 2016, total sales from these sources was \$122,926,669 (Table 4). Rockland Hotel’s capital expenses in 2016 were \$14,650,684, comprised mostly of room renovations and maintenance with a smaller amount for the construction of a bird muse. The associated headcount was 2,146 employees distributed among all revenue sources listed above with corresponding employee compensation including benefits of \$59,463,633. The associated taxes paid by these three Rockland properties is detailed in Table 5.

Total Sales/Revenue	\$122,926,669
Capital Expenditures	\$14,650,684
Employee Headcount	2,146
Wages/Salaries	\$59,463,633

Sales and Use Tax	\$5,233,491
Lodging Tax	\$1,400,536
Property Tax	\$2,467,295

Measuring Economic Impact for The Rockland, Cooley Camp and Ferndale Beach

In addition to the direct revenue and costs listed above, there is additional economic activity that stems from Rockland Hotel, Cooley Camp and Ferndale Beach. For example, there is significant business-to-business activity that occurs between these Rockland properties and local businesses that provide goods or services for the Rockland properties (e.g. food suppliers or raw material suppliers for construction). This comprises the "indirect" economic impact. In addition, employees of these Rockland properties are consumers of local goods and services, which they are able to purchase because of their wages/salaries from employment at the Rockland properties (e.g. local grocers employed at grocery stores used by Rockland employees). This comprises the "induced" economic impact. In the economics vernacular, the indirect and induced components are called "the multiplier effect." A comprehensive economic impact analysis will sum the direct, indirect, and induced impacts. The detail below breaks down the components of the total economic impact: employment (full and part-time), labor income associated with employment, value added impact (or contribution to gross regional product) and total output (or industry sales).

Employment

The total direct headcount in 2016 for the rooms, the spa, the golf course, the restaurants, and the retail

shops, as well as the additional labor hired for capital expenditures was 2,202 (Table 6). The incremental, indirect employment effect these Rockland properties generated through the business-to-business activity within Roscoe County was 507 employees. There were an additional 326 induced jobs through the household income of the direct employees' spending within the community. Hence, the total employment impact through direct, indirect and induced effects for these three properties in 2016 was 3,035 jobs.

Labor Income

Labor income includes employee compensation (wages and benefits) and proprietor income. The direct labor income of Rockland employees in 2016 was \$64,262,011 (Table 6). Labor income of indirect employees (employee salaries and benefits from those businesses that do business with these three properties) was \$13,057,593. The induced labor income was \$8,999,113, and this comprises the income effect of Rockland employees' spending money in the local economy. Hence, the total direct, indirect and induced labor income for these three properties in 2016 was \$86,318,717.

Value Added

Value added is the difference between the total outputs (or sales) and their intermediate inputs (the amount the producer has to spend in order to conduct business). This impact measures the added value to the gross regional product (GRP). The direct value added from the five revenue sources (hotel, spa, golf, restaurant, and retail) in 2016 was \$86,495,333 (Table 6). The indirect (or business-to-business) effect of value added was \$23,406,752. The induced effect of value added was \$15,461,873, and this represents the impact of the value added to local economic spending patterns from the industry-related employees. The total value added for these three properties was 125,363,958.

Output

Output describes the value of industry production and it is set in producer prices. Output measures the increase in local business sales revenue, and it does not subtract out the costs of intermediate inputs as does the value added measure. Direct output (or sales) of these Rockland properties was \$156,128,803 (Table 6). Indirect (additional business-to-business) output was \$63,189,523, and induced output was \$45,681,112. The total direct, indirect and induced output for the three properties in 2016 was \$264,999,438.

Total Economic Impact of The Rockland Hotel, Cooley Camp & Ferndale Beach

Table 6 below summarizes all of these components for all three properties:

Table 6. Rockland, Cooley Camp & Ferndale Beach Economic Impact				
Impact Type	Employment (headcount)	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	2,202	\$64,262,011	\$86,495,333	\$156,128,803
Indirect Effect	507	\$13,057,593	\$23,406,752	\$ 63,189,523
Induced Effect	326	\$8,999,113	\$15,461,873	\$45,681,112
Total Impact	3,035	\$86,318,717	\$125,363,958	\$264,999,438

As the summary table shows, in 2016 these three Rockland properties generated a total effect (sum of direct, indirect, and induced) of 3,035 jobs; a total labor income effect of 86,318,717; total value added (or contribution to GRP) of 125,363,958; and total output (or industry sales) of \$264,999,438.

The Economic Impact of Peakville Valley Ranch on the Roscoe County Region, 2016

Tourism Overview

Just up the road from the esteemed Rockland Hotel, the Ranch at Peakville offers a more rustic cabin lodging. The Ranch welcomes an average of 17 visitors a day, most of whom stay an average of 2.75 days and spend an estimated amount on site of \$156.14 per person per day. A spectacular site for tourists who wish to balance wilderness and amenities, the Peakville Valley Ranch is also a contributor to local economic impact.

Direct Revenue and Costs

There are various components that comprise the total economic impact: industry sales/revenue, capital expenditures (34% sourced locally) labor (employee compensation) and federal/state/local taxes. Peakville Valley Ranch’s total industry sales include revenue from rooms, food and beverage, and a small retail section (called “revenue sources”). In 2016, total sales for these components was \$1,876,951. Peakville Valley Ranch’s comprised mostly of equipment and trail maintenance. The associated headcount was 47 employees distributed among the revenue sources with corresponding employee compensation including benefits of \$507,627. Tax information provided by the finance department is summarized in Table 3.

Table 7. Major Revenue & Cost Categories Peakville Valley Ranch	
Total Sales/Revenue	\$1,876,951
Capital Expenditures	\$1,654,987
Employee Headcount	47
Wages/Salaries	\$507,627

capital expenses in 2016 were \$1,654,987,

Table 8. Taxes Paid: Peakville Valley Ranch	
Sales and Use Tax	\$32,478
Lodging Tax	\$12,105
Property Tax	\$4,327

Measuring Economic Impact for Peakville Valley Ranch

In addition to the direct revenue and costs listed above, there is additional economic activity that stems from Peakville Valley Ranch. For example, there is significant business-to-business activity that occurs between this Rockland property and local businesses that provide goods or services for the Ranch. This comprises the "indirect" economic impact. In addition, employees of this property are consumers of local goods and services, which they are able to purchase because of their wages/salaries from employment at Peakville Valley Ranch (e.g. local car dealers who work at dealerships where Peakville Valley Ranch employees buy cars). This comprises the "induced" economic impact. The indirect and induced components are called "the multiplier effect." A comprehensive economic impact analysis will sum the direct, indirect, and induced impacts. The detail below breaks down the components of the total economic impact: employment (full and part-time), labor income associated with employment, value added impact (or contribution to gross regional product) and total output (or industry sales).

Employment

The total direct headcount in 2016 was 56 employees who work for rooms and the restaurant as well as the additional labor hired due for capital expenditures (Table 9 below). Peakville Valley Ranch also generated an estimated 7 jobs through the business-to-business, or “indirect effect” in Roscoe County. In addition, Peakville Valley Ranch generated an estimated 4 “induced” jobs through the household income of the direct employees’ spending within the community. Hence, the total employment impact through direct, indirect and induced effects for these three properties in 2016 was 67 jobs (rounded).

Labor Income

Labor income includes employee compensation (wages and benefits) and proprietor income. The direct labor income of Peakville Valley Ranch employees (and employees of capital expenditures) was \$368,932 in 2016 (Table 9). Labor income of indirect employees (employee salaries and benefits from those businesses that do business with Peakville Valley Ranch) was \$137,558. The induced labor income was \$132,591 and this comprised the income effect of Peakville Valley Ranch employees spending money in the local economy. The total direct, indirect and induced labor income for Peakville Valley Ranch was \$639,081.

Value Added

Value added is the difference between the total outputs (or sales) and their intermediate inputs (the amount the producer has to spend in order to conduct business). This impact measures the added value to the gross regional product (GRP). The direct value added to the hotel emanating from the three revenue sources (hotel, restaurant, and retail) was \$881,556 (Table 9). The indirect (or business-to-business) effect of value added was \$234,444, and the induced effect of value added was \$241,951. This induced component represents the impact of the value added to local economic spending patterns from the industry-related employees. The total value added for Peakville Valley Ranch in 2016 was \$1,357,951.

Output

Output describes the value of industry production and is set in producer prices. Output measures the increase in local business sales revenue, and it does not subtract out the costs of intermediate inputs as does the value added measure. Direct output of Peakville Valley Ranch in 2016 was \$7,890,892 (Table 9). Indirect (or business-to-business) output was \$403,514, and induced output was \$427,651. Cumulatively, the impact of total direct, indirect and induced output in 2016 was \$8,722,057.

Total Economic Impact for Peakville Valley Ranch

Between all of these components, Peakville Valley Ranch in 2016 generated a total effect (sum of direct, indirect, and induced) of 67 jobs, a total labor income effect of \$639,081, total value added (or contribution to GRP) of \$1,357,951, and a total output (or industry sales) of \$8,722,057.

Table 9. Peakville Valley Ranch Economic Impact				
Impact Type	Employment (headcount)	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	56	\$368,932	\$881,556	\$7,890,892
Indirect Effect	7	\$137,558	\$234,444	\$403,514
Induced Effect	4	\$132,591	\$241,951	\$427,651
Total Impact	67	\$639,081	\$1,357,951	\$8,722,057

The Economic Impact of Roscoe Ranch on the Roscoe County Region, 2016

Tourism Overview

Roscoe Ranch provides a relaxing mountain experience for vacation goers, families and groups. Guests have a variety of experiences to choose from as they breath fresh mountain air on this quiet mountain ranch: from horseback rides to guided hikes to fishing in a stream. Roscoe Ranch welcomes an average of 34 visitors a day who spend an estimated amount on site of \$87.31 per person per day. Roscoe Ranch is a popular day trip relaxation destination as well as a local favorite.

Direct Revenue and Costs

There are various components that comprise the total economic impact: industry sales/revenue, capital expenditures (34% sourced locally), labor (employee compensation) and federal/state/local taxes. Roscoe Ranch’s total industry sales include revenue from tickets, food, and retail. In 2016, total sales for these revenue sources was \$13,642,753 (Table 10). Roscoe Ranch’s capital expenses in 2016 were \$997,741, comprised mostly of fence and vehicle repairs. The associated headcount was 82 employees distributed among the revenue sources with corresponding employee compensation including benefits of \$1,985,381. Tax information provided by the finance department is summarized in Table 11.

Table 10. Major Revenue & Cost Categories Roscoe Ranch	
Total Sales/Revenue	\$13,642,753
Capital Expenditures	\$997,741
Employee Headcount	82
Wages/Salaries	\$1,985,381

Table 11. Taxes Paid: Roscoe Ranch	
Sales and Use Tax	\$124,442
Property Tax	\$236,821

Measuring Economic Impact of Roscoe Ranch

In addition to the direct revenue and costs listed above, there is additional economic activity that stems from Roscoe Ranch. For example, there is significant business-to-business activity that occurs between this Rockland property and local businesses that provide goods or services for the Ranch (e.g. raw material suppliers for ongoing maintenance). This comprises the "indirect" economic impact. In addition, employees of this property are consumers of local goods and services, which they are able to purchase because of their wages/salaries from employment at Roscoe Ranch. This comprises the "induced" economic impact. The indirect and induced components are called "the multiplier." The detail below breaks down the components of the total economic impact: employment (full and part-time), labor income associated with employment, value added impact (or contribution to gross regional product) and total output (or industry sales).

Employment

The total direct headcount in 2016 was 72 for employees who work for the Ranch directly as well as the additional labor hired for capital expenditures (Table 12). Roscoe Ranch also generated an estimated 43 jobs through the business-to-business, or “indirect effect” within Roscoe County. In addition, Roscoe Ranch generated an estimated 27 “induced” jobs through the household income of the direct employees’ spending within the community. The total employment impact through direct, indirect and induced effects for Roscoe Ranch in 2016 was 142 jobs.



Labor Income

Labor income includes employee compensation (wages and benefits) and proprietor income. The direct labor income of Roscoe Ranch employees (and employees of capital expenditures) in 2016 was \$1,840,933 (Table 12). Labor income of indirect employees was \$1,705,669. For induced employees the labor income was \$845,321, and this comprises the income effect of Roscoe Ranch employees spending money in the local economy. The total direct, indirect and induced labor income in 2016 for Roscoe Ranch was \$4,391,923.

Value Added

Value added is the difference between the total outputs (or sales) and their intermediate inputs (the amount the producer has to spend in order to conduct business). This impact measures the added value to the gross regional product (GRP). The direct value added by the four revenue sources (tickets, food, retail, and parking) in 2016 was \$1,077,860 (Table 12). The indirect (or business-to-business) effect of the value added was \$2,636,011. The induced effect of value added was \$704,658, and this represents the impact of the value added to local economic spending patterns from the industry-related employees. The total value added for Roscoe Ranch in 2016 was \$4,418,529.

Output

Output describes the value of industry production and is set in producer prices. Output measures the increase in local business sales revenue, and it does not subtract out the costs of intermediate inputs as does the value added measure. Direct output of Roscoe Ranch in 2016 was \$8,466,184 (Table 12). Indirect output was \$3,174,921, and induced output was \$2,914,256. Cumulatively, the impact of total direct, indirect and induced output in 2016 was \$14,555,361.

Total Economic Impact for Roscoe Ranch

Between all of these components, in 2016 Roscoe Ranch generated a total effect (sum of direct, indirect, and induced) of 142 jobs, a total labor income effect of \$4,391,923, total value added (or contribution to GRP) of \$4,418,529, and total output (or industry sales) of \$14,555,361.

Table 12. Roscoe Ranch Economic Impact				
Impact Type	Employment (headcount)	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	72	\$1,840,933	\$1,077,860	\$8,466,184
Indirect Effect	43	\$1,705,669	\$2,636,011	\$3,174,921
Induced Effect	27	\$845,321	\$704,658	\$2,914,256
Total Impact	142	\$4,391,923	\$4,418,529	\$14,555,361

The Economic Impact of Livingston Manor on the Roscoe County Region, 2016

Tourism Overview

Less than a mile from Rockland Hotel lies Livingston Manor, an historic home overlooking a canyon that displays a beautiful collection of waterfalls and offers additional canyon hikes. Livingston Manor welcomes an average of 748 visitors a day who spend an estimated amount on site of \$24.54 per person per day. Livingston Manor is a popular tourist attraction as well as a local favorite. The relatively recent addition of a brew pub adds to the appeal of Livingston Manor, and the new attraction will likely increase the economic impact in future years.

Direct Revenue and Costs

There are various components that comprise the total economic impact: industry sales/revenue, capital expenditures (34% sourced locally) labor (employee compensation) and federal/state/local taxes. Livingston Manor’ total industry sales include revenue from tickets, food and beverage, and retail (called “revenue sources”). In 2016, total sales from these sources was \$7,951,085 (Table 13). Livingston Manor’ capital expenses in 2016 were \$1,372,819, comprised mostly of new equipment and construction of the brew pub. The associated headcount was 147 employees distributed among the revenue sources listed above with corresponding employee compensation including benefits of \$2,567,341. Tax information provided by the finance department is summarized in Table 14.

Table 13. Major Revenue & Cost Categories Livingston Manor	
Total Sales/Revenue	\$7,951,085
Capital Expenditures	\$1,372,819
Employee Headcount	147
Wages/Salaries	\$2,567,341

Table 14. Taxes Paid: Livingston Manor	
Sales and Use Tax	\$147,914
Property Tax	\$263,452

Measuring Economic Impact of Livingston Manor

In addition to the direct revenue and costs listed above, there is additional economic activity that stems from Livingston Manor. For example, there is significant business-to-business activity that occurs between this property and local businesses that provide goods or services for Livingston Manor (e.g. food suppliers). This comprises the "indirect" economic impact. In addition, employees of this property are consumers of local goods and services, which they are able to purchase because of their wages/salaries from employment at Livingston Manor. This comprises the "induced" economic impact. The indirect and induced components are called "the multiplier effect." A comprehensive economic impact analysis will sum the direct, indirect, and induced impacts. The detail below breaks down the components of the total economic impact: employment (full and part-time), labor income associated with employment, value added impact (or contribution to gross regional product) and total output (or industry sales).

Employment

The total direct headcount in 2016 was 138 for workers who worked in food and beverage, retail, as operators for the Manor and zip-line as well as the additional labor hired for capital expenditures (Table 15). Livingston Manor also generated an estimated 21 jobs through the business-to-business, or “indirect effect” in Roscoe County. In addition, Livingston Manor generated an estimated 19 “induced” jobs through the household income of the direct employees’ spending within the community. Hence, the total employment impact through direct, indirect and induced effects for these three properties in

2016 was 178 jobs.

Labor Income

Labor income includes employee compensation (wages and benefits) and proprietor income. The direct labor income of Livingston Manor employees (and employees of capital expenditures) in 2016 was \$5,467,571 (Table 15). Labor income of indirect employees (employee salaries and benefits from those businesses that do business with Livingston Manor) was \$797,541. For induced employees, the labor income effect was \$601,899 and this comprises the income effect of Livingston Manor employees spending money in the local economy. The total direct, indirect and induced labor income in 2016 for Livingston Manor was \$6,867,011.

Value Added

Value added is the difference between the total outputs (or sales) and their intermediate inputs (the amount the producer has to spend in order to conduct business). This impact measures the added value to the gross regional product (GRP). The direct value added to the hotel distributed among the three revenue sources in 2016 was \$3,862,597. The indirect effect of value added was \$1,324,586. The induced effect of value added is \$1,186,999, and this represents the impact of the value added to local economic spending patterns from the industry-related employees. The total value added for Livingston Manor in 2016 was 6,374,182.

Output

Output describes the value of industry production and is set in producer prices. Output measures the increase in local business sales revenue, and it does not subtract out the costs of intermediate inputs as does the value added measure. Direct output of Livingston Manor in 2016 was \$9,380,708 (Table 15). Indirect output was \$3,324,611, and induced output was \$1,931,463. The total direct, indirect and induced output or business sales for Livingston Manor in 2016 was \$14,636,782.

Total Economic Impact for Livingston Manor

Impact Type	Employment (headcount)	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	138	\$5,467,571	\$3,862,597	\$9,380,708
Indirect Effect	21	\$797,541	\$1,324,586	\$3,324,611
Induced Effect	19	\$601,899	\$1,186,999	\$1,931,463
Total Impact	178	\$6,867,011	\$6,374,182	\$14,636,782

Between all of these components, Livingston Manor in 2016 generated a total effect (sum of direct, indirect, and induced) of 178 jobs, a total labor income effect of \$6,867,011, total value added (or contribution to GRP) of \$6,374,182, and a total output (or industry sales) of \$14,636,782.

Measuring Local versus State Impact

It is evident from the data provided above that the six Rockland properties have a strong footprint on the total economic activity in the region, and in particular, on the hotel industry. It is noteworthy that four of these lodging properties, Rockland Hotel, Cooley Camp, Ferndale Beach, and Peakville Valley Ranch, comprise 70.2% of the total output for this industry within Roscoe County and 59.6% of the total value added within Roscoe County. As aforementioned, value added represents the net contribution to gross regional product. Given that tourism is a major sector in Roscoe County, 59.6% is a significant proportion of the hotel industry’s presence in the region making these four Rockland properties by far the most impactful lodging properties in terms of total economic activity within the county.

Tourism is also a major sector within the state of Colorado with its natural beauty and outdoor offerings. Given the proportionate impact of Rockland lodging properties on the local economy, it is worthwhile to also examine the economic impact of the six Rockland properties on the state of Colorado.

Employment and Labor Income

A separate model can be created within IMPLAN to measure state-wide economic impact. Such an analysis reveals that within the state of Colorado, the six Rockland properties generated 3,514 jobs with \$98,216,859 associated wages and benefits (Table 16). This includes the direct, indirect (business-to-business) and induced (employee spending within the state) impacts. From a state-wide perspective, it is important to note that the multiplier, or “ripple” effect of the Rockland properties in terms of jobs was 619 additional jobs via the indirect and induced impacts.

Value Added

The contribution of the six Rockland properties to gross state product was \$139,514,705. This “value added” measure is the difference between the total outputs (or sales) and their intermediate inputs (the amount the producer has to spend in order to conduct business). Of this total impact, the multiplier, or “ripple” effect within the state of Colorado was \$51,550,793 in 2016, which is the sum of the indirect and induced impacts.

Output

Total output is considered the “gross” value of industry production set in producer prices because it does not subtract out the costs of intermediate inputs as does the value added measure. In essence, output in this analysis measures the increase in state-wide business sales revenue. For the six Rockland properties in 2016, total output within the state of Colorado was \$401,329,648. Once more, it is important to examine the multiplier, or “ripple” effect the Rockland properties have on total output within the state. This is measured by the sum of the indirect and induced impacts, which in 2016 was \$193,962,107.

Table 16. State of Colorado Direct and Multiplier Impact of All Six Rockland Properties				
Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	2,895	\$53,736,219	\$87,963,912	\$207,367,541
Indirect Effect	396	\$29,419,037	\$33,254,791	\$91,317,612
Induced Effect	223	\$15,061,603	\$18,296,002	\$102,644,495
Total Impact	3,514	\$98,216,859	\$139,514,705	\$401,329,648

Taxes Generated

All businesses contribute to the tax base, which positively impacts federal, state, and local programs that benefit all residents. As detailed above, the Rockland properties have a direct effect upon the state economy, as well as a multiplier effect. This is also true for taxes generated. The direct effect of taxes paid is the actual dollar amount the Rockland properties pay to federal, state and local government agencies. The indirect tax effect is the marginal tax amount other firms pay because they have additional sales activity through the business they do with the Rockland properties. The induced tax effect represents the income taxes paid by employees who work at the Rockland properties as well as the income taxes paid through the additional employment the Rockland properties have created through the business-to-business activity. Table 17 summarizes the direct, indirect and induced tax effects. The footnote below lists the various components included in the taxation estimates.¹ It is important to note that the federal and state/local tax impacts generated through IMPLAN are estimates only. They represent the average of taxes paid by businesses within the corresponding industries. They would not incorporate any tax incentives provides by local or state governments, or other special arrangements that have been implemented in past years. For this reason, tax information should be interpreted with caution.

Table 17. Total Taxes Generated in 2016 Sum of Direct, Indirect and Induced Effects	
Federal Taxation Impact	\$32,898,010
State and Local Taxation Impact	\$20,689,445

Conclusion

The purpose at the outset of this analysis was to quantitatively measure the economic impact of one of Colorado’s most esteemed man-made gems. The Rockland properties capitalize on the natural beauty within the state, and this analysis shows that they significantly enhance both the local and state economies. Directly, the Rockland properties clearly generate jobs, income and industry output. However, it is important to look at the impact in its totality. This can only be measured by incorporating the full economic activity that exists only because the Rockland properties exist. Because the properties bring in external dollars by attracting visitors from around the globe and create jobs and economic activity for various other businesses, the indirect and induced impacts are substantial. Hence, the achievements and excellence of the six Rockland properties greatly contribute to the success of the tourism industry within the region, as well as to the economic vibrancy within the state.

