

SANTA BARBARA COUNTY RECREATION MASTER PLAN

Recreation Assets Economic White Paper

Prepared for:
County of Santa Barbara
Community Services Department
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The Economics of Land Use



White Paper

Santa Barbara County Recreation Assets Economic Impact White Paper

Prepared for:

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OVERVIEW OF RECREATION BENEFITS

While evaluation of the economic significance of recreation areas including parks, trails, beaches, and other recreation areas and facilities is an imperfect science, surveys and economic research consistently draw strong connections between recreation assets and their impact on local and regional economies. Recreation lands and facilities enhance the quality of life for residents and attract visitors who contribute additional dollars to local economic activity.

To complement the Santa Barbara County Recreation Master Plan process, this white paper describes various economic perspectives on the economic benefits generated by publicly accessible recreation lands in the county. While generating a comprehensive valuation of recreation lands in Santa Barbara County is beyond the scope of this paper, the paper does draw order-of-magnitude conclusions based on demographic data, local survey research, informal interviews, and other readily available information. Consistent with well-accepted approaches to the economic valuation of natural resources, this paper seeks to articulate the key economic contributions of Santa Barbara County's diverse recreation assets.

Key Findings

- **County recreation lands generate roughly \$725 million to \$1.5 billion in annual economic activity.** These order-of-magnitude direct economic impacts stem from spending by visitors to Santa Barbara County who visit parks and beaches. The estimates assume that trips to parks, beaches, and recreational open spaces, such as Jalama Beach County Park, Guadalupe Dunes County Park, or Lake Cachuma County Park, are the primary purpose of trips to Santa Barbara. In addition, direct spending stimulates additional rounds of spending in the local and regional economy as businesses and households make local purchases (i.e., "multiplier" or "ripple" effects). Spending attributable to the recreation lands and facilities also generates tax revenue for city, county, and state government entities, with notable public revenues produced through transient occupancy taxes and sales taxes on visitor purchases.
- **County recreation lands provide a range of recreation benefits to residents, workers, and visitors that total roughly \$41 million to \$66 million annually.** Separate from visitor spending estimates (above), this order-of-magnitude estimate of "non-market" value is placed on park visits by park users. While many recreational activities are free of charge, visitors place a value on their experience. Real out-of-pocket dollars do not change hands, but economists commonly measure this "consumer surplus" to determine the societal value of public resources. This valuation reflects the importance of recreation lands to those who live nearby, as well as the non-market value that visitors enjoy when they recreate at Santa Barbara County beaches, trails, and parklands.
- **The value of the recreation lands in Santa Barbara County is also expressed in the home price premiums in nearby neighborhoods.** Property value studies find that being near open space can increase property value by as much as 20 percent.¹ Economic literature

¹ Kathleen Wolf, Ph.D, in the University of Washington's Urban Forestry/Urban Greening Research on "Green Cities: Good Health".

commonly finds that market prices for residential properties within 1,500 feet of recreation lands exhibit a pricing premium of 2 to 6 percent.

- **Open space, parks, trails, and recreation programs encourage people to exercise, ultimately resulting in improved public health outcomes.** According to the Surgeon General, 300,000 deaths each year in the United States are attributable to obesity and regular exercise is essential to treatment and prevention. There is increasing agreement that the presence of parks, trails, and other recreational infrastructure promotes beneficial levels of physical activity. In Santa Barbara County, recreation assets are commonly used for a variety of highly physical recreation activities, supporting exercise that translates into medical cost savings and enhanced worker productivity (fewer work absences) associated with improved health.
- **Open space preservation, parks, and other recreation lands support the continuing natural functions of our landscape.** Santa Barbara County's recreation lands help conserve open land uses, which play a critical role in the environmental sustainability of the region by providing a range of ecosystem services that enhance air quality, water quality, and energy conservation, and support species habitat among other benefits.
- **Looking to the future, additional investments in recreation assets may increase economic activity and the societal value of the county's public recreation asset portfolio.** The Countywide Recreation Master Plan is considering possible new public recreation facilities, including competition sports complexes and aquatic centers in communities where the needs for these facilities exist. New facilities that draw additional visitation from other areas of California and beyond, such as a competition complex, will generate new spending in the local and regional economy, as added visitors purchase lodging, food, transportation, and incidentals. Alternatively, an aquatics center might be more local serving and less likely to generate new economic activity but still would be valuable. Such a facility might create new non-market recreation value and health value for residents by filling an unmet recreation need in an underserved area. In addition, access to aquatic facilities may be valuable for community resilience for cooling and accessible recreation for children on high-temperature days, particularly when planned as part of community resilience hubs.

INTRODUCTION

Overview of Santa Barbara County Recreation Lands

With nearly 917,000 acres of recreation land area, including over 160 parks, Santa Barbara County enjoys a diverse and geographically distributed portfolio of public recreation resources. Park planning in the county is divided into five Recreation Planning Areas, plus Los Padres National Forest and the Vandenberg Space Force Base, as shown in **Figure 1**.

Figure 1 Recreation Planning Areas of Santa Barbara County



Definition of Recreation Lands/Types of Parks

As part of the Recreation Master Plan, an inventory of parks and other public recreation assets in Santa Barbara County was created and evaluated, cataloging the resources by their type, size, ownership, and available amenities, as well as each property's proximity to residents and transit. In general, the recreation lands in the inventory can be categorized into the following classifications:

- *Pocket Park*: Local parks that are generally less than an acre in size serving specific needs in the immediate vicinity, including seating or a small playground. Pocket parks are typically managed by a local agency, such as a city's parks department, or a special recreation district such as the Isla Vista Recreation and Parks District (IVRPD) or Cuyama Valley Recreation District (CVRD).

- *Neighborhood Park:* Local parks that are intended to serve residents in the neighborhood vicinity. They are small to medium-sized, with amenities like picnic areas, lawn areas, or playgrounds, as well as trail connections. Neighborhood parks are usually managed by a local agency such as cities, the County, IVRPD, or CVRD.
- *Community Park:* Local parks that serve a geographically broader community than a neighborhood park. Community parks may include recreational facilities like tennis courts, competitive sports fields or courts, aquatics centers, regional trail systems, or other amenities that may not be commonly found in neighborhood or pocket parks.
- *Regional Park:* Regional parks are often larger and aim to be a regional destination for outdoor recreation, supporting a wide range of recreation needs. Regional parks are provided by County Parks. For example, Waller Park, which is managed by County Parks in the Santa Maria Valley, includes picnic facilities, playgrounds, and trails, along with a disc golf course. Other regional park facilities are provided by the Elings Foundation on the South Coast.
- *Beach:* The Santa Barbara County coastline is known for its coastal access areas. They may be managed at the city, county, or state level. Beaches in the county are located primarily on the South Coast with very limited opportunities in the Lompoc Valley and Santa Maria Valley (e.g., Guadalupe Dunes County Park, Jalama Beach County Park).
- *Open Space:* Open space areas generally contain fewer built amenities and support trails and limited amenities (e.g., restrooms, signage, benches). With less disturbances, public open spaces are popular spots for hiking, bird watching, or on-leash or off-leash dog walking.
- *State:* Recreation lands that are managed by a state agency and include state beaches, state parks, and state historic preserves.
- *National:* Federally managed lands such as Channel Islands National Park and Los Padres National Forest.
- *Other:* Recreation areas of varying sizes and uses. Sites in this category include private golf courses, fairgrounds, museums, zoos, community centers, or other limited-access access recreation areas.

Table 1 below summarizes the total acres of recreation lands by park type and planning area. In total, Santa Barbara County has over 800,000 acres of public and private recreation lands. Over 770,000 acres are contained within federal lands, including the Channel Islands National Park, Vandenberg Space Force Base, and Los Padres National Forest, which extends also into Monterey, San Luis Obispo, Ventura, and Kern counties. The remaining approximately 37,000 acres comprise public parkland and open space that has open access, as well as private facilities (e.g., golf courses) or other public lands that have restricted access (e.g., natural resource conservation programs). Excluding the "Other" recreation assets, the South Coast planning area contains the greatest acreage and variety of parks, accounting for 48 percent of public recreation land countywide.

Table 1 Recreation Acreage by Location and Park Type

Type of Park	Cuyama Valley	Lompoc Valley	Santa Maria Valley	Santa Ynez Valley	South Coast	Santa Barbara County
Beach*		66	615		243	923
Community		296	283	185	453	1,217
Neighborhood	29	55	93	27	186	390
Open Space		5,198	10,892	8	9,474	25,572
Pocket		1	0	0	3	4
Regional			134		226	360
State		1,929	127	40	6,176	8,272
Total**	29	7,543	12,145	261	16,762	36,739

* Includes key public beach parks but does not capture every publicly accessible beach in the Santa Barbara County area.

* Excludes over 770,000 acres of other federal lands such as Los Padres National Forest, Channel Islands National Park, and Vandenberg Space Force Base.

Examples of Recreation Lands in Santa Barbara County

The different sizes and amenities available in each park result in differing visitor profiles, visitor use, and economic significance. Many of the neighborhood and community parks serve their local community for everyday recreation. Others, like beaches in Santa Barbara or state/national parks, are major tourist destinations, for which visitors outside of the county will plan trips to visit. EPS conducted a series of phone interviews to understand the wide variety of benefits that these different types of parks provide, their visitor numbers, and the demographics served.

Notably, the COVID-19 pandemic that began in 2020 has shifted visitation patterns at parks and recreation facilities. Parks offered a respite for physical or mental health as many places went into lockdown. In the last few years, some parks saw dramatic rises in visitor numbers due to greater interest in outdoor recreation, which was perceived as a safer form of recreation amid the pandemic. However, some cities closed their local parks or limited use of amenities as a safety measure or due to a lack of maintenance capacity, causing visitation to fall.

Among larger recreation lands such as the National Forest, trends such as social media popularity and van camping also influenced visitor numbers. Unique features such as dispersed camping or hot springs in some of the regional parks have generated newfound popularity among visitors.

Featured Recreation Lands

EPS surveyed County Parks and city parks departments, park rangers, and recreation coordinators, to understand how parks of varying types are sizes are used and the populations that they serve.

Local/Neighborhood Parks

Buena Vista Park

City of Santa Maria



Source: World Orgs

- Serves as a community backyard space for the residents of the surrounding high-density, multi-family housing units
- Hosts community pop-up events like "family fun days"
- Draws hundreds of visitors a day, a number that has grown significantly since 2020

Sunny Fields Park

City of Solvang



Source: Trip Advisor

- Boasts one of the most intricate playgrounds in the state, with 17 different ways for kids to climb down. This castle structure (left) draws families from out of town as well as residents
- Hosts soccer, softball, and beach volleyball leagues for adults as well as youth soccer leagues

Community Parks

Solvang Park

City of Solvang



- Located downtown in an optimal location for community events
- Hosts annual events like Pride as well as regular gatherings like concerts in the park
- Attracts approximately 500 visitors for events

Source: Solvang USA

Regional Parks

Waller Park and Hagerman Sports Complex

City of Santa Maria



- Draws adult residents to the pickleball courts and softball fields during the week
- Hosts a Junior Giants youth league on Saturdays
- Brings in crowds from all over the central coast and the rest of the state for year-round sports tournaments

Source: Santa Maria Sun

Hans Christian Andersen Park

City of Solvang



- Has a diverse range of amenities including walking trails, tennis and pickleball courts, and a skate park
- Can attract 400 people per day depending on the weather
- The skate park is particularly popular for local kids to visit after school and on summer mornings

Source: Solvang Sun

Beaches

Jalama Beach Campgrounds (Lompoc)

County of Santa Barbara



- The remote, rugged campground provides visitors with a unique isolated camping experience
- The popular surfing spot attracts people from all over the world, with approximately 70 percent of visitors coming from outside the county
- Campground use has increased during the COVID pandemic from 40 to 60 percent occupancy

Source: Outdoor Project

Goleta Beach (Goleta)

County of Santa Barbara



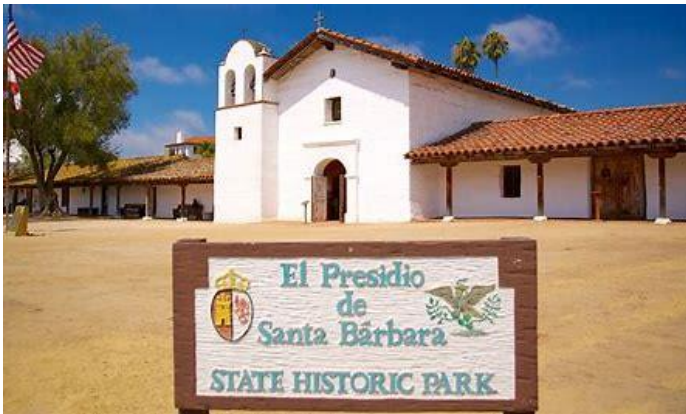
Source: Trip Advisor

- Goleta attracts 1.3-1.5 million visitors each year, making it the most popular beach in the county
- The fishing pier is used by both recreational and substance fisherman
- The proximity to UCSB attracts frequent visitation from college students, especially for brief visits in between and after classes

State Parks

El Presidio de Santa Barbara

State Historic Park



Source: Expedia

- Operates school programs ranging from elementary school field trips 3rd to visits for college students studying historic preservation
- Hosts free programming events for residents like community history day, an Asian American film series, and a Dia De Los Muertos event
- The reconstructed Spanish forts attract tourists from all over the world and the natural landscaping in front provides passive use for residents

National Parks

Los Padres National Forest

U.S Forest Service



Source: U.S. Forest Service

- The Forest spans multiple counties, but the Santa Barbara region is considered one of the forest's "High Use Districts"
- More than 1.4 million visits in 2019
- Popular activities within the forest include hiking, camping, backpacking, and biking
- Visits have surged in recent years, with greater interest in outdoor recreation since the pandemic and with social media interest

Channel Islands National Park

National Park Service



Source: National Park Service

- While the islands are in Santa Barbara County, the mainland Visitor Center and public ferry launching point are in Ventura County to the south. Private boats may also sail to the island
- Visitors to the island may camp for several days or visit for 5-6 hours for a day trip. People at the mainland visitor center spend an average of 2 hours there
- Popular activities include hiking and camping
- More than 312,000 visitors in 2021 visited the Channel Islands and/or its visitor centers

Economic Significance of Recreation in California

In California, the travel industry creates many direct jobs and drives a large amount of resident and visitor spending. With the abundance of parks and beaches combined with warm weather year-round, outdoor recreation is a major economic driver for Santa Barbara County. Data from the Bureau of Economic Analysis and Dean Runyon Associates discussed in this section provide an estimate of the size/scale of the tourism and outdoor recreation economies in California and Santa Barbara County.

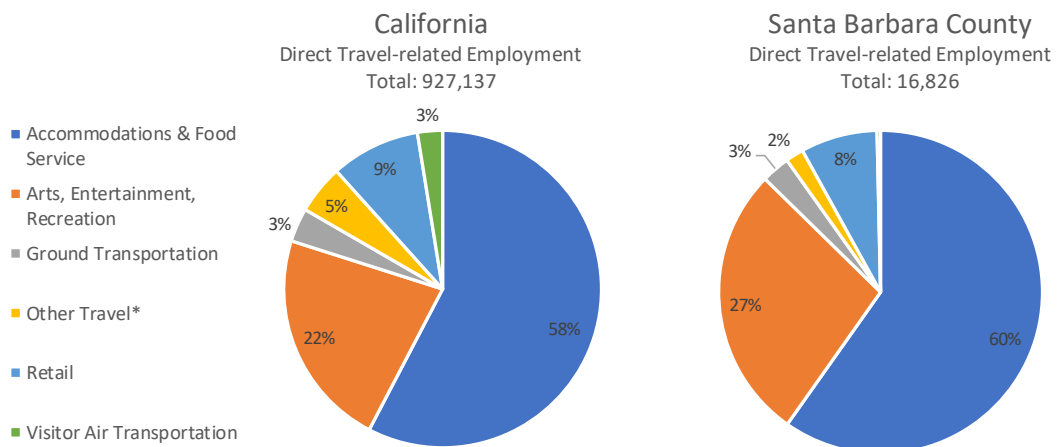
Tourism/Travel

Tourism is a significant component of the California economy. In 2021, travel employment across the state totaled 927,000, with every \$1 million in direct travel-related spending creating over 9 jobs.

Dean Runyon Associates, in its annual report for Visit California, estimates the economic impact of travel from “visitor trips,” defined as trips where individuals stay overnight or travel more than 50 miles one way on a non-routine trip. Statewide, there was \$100.2 billion in direct travel spending in 2021, generating \$9.8 billion in state and local tax revenue. Direct impacts are attributable to travel expenditures made directly by travelers. This spending was primarily in the accommodations and food service sectors.

In Santa Barbara County, Dean Runyon Associates estimate that \$1.6 billion in travel-related spending in 2021 resulted in \$173.9 million in state and local tax revenue. This accounts for 21 percent of travel spending in the Central Coast region (which also includes Monterey, San Luis Obispo, and Ventura counties). **Figure 2** demonstrates the travel-related employment by sector for California and Santa Barbara County, where 16,800 direct jobs are from travel. As shown, Santa Barbara has a relatively high employment share in “arts, entertainment, recreation” establishments, with less employment in transportation support services.

Figure 2 California and Santa Barbara Travel-related Employment Impacts



Source: Dean Runyan Associates

* Other Travel includes travel to outside the region, travel arrangements, and trade shows

Hotel data also help characterize tourism in the county. The South Coast area, where the City of Santa Barbara and many of the county’s popular beaches are located, has the greatest number of hotel properties and rooms, and also the highest average daily room rate at \$323 per day. While 55 percent of rooms are concentrated in the South Coast area, some portions of north

Santa Barbara County also have significant hotel inventory. The Santa Ynez Valley, known as a food and wine destination, has 42 properties and the second-highest average daily room rates at \$235 per day. In the last 12 months, hotels in Santa Barbara County had an average 69 percent occupancy rate, with an average daily rate of \$269. **Table 2** shows the hotels by regional planning area in Santa Barbara County.

Table 2 Hotel Availability and Occupancy (Midyear 2022)

Geography	Number of Properties	Number of Rooms	12 mo. Occupancy	12 mo. Avg. Daily Rate
Cuyama Valley	1	22	61.3%	\$114
South Coast	109	5,911	69.8%	\$323
Santa Maria Valley	27	1,645	68.1%	\$170
Santa Ynez Valley	42	1,950	70.6%	\$235
Lompoc Valley	13	1,191	65.5%	\$168
Santa Barbara County	194	10,810	69.1%	\$269

Source: Costar

Outdoor Recreation

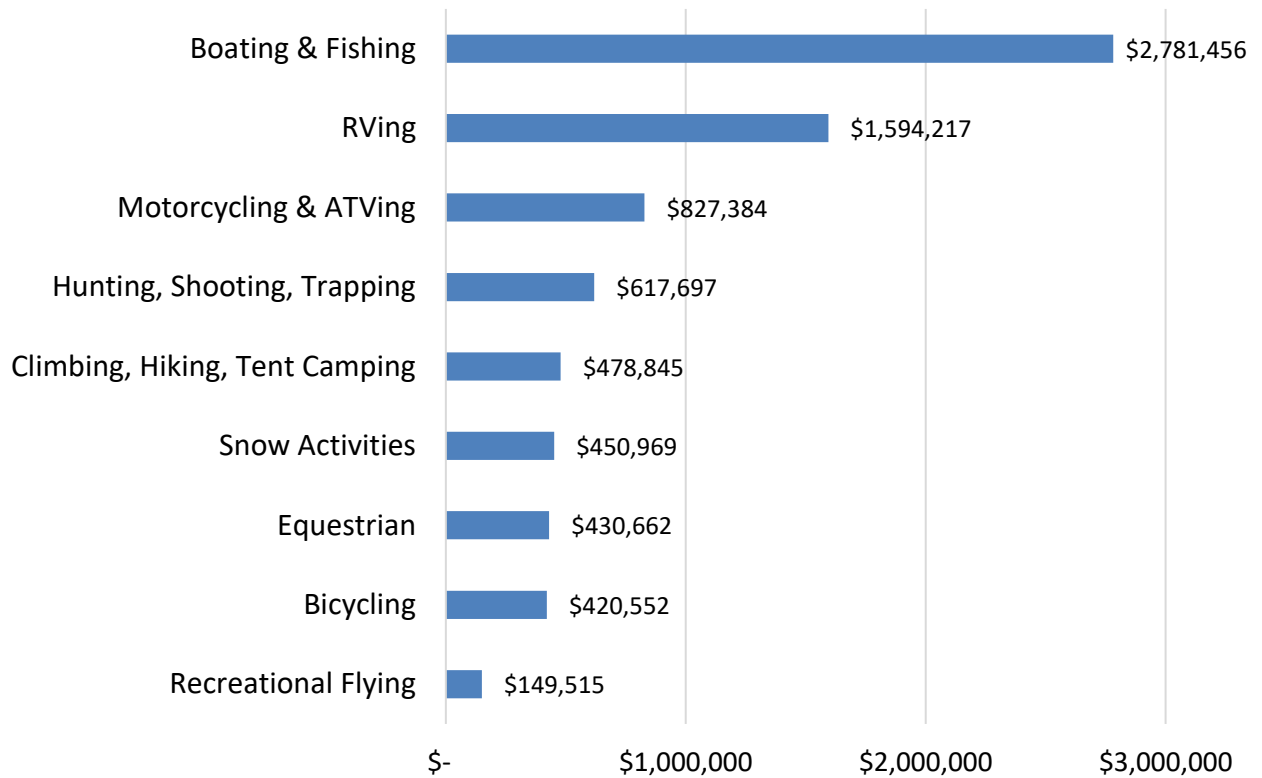
Outdoor recreation is a significant portion of the overall travel and recreation industry. On a national level, the Outdoor Industry Association estimates that Americans spend \$689 billion on outdoor recreation each year, exceeding consumer spending on pharmaceuticals or vehicles. This gross spending includes bicycling, hunting, fishing and boating, hiking, camping, climbing, RVing, snow sports and other conventional outdoor activities; other outdoor activities including amusement parks, festivals, concerts, sporting events, field sports, and guided tours; and supporting activities such as construction, travel, lodging, food and beverage, and government expenditures.²

The Bureau of Economic Analysis estimates that outdoor recreation in California contributed \$44.5 billion annually to state domestic product, 1.5 percent of GDP, in 2020. This includes spending on recreational activities (sports, camping, hiking), outdoor events (concerts or festivals), and supporting activities (construction, supply chain). Outdoor recreation also employs more than 488,000 workers or 2.8 percent of total state employment.³ As shown in **Figure 3**, activities like boating and fishing as well as “RVing” have the greatest economic contributions in California, with each contributing more than \$1 billion to GDP each year. These and other “conventional” outdoor activities add about \$15 billion to California GDP. Other recreational activities, including gardening, outdoor concerts, and games and sports fields add nearly \$8 billion to California GDP.

² Davis, Kelly. State of the Outdoor Market, August 2022; Outdoor Industry Association 2022.

³ US Bureau of Economic Analysis, California Outdoor Recreation Satellite Account (ORSA), 2020.

Figure 3 Outdoor Recreation in California, 2020 Value Added ('000s \$)



Source: Bureau of Economic Analysis, 2020

A 2017 South Coast Tourism Economic Impact study suggests that outdoor recreation opportunities are a major attraction for visitors to the South Coast region and that there could be even more economic activity attributable to tourism than had been identified by Dean Runyan Associates.⁴ The research estimates that 7.2 million annual visitors to Santa Barbara County’s South Coast spent approximately \$1.9 billion (September 2016 – August 2017). Among these visitors to the South Coast, 55 percent visited beaches, 20 percent visited gardens/parks, and 13 percent went hiking. This demonstrates not only the popularity and significance of tourism in the county but also the importance of outdoor recreational opportunities in attracting visitors to the Santa Barbara County region.

Visitor data for some of the most popular beaches—such as Stearns Wharf and Goleta Beach— attract over 1 million visitors annually. Recreation lands such as the state and national parks also attract large numbers of visitors. Across all its counties, Los Padres National Forest receives more than 1.4 million visitors each year. The Channel Islands National Park received more than 312,000 visitors in 2021.⁵

⁴ 2016/17 Santa Barbara South Coast Visitor Profile & Tourism Economic Impact Study prepared for Visit Santa Barbara by Destination Analysts, Inc.

⁵ This figure includes visits to the mainland visitor center for Channel Islands National Park, located in Ventura County.

ECONOMIC IMPACTS AND RECREATION VALUE

Economic Perspectives on Recreation Value

Academic studies, professional research, and public policies increasingly recognize the societal value and economic significance of open space, parks, and recreation. A variety of publications have cited the strong connection between quality of place, wellness, and economic vibrancy. Robust parks and open space systems have been identified as critical factors in attracting tourism as well as successful, innovative businesses and skilled labor, and in turn, enhancing and sustaining local and regional economies. The importance of recreational opportunities in supporting healthful living and worker productivity also has become a national dialogue. The economic value of ecosystem services also increasingly is a focus of public policymakers.

Recreation assets benefit local and regional populations and economies in a variety of ways, including through non-market societal benefits enjoyed by residents and visitors, as well as from visitor spending at local businesses. Economists rely on wide-ranging approaches and metrics to value the economic benefits of public recreation assets, with different methods used to isolate unique benefits values. Recent studies that focus on valuing the societal benefit of recreation lands have considered recreation benefits, health benefits, ecosystem services, and real estate value premiums, none of which are clearly expressed in typical market transactions.⁶ In addition, economists also study regional economic impacts associated with spending attributable to visitation at recreation areas and facilities.

This study offers initial order-of-magnitude quantitative measures of the economic benefits generated by Santa Barbara County recreation lands, focusing on recreation value and regional economic impact. The analytics build on current academic and professional literature. The purpose of these preliminary estimates is to provide the public, businesses, and civic leaders with a better understanding of the contributions of recreation lands and recreational opportunities in the county.

⁶ “Non-market” values represent what consumers are willing to pay for a recreation-related benefit. For example, visitors to California beaches who do not pay admission might be willing to pay if admission were charged, and this willingness to pay is a measure of economic benefit, even though no actual spending occurs.

A Note about Economic Estimates

This paper considers both “economic value” and “economic impact.”

- **Economic value** measures how much a good or service is worth to residents of a specified geographic area.
- **Economic impact** measures economic activity within a specified geographic area (e.g., jobs, employee compensation, sales).

These distinct economic concepts should not be added together.

Estimation of the economic value of natural resources is complex because total value includes “non-market” benefits (value that is not expressed through a market transaction). Economists use a variety of techniques to estimate non-market benefits. This paper discusses several estimating approaches, some of which generate economic values that may overlap.

Santa Barbara County recreation lands play a critical role in the economic well-being of the county. The region’s nearly 450,000 residents and roughly 170,000 workers in eight cities and additional unincorporated communities benefit from the diverse network of green infrastructure. The benefits of the recreation assets can be assessed from numerous angles—environmental, social, and economic, among others. This paper considers the economic values that can be placed on the important and diverse ways in which recreation lands, programs, and investments intertwine with the County’s economy, quality of life, and environmental well-being. Quantitative measures include direct economic impacts and recreation value, while property value effects, health benefits, and ecosystem services are addressed qualitatively.

Regional Economic Impacts

Economic Concept

Regional economic impacts are generated when Santa Barbara County recreation lands attract spending from outside the region that would not occur otherwise. While many visitors to county recreation areas are residents, natural and constructed amenities are a significant draw for visitors from throughout California and beyond. Visitors from outside the county often combine their recreation visits with eating, drinking, and shopping at local restaurants, bars, and retail establishments. This visitor spending introduces new dollars flowing into the local and regional economy that would not occur in the absence of the county’s recreational assets.

Methodology

Economic impact analyses commonly are employed to quantify the effect of spending within a regional economy. In the case of Santa Barbara’s recreation assets, non-resident visitors to park and recreation assets generate “new” spending in the county. To quantify economic impacts attributable to visitors, this paper considers 2017 survey data on visitors to the Santa Barbara South Coast area and their average daily spending. These data are extrapolated to a countywide estimate by assuming that South Coast attracts 55 percent of visitor days, an assumption that is rooted in the county’s hotel inventory. Based on survey data, visitor spending attributable to visits to “beaches” and “parks” is assumed to be between 20 percent and 50 percent of visitor days on the South Coast. Recreational visits in north county areas are assumed to be just 20

percent due to the region’s limited beach access but recognizing visitation to Santa Ynez, Lompoc, Santa Maria, and Cuyama Valleys for wine tourism, camping, hiking, and rural coastal access, including Jalama Beach and Point Sal. Based on these recreation data and extrapolations, direct spending is derived by multiplying the total number of visitor days by average daily spending. Visitor spending in the South Coast region is from survey data, and while North County spending is assumed to be similar, it is adjusted downward to reflect lower-cost lodging and dining options there.

Importantly, direct visitor spending in turn supports additional jobs and further spending throughout the county. While not estimated here, this ripple effect from successive rounds of spending could be quantified using established economic multipliers for various industries such as hospitality, retail, food and beverage, transportation services, and other industries.

Impact Estimate

To calculate order-of-magnitude estimates of direct visitor spending attributed to Santa Barbara County’s public recreation assets, this study relies on survey data to estimate the total number of out-of-county visitors and average visitor spending figures. This analysis assumes that 20 percent to 55 percent of all visitor days are attributable to Santa Barbara’s beaches and parks, with the lower rate reflecting reported visitation to parks and the higher rate reflecting visits to beaches, based on survey findings on visitor participation in these activities. With an average visitor spending of about \$200 per day in the Santa Barbara County economy, the economic impact of visitors who go to parks and beaches is significant.

This analysis estimates that the presence of Santa Barbara County’s recreation assets generates annual direct visitor spending of between \$725 million and \$1.5 billion per year. Within this range of total annual visitor spending, \$56 million per year is attributable to visitors attending a sports tournament or event. This direct visitor spending includes expenditures on retail goods, food and beverages, transportation, and overnight accommodations. Spending in these areas also generates economic ripple effects throughout the local economy.

Table 3 Annual Visitor Spending

Category	Order-of-Magnitude Estimates	
Recreation Visitor Days (Non-Residents)	3.9 million	7.6 million
Visitor Spending per Day	\$185	\$200
Total Direct Visitor Spending	\$725 million	\$1.5 billion

Recreation Value

Valuation Concept

Residents of Santa Barbara County as well as out-of-county visitors enjoy a variety of valuable recreational activities and experiences at regional recreation areas, many of which are accessible for little or no charge. Given the lack of market pricing for recreation experiences, economists commonly measure the non-market economic benefits of recreation using participants' "willingness to pay" for the activities. Because willingness to pay cannot be measured by studying direct market transactions, economists commonly rely on survey research or data on indirect but related economic activity (e.g., travel cost) to establish recreation value. When asked, park visitors often place a high stated value on their experience.

Methodology

Non-market recreation value has been well established in academic literature and professional studies dating back to the 1960s. "Stated preference studies" estimate recreation value by asking recreation participants what value they place on specific activities. "Revealed preference studies" infer the value a recreation participant places on a specific experience, by considering the travel costs incurred to visit a park, for example. Economists rely on studies that use both stated and revealed preference valuation approaches to establish values for recreational activities. Commonly, per-day values for specific recreational activities are applied to visitation estimates by activity type, an accepted method referred to as the "Unit Day Value" approach.⁷

Valuation Estimate

This paper provides an order-of-magnitude estimate of non-market recreation value in Santa Barbara County by applying the Unit Day Value approach. The analysis relies on per-day values ranging from \$4 to \$12 and total annual recreation days of 6.2 to 9.8 million visitor days (including estimates of resident days and visitor days). Estimates of resident days recreating are derived from a State Parks recreation survey, while non-resident visitor days are derived from the 2017 survey of South County visitors.⁸ Together, the total annual recreation value attributable to County recreation lands is estimated at roughly \$30 million to \$68 million per year, with an average visit valued at about \$6.50 to \$6.75 per day.

⁷ Carlson, Bruce. D., "Memorandum for Planning Community of Practice, Economic Guidance Memorandum, 16-03, Unit Day Values for Recreation for Fiscal Year 2016," U.S. Army Corps of Engineers, October 16, 2015.

⁸ Survey on Public Opinions and Attitudes on Outdoor Recreation in California (SPOA) 2012; 2016/17 Santa Barbara South Coast Visitor Profile & Tourism Economic Impact Study (prepared for Visit Santa Barbara by Destination Analysts, Inc.)

Table 4 Annual Recreation Value Estimate

Recreation Activity	Visitor Days	Per Day Value	Total Value
Hiking, Biking, Swimming & Fishing	4.7 – 8.3 million	\$7.00	\$33 million - \$58 million
Walking, Driving (for Pleasure), Playing	1.07 million	\$4.00	\$4.3 million
Picnicking and Sports	0.34 million	\$9.00	\$3.1 million
Camping	0.07 million	\$12.00	\$0.8 million
Total	6.2 million – 9.8 million	\$6.70 - \$6.80	\$41 million - \$66 million

OTHER ECONOMIC BENEFITS OF RECREATION LANDS

Property Value

Consumers reveal their willingness to pay for parks, open spaces, and recreational opportunities in the price that they pay for real estate. Research has shown that in many cases, the value of real estate adjacent to and near parks and open space exhibits a price premium attributable to enhanced access and proximity to recreational activities and natural beauty, among other beneficial attributes.⁹

There is a substantial body of literature dating back to the 1970s that measures the value of parks and recreation areas through the examination of property value patterns, using statistical methods to isolate the value of parks from other property attributes. There have been hundreds of published studies that rely on “hedonic price models” to estimate the benefits of environmental amenities.¹⁰ Hedonic property value studies infer the value of open space by estimating the market value of a property based on the characteristics of the property, including proximity to open space and other characteristics. Over the past 25 years, researchers have used property value analyses to study the economic effects of a broader variety of open space types than traditional parks, including natural lands, greenbelts, wetlands, forest lands, and agricultural lands. These research efforts have identified statistically significant connections between open space and property values across a range of open space types and geographies. Key determinants of the magnitude of open space value observable in property value include the property’s distance from open space, the accessibility of the open space, the range of activities available, as well as the quality of land management and park stewardship (e.g., maintenance and safety).

Professor John L. Crompton from the University of Texas A&M, a leading expert on the influence of parks and open space on property values, has authored a comprehensive overview of the body of literature on the topic of hedonic valuation of open space. Key general findings of Dr. Crompton’s extensive review of relevant studies include the following:

- Value premiums for parks can vary substantially, from negative 3 percent to positive 30 percent.
- Negative property premiums are associated with urban parks with poor public safety and poor maintenance.
- The highest property premiums are associated with single-family detached homes adjacent to larger, passive-use (non-consumptive) open space.

⁹ The body of economic literature that relies on hedonic price models to infer open space values has focused on residential uses. While commercial real estate prices also may include value attributable to open space, this analysis relies solely on the well-established contribution of parks and open space to nearby homes.

¹⁰ McConnell and Walls, *The Value of Open Space: Evidence from Studies of Nonmarket Benefits*, 2005.

- Park premiums are highest for properties within one-eighth of a mile (660 feet or less).
- Park premiums also are often statistically significant for parks within one-third of a mile (about 1,750 feet), though commonly drop off quickly beyond this distance.

Healthcare Value

There is widespread agreement that parks, trails, and recreation facilities provide opportunities to participate in physical activity that is beneficial to one's health. Santa Barbara recreation lands and facilities offer many residents easy access to parks, open space, and trail systems. With a significant share of visitors to parks engaging in exercise (moderate- and vigorous-intensity) activities, recreation lands and facilities contribute to positive health outcomes and reduce medical costs.

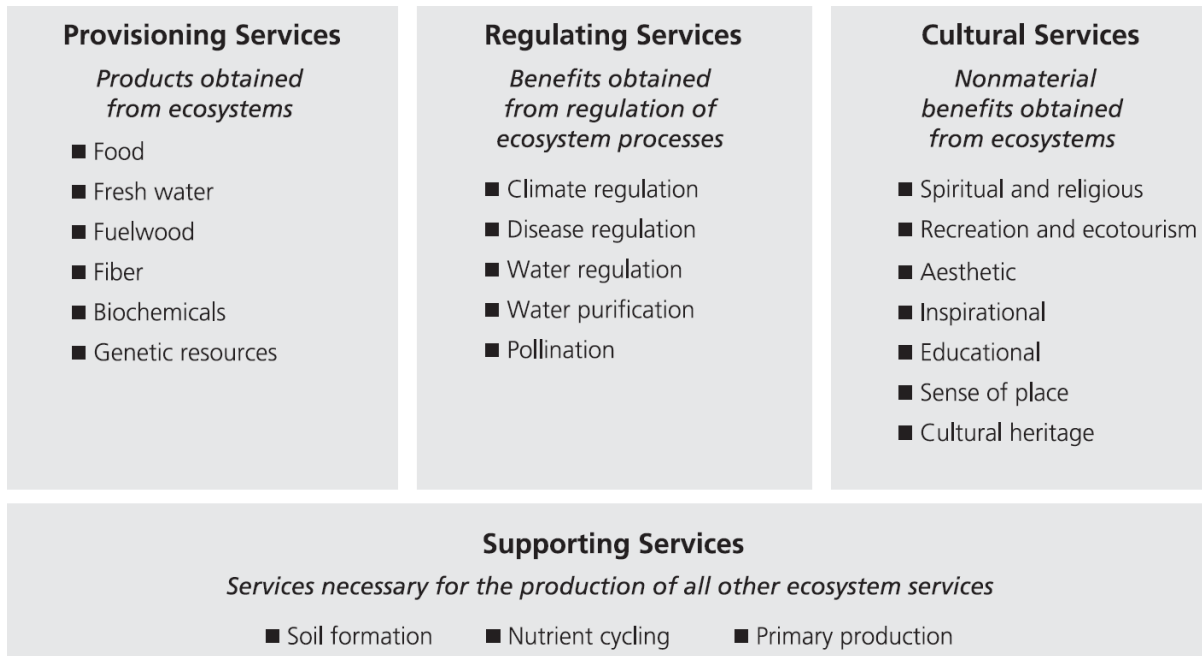
Exercise on recreation lands that would not occur in the absence of these lands results in avoided medical costs attributable to the recreation assets. This framing recognizes that recreational substitutes may exist and that if public recreation lands and facilities were unavailable, some visitors would find alternative venues for their recreational pursuits. For example, visitors may have gym memberships, play recreational sports at private facilities, or engage in other physical activities that promote wellness. However, research has found that some exercise activity is attributable to the accessibility of public recreation lands since some survey respondents have indicated that they would "stay home" and not engage in physical activity if local parks were to temporarily close. Healthcare savings attributable to recreation lands are likely since physically rigorous activities would not occur without these recreation assets.

Ecosystem Services

"Ecosystem services" is the term used to capture a broad array of benefits provided by the preservation of open space, habitat, agricultural land, parkland, and water bodies, many of which are not captured in typical economic valuation analyses. Ecosystem services include benefits that humans derive directly or indirectly from natural ecosystem functions. Because ecosystem services typically are not captured in market transactions (i.e., consumers do not pay for these services directly), they are frequently under-recognized benefits of open space.

Over the last 20 years, environmental scientists and economists have focused increasing attention on the concept of ecosystem services, improving the characterizations and values associated with the diverse suite of benefits that flow from the preservation of parkland, open space, and working landscapes. Most notably, the United Nations Millennium Ecosystem Assessment (MA), initiated in 2001, assessed the consequences of global ecosystem change and the scientific basis for sustainability actions. More than 1,360 international experts contributed, with findings regarding ecosystem services and the alternatives that exist to restore, conserve, and enhance global ecosystems. Recognizing that some categories overlap, the MA classifies ecosystem services along functional lines, including provisioning, regulating, cultural (**Figure 5**), and broad supporting services.

Figure 5 Categories of Ecosystem Services



Source: United Nations Millennium Ecosystem Assessment (2003)

This categorization of ecosystem services (and other similar ones) has driven much of the subsequent literature and is consistent with some of the earlier efforts to evaluate ecosystem services. These categories included not only the provisioning services and regulating services (many of which are unique to open lands and waters) but also cultural services. The cultural services category captures the recreational value of open space/parklands to users (often termed recreational value) as well as the aesthetic (natural beauty) that affects property values and other measures of the value of parks.

The primary studies that have sought to quantify the economic value of ecosystem services in specific regions have used the “benefits transfer” approach to value estimation. Because the cost of conducting primary studies on the broad range of ecosystem services provided is cost-prohibitive for an individual region, benefits transfer studies rely on published academic and professional literature from a broad range of geographies and “transfer” findings to the region being studied.