

COLOMA LOTUS AREA

ECONOMIC IMPACTS ON EL DORADO COUNTY

Introduction

El Dorado County is known for its natural scenery and welcoming environment, which is why it is the playground for the Greater Sacramento Region and San Francisco/Bay Area. With its rich history, pristine parks, unique shopping and dining experiences, and its status as a premiere destination for outdoor recreation, the Coloma Lotus Area is a draw for travelers from across the United States and around the globe. As such, it also helps these visitors discover other tourism destinations throughout El Dorado County, including Apple Hill, Placerville, and surrounding areas making tourism the leading economic driver not only in the local area, but in the County as a whole.

Tourism plays a vital role in driving the Coloma-Lotus region's economy. The influx of tourists seeking adventure, relaxation, and cultural experiences provides a significant boost to local businesses and employment opportunities. The region's tourism sector includes accommodations, dining establishments, adventure tourism companies, and outfitters. Moreover, tourism contributes to the preservation and conservation of the area's natural and historical assets, as the community actively works to maintain the integrity of its landscapes while embracing sustainable practices. By offering a unique blend of natural beauty, historical significance, and a thriving tourism industry, the Coloma/Lotus region continues to captivate visitors and drive economic prosperity.

To help quantify the economic impact and benefits of tourism, El Dorado County and the Coloma Lotus Business Council partnered to conduct a regional survey of visitors and local businesses in the Spring and Summer of 2021.

Among the survey's key findings:

- Visitors from across the country come to the area and stay an average of 2-3 days.
- The top three attractions bringing visitors to the region are whitewater rafting, kayaking and swimming (77.9% of respondents), Visiting Marshall Gold Discovery State Park (46.4%), and eating out/going to a restaurant or bar (47%).
- Many visitors who stay more than one day spend anywhere between \$1,000 and \$10,000 per trip, generating a total of \$100,000 in local sales tax and TOT revenues in 2021 alone, and \$500,000 from 2017-2022.
- Of note, while tourism and recreation are the main drivers for the local economy, local businesses and residents also heavily rely on the food services, retail, financial, and other personal and professional services present in the Coloma/Lotus area.

In summary, the economic engine that is the Coloma Lotus area contributes substantially to the economy of El Dorado County. Though the area brings visitors and supports local residents and businesses, it does not have any direct County funding with local control to address issues such as impacts on infrastructure, expanding services, and other needs that the survey identified. Direct funding could be used to generate a sustained upward momentum of economic vitality for both the local area and the County at large by helping to create more jobs, bring in more visitors, enhance local services, and increase revenues.



Survey Methodology

Conducting visitor and business surveys is a crucial component in developing an accurate and comprehensive economic impact report. These surveys provide invaluable insights into the behaviors, preferences, and spending patterns of both visitors and local businesses, which are essential for understanding the overall economic impact of a particular region or event.

By collecting data directly from visitors, such as their demographics, travel habits, and expenditures, as well as gathering information from businesses regarding their revenues, employment, and supply chain connections, these surveys offer a holistic view of the economic contributions and opportunities present within a given area. The results obtained from such surveys help policymakers, economic development agencies, and businesses make informed decisions, shape effective strategies, and measure the success of initiatives aimed at enhancing local economies. Ultimately, conducting visitor and business surveys is an indispensable tool in accurately assessing the economic impact and ensuring sustainable growth and prosperity for a community or destination.

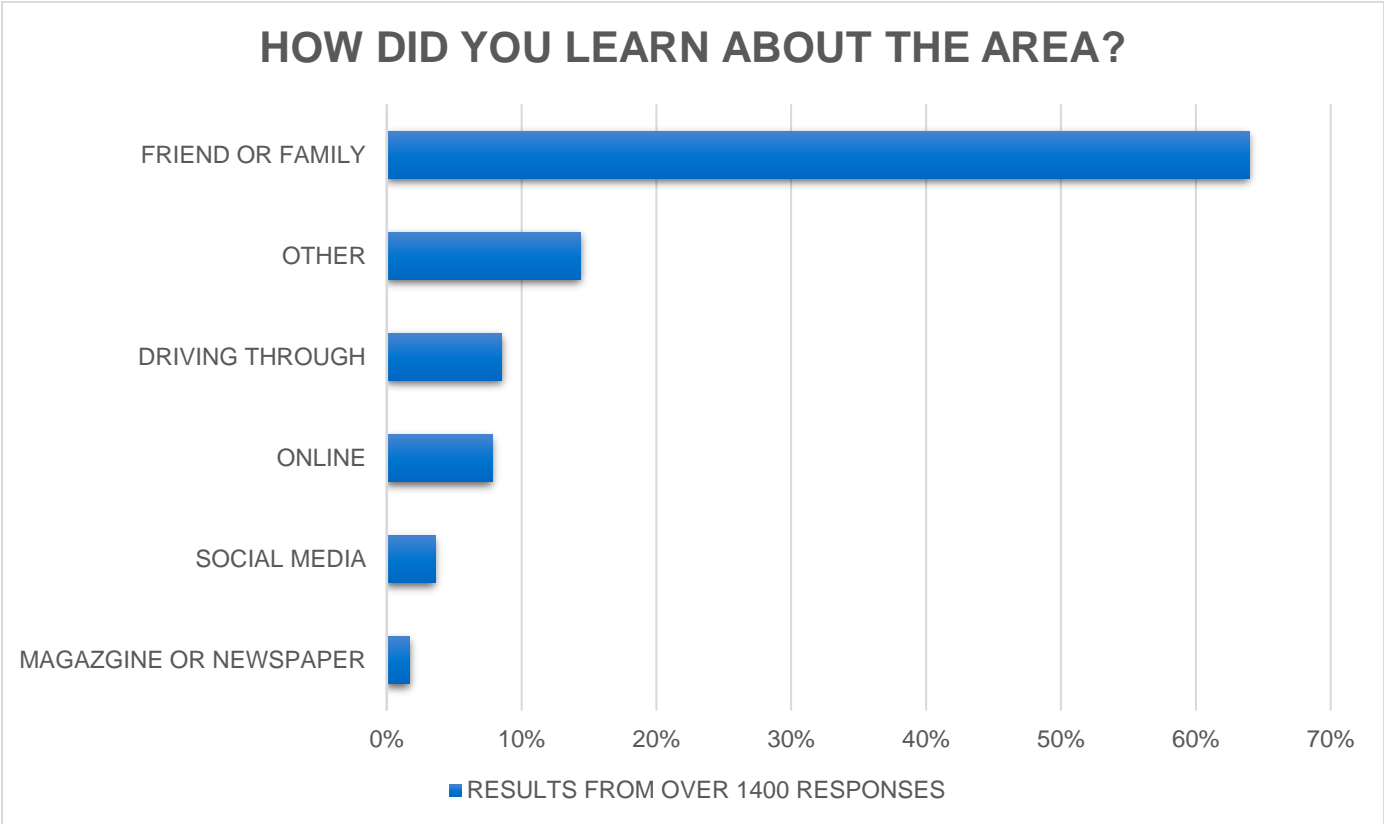
Visitor Survey: The Visitor Survey was conducted over six months and captured information from more than 1,400 visitors to the area. The information gathered came from both online surveys to visitors and on-the-ground, in-person surveys during the peak season. The goal was to capture information from visitors to gain a holistic view of the overall impact of tourism to the region. We received a total of 1,461 respondents from both online and in-person surveys. There were 181 online surveys and 1,280 in-person interactions.

Questions posed to visitors ranged from their origin of travel to activities pursued in the region, how they became aware of the area, how much they spent while visiting, and if or where they stayed overnight in Coloma/Lotus. The full survey results are included in the appendix of this report.

Business Survey: The business survey was conducted over 4 months and asked questions designed to help the team understand the primary economic drivers in the region, workforce impacts of local businesses, the financial impact of the region in both tax generation and gross revenue. Surveys were conducted in person, online and via email. More than 40 businesses participated in the survey. Full results are included in the appendix.

Survey data was extrapolated by employing statistical methods to forecast and estimate future trends based on the responses gathered, and its impact lies in offering valuable insights for informed decision-making, strategic planning, and accurate forecasting.

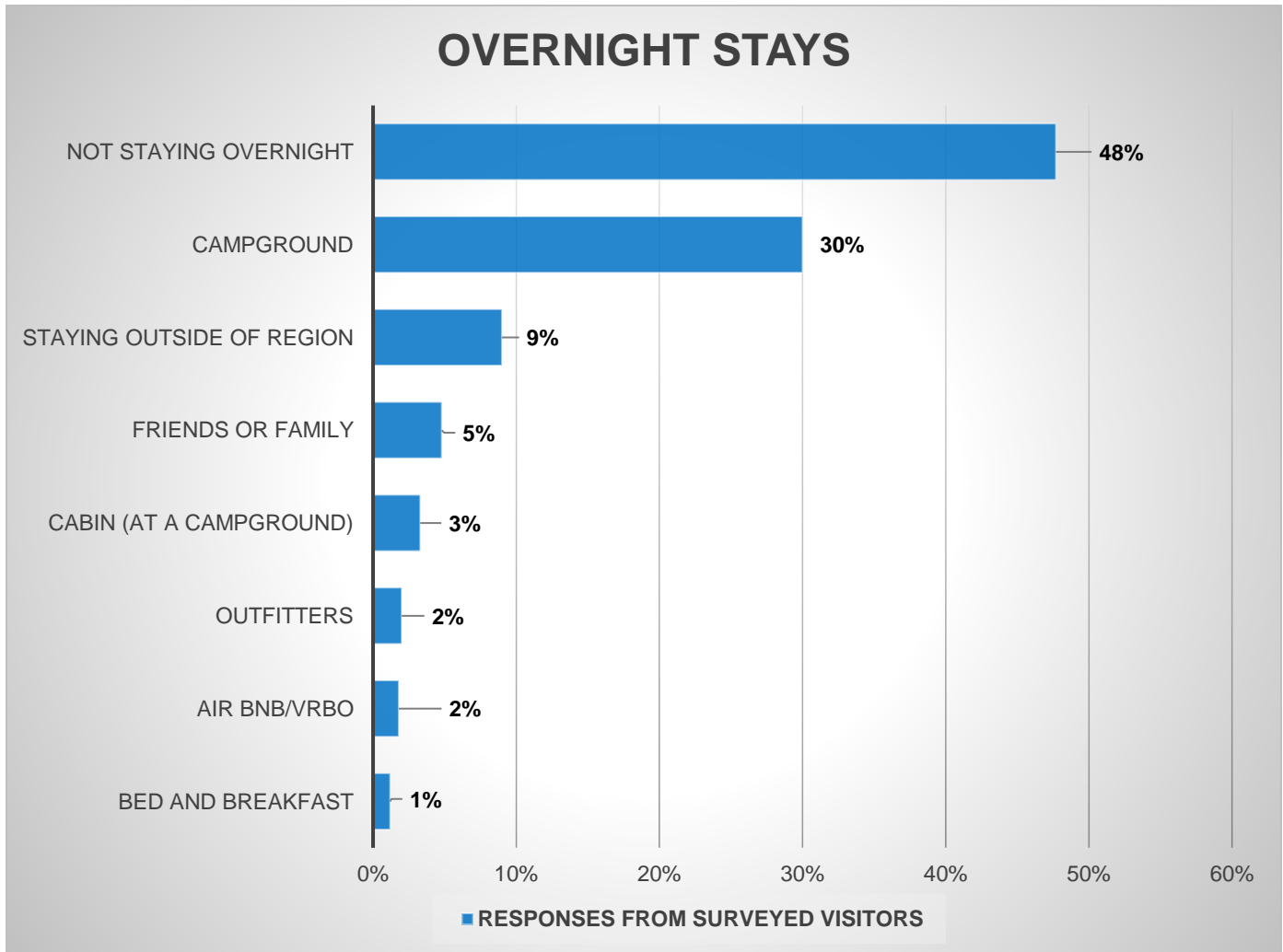
How Visitors Hear About the Area: The vast majority of visitors come to the Coloma-Lotus region based on a recommendation from friends or family. The next highest defined reasons for visits are interest generated from online research or tourists travelling through the area decide to make a stop on their way somewhere else.



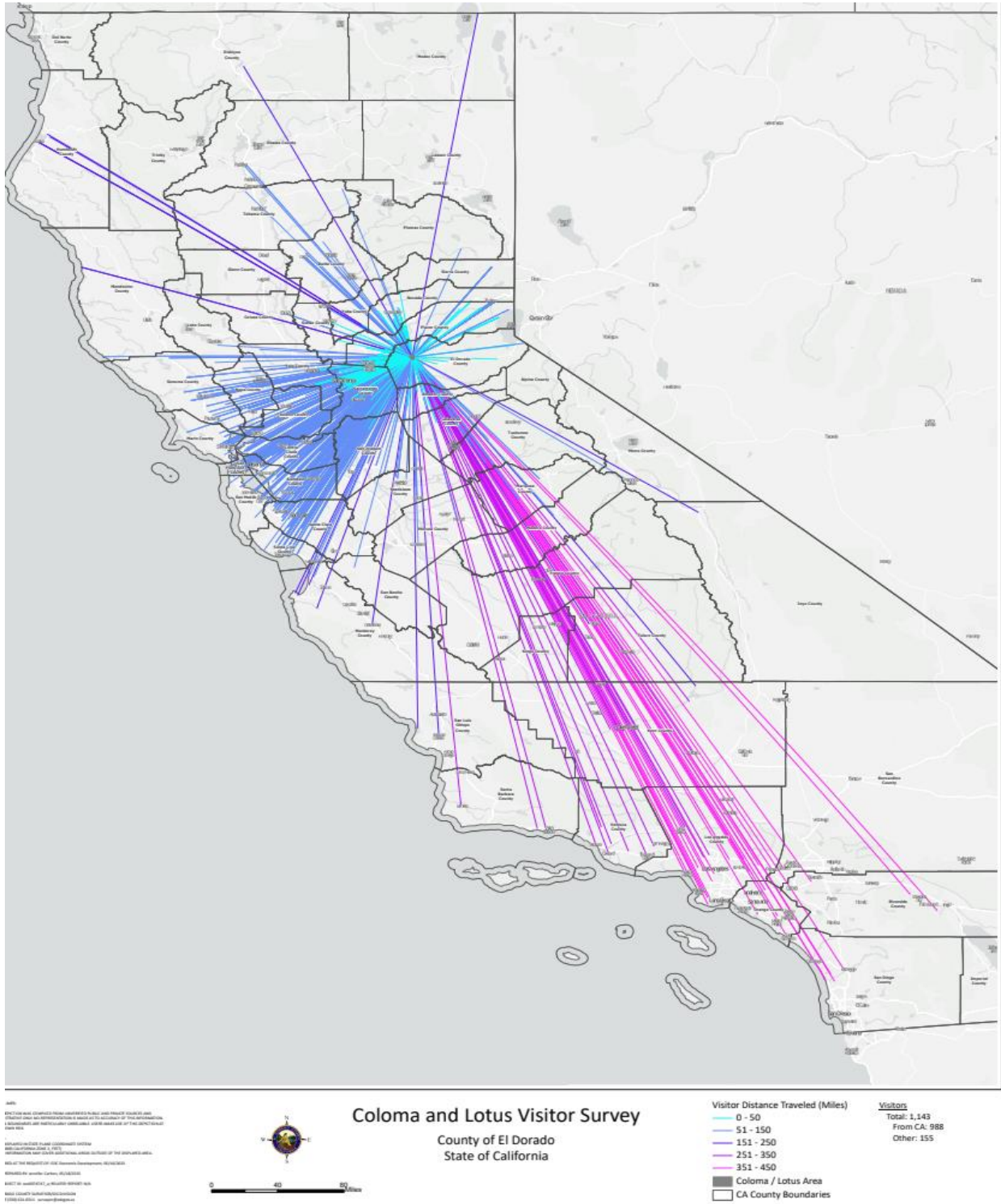
Why People Visit: The top three reasons visitors come to the area include visiting Marshall Gold Discovery State Park, Whitewater Rafting or Kayaking, and Eating Out/Going to a Restaurant or Bar. Other top reasons included swimming, live music, hiking, camp and visiting local parks.



Where People Stay: For those visitors that stay overnight, the average length of stay is 1-2 nights, with campgrounds being the #1 option visitors choose.



Where They Come From: While the area truly draws visitors from around the country, the majority of visitors are coming from Northern California. Of the 1,400 people surveyed 1,143 disclosed their origin of travel, 988 came from within California and 155 from outside the state, with the majority of those coming from northern California.



Areas of Need or Opportunity: Visitors highlighted a desire for more public access to the river, including more varied outdoor activities. Some of those activities included riverfront access to trails and swimming, bike trails, and sporting activities like tennis and pickle ball. Some respondents also expressed a desire for rental scooters to navigate the valley.

BUSINESS SURVEY

Key takeaways from the business survey include:

- The area includes more than 1,000 employees (full-time and seasonal), generating \$31.8 million in annual revenue, with annual payroll more than \$8.4 million.
- The three main employers in the region are:
 - **Whitewater outfitters**, which generated approximately \$20,400,000 in gross annual revenue on average since 2018 (among 22 outfitters). The total employee count is just over 900 with an annual payroll of \$5,750,000. These 22 outfitters served 142,410 visitors (not only river users) during the 2021 season.
 - **Food service establishments**—which serve the seasonal visitors and local residents year-round. The food establishments that participated in the survey produced roughly \$2,900,000 in gross revenue last year. The total employee count including many seasonal employees, was over 80 with an annual payroll of \$1,125,000, and they served more than 360,000 customers.
 - **Camping facilities** reported a combined total of \$5,810,000 in gross revenue. The annual payroll for the camping facilities with approximately 60 employees came in at \$1,625,000 and serving more than 105,000 customers.

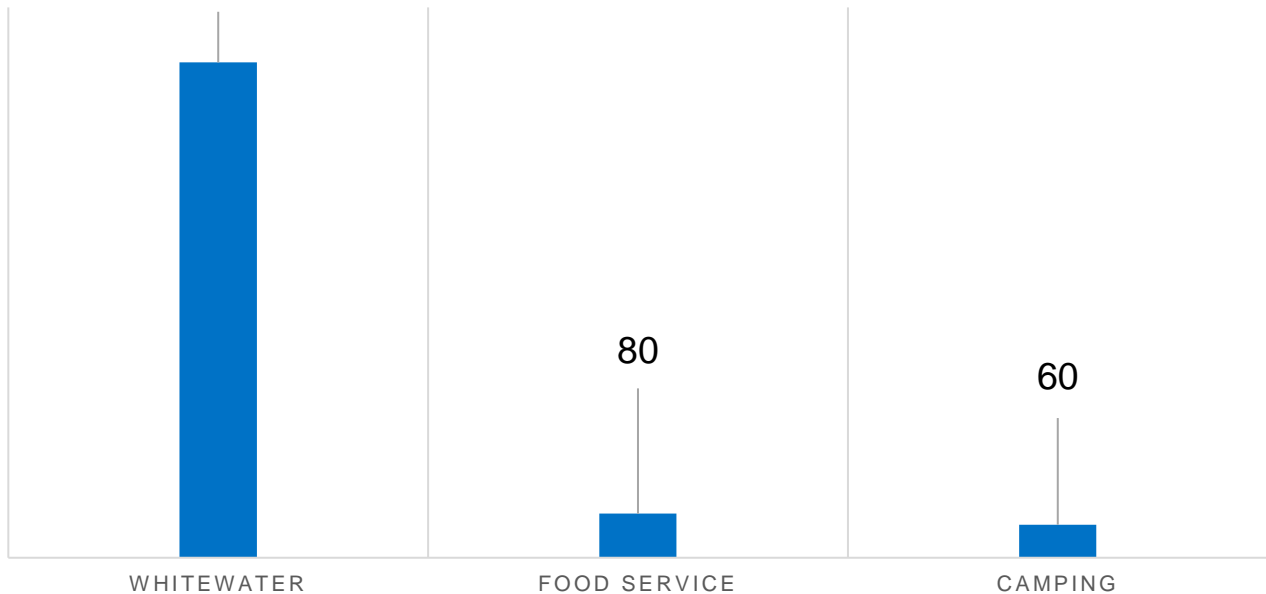
GROSS REVENUE

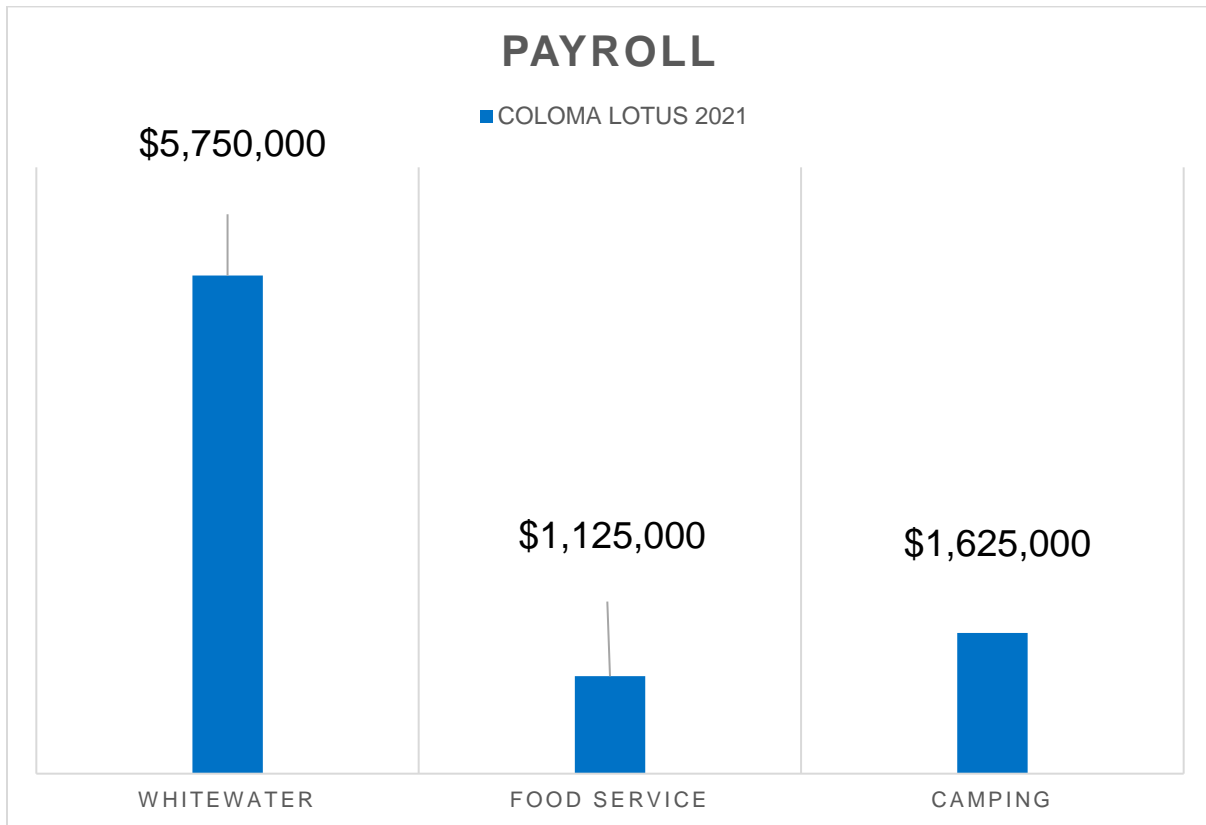
■ COLOMA LOTUS 2021



EMPLOYEE COUNT

■ COLOMA LOTUS 2021

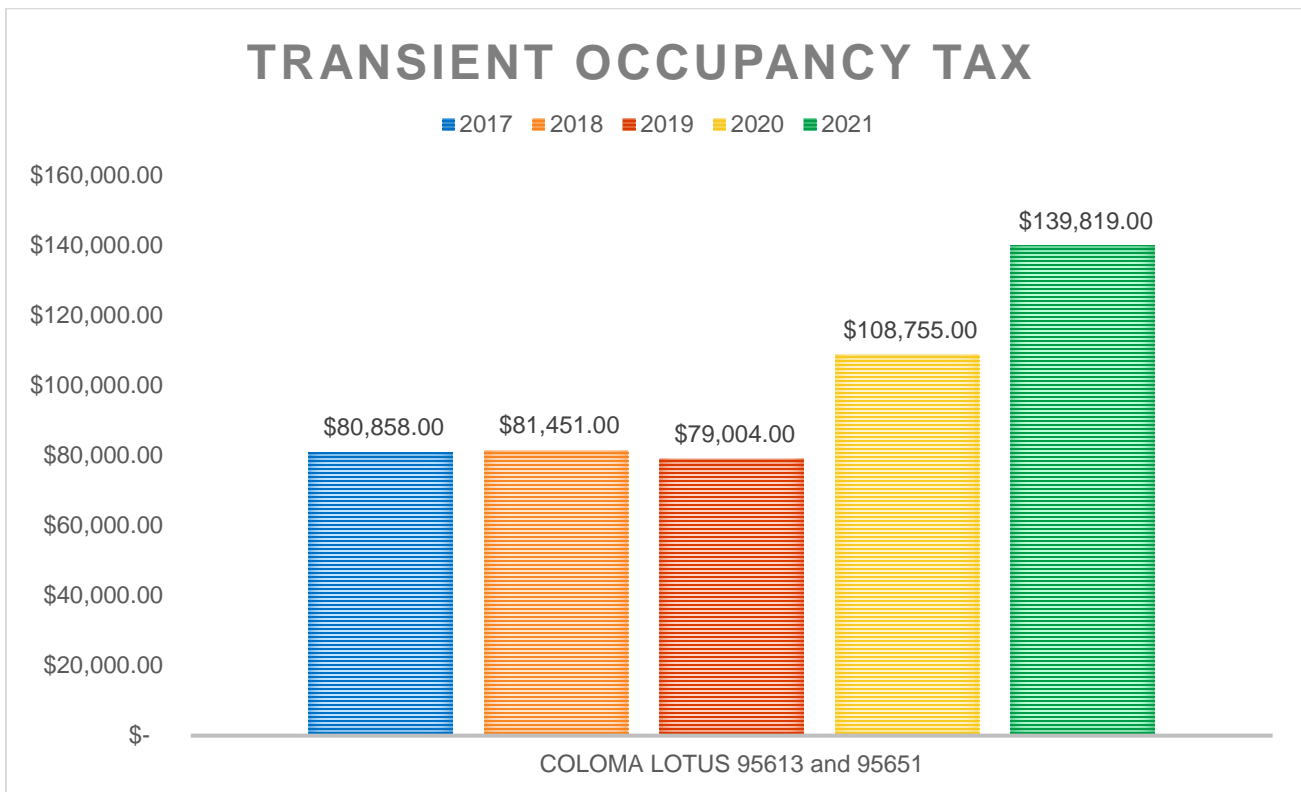




The remainder of businesses that replied to the survey produced an annual gross revenue of \$2,655,000 with a total of 120 employees. These business include those that depend on tourism but don't offer tourist specific services i.e. hardware store, accountant, and retail/etc.. These businesses served 324,197 customers over the course of the year. The additional industries can be found in the comprehensive survey results.

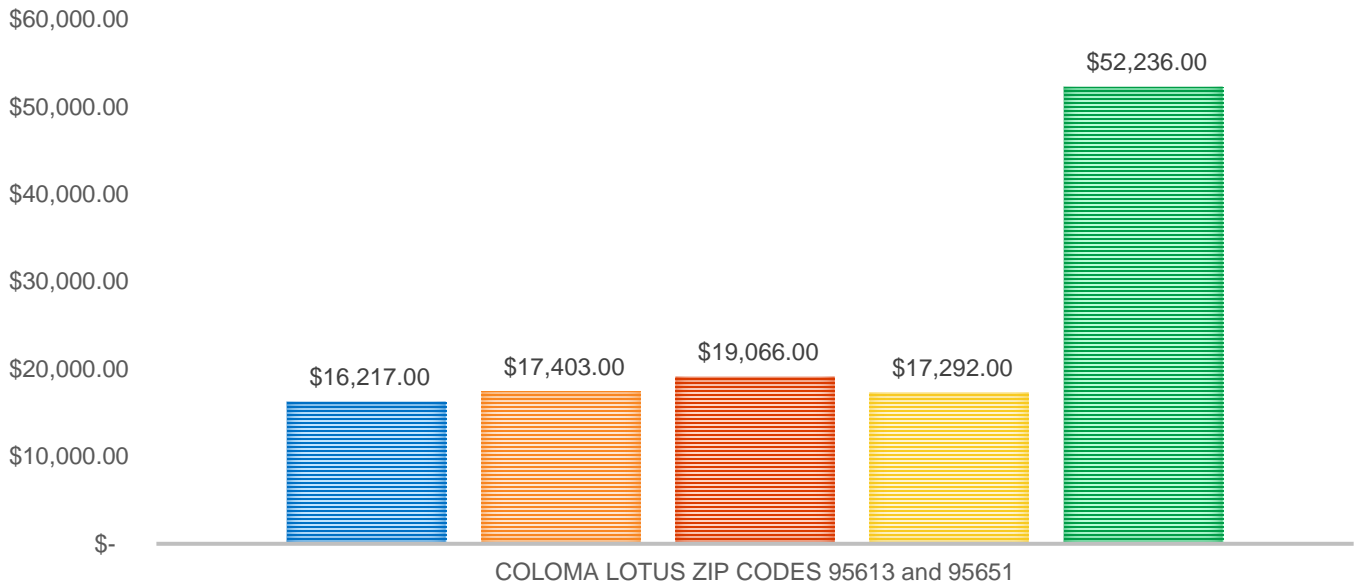
The tax generation from the Coloma Lotus region is expressed in the forms of sales tax, property tax and transient occupancy tax (TOT).

The generation of the various taxes in the Coloma/Lotus region from the years 2017-2021 are depicted below:



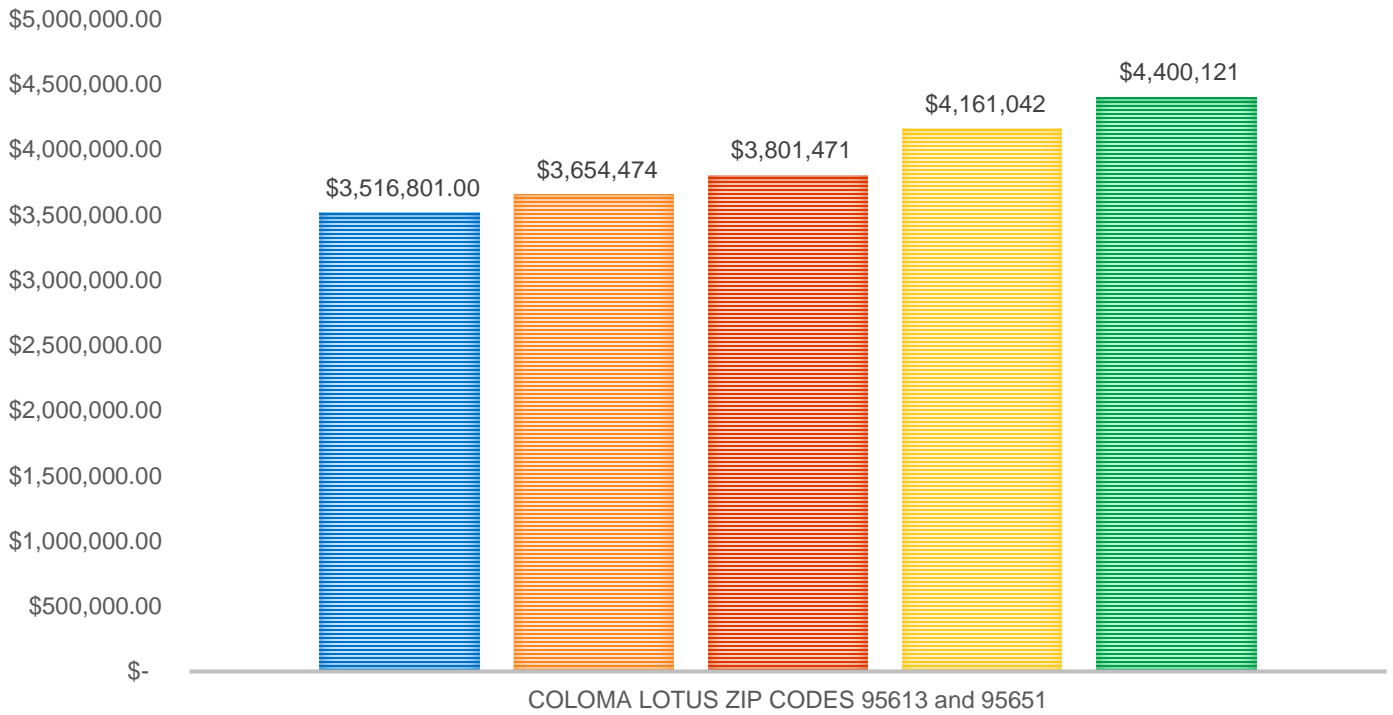
SALES TAX

■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021



GROSS PROPERTY TAX

■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021



The Coloma Lotus area brings substantial visitors and money to the area, which contributes significantly to the general revenue at the County level. More than \$350,000 of TOT alone was brought in over the last 4 years. Further, as shown above, the area has seen growth in TOT revenues both prior to and during the COVID pandemic.

In conclusion, the generation of transient occupancy tax (TOT), sales tax and property tax in the Coloma/Lotus region presents a compelling case for the county to invest in the area. The TOT revenue generated from the region's vibrant tourism industry can be a valuable resource that, if strategically allocated, can unlock numerous benefits for the local community and promote long-term economic growth.

First and foremost, investing in the Coloma/Lotus region can enhance the recreational infrastructure and amenities necessary to support the growing number of tourists. Improved active transportation and parking facilities, signage, and public transportation investments can also add to the overall visitor experience. By providing convenient access and well-maintained infrastructure, the county can attract even more visitors and encourage them to extend their stays, leading to increased TOT revenue.

Moreover, investing in the region's tourism industry resources, such as increasing and upgrading county park facilities, river accessibility, multi-modality and active transportation, trail systems, and promotions, marketing, and social media, can have a positive ripple effect on the local economy. The infusion of funds can support the growth of small businesses, such as hotels, bed and breakfast establishments, restaurants, recreational outfitters, and retail stores. These enterprises, in turn, create jobs, stimulate entrepreneurship, and contribute to the region's overall economic vitality. **Supportive efforts can also be channeled towards marketing and promotion efforts, attracting a wider audience and driving sustained tourism growth.**

Investments in the Coloma/Lotus region can also lead to significant environmental and cultural benefits. The area is renowned for its natural beauty, outdoor recreational opportunities, and

historical significance as the birthplace of the California Gold Rush. By collaborating with State Parks and BLM on conservation and preservation efforts, the county can safeguard the region's natural resources and historical landmarks, ensuring their enjoyment for generations to come. This preservation not only contributes to the quality of life for residents but also enhances the area's appeal to tourists seeking authentic and immersive experiences.