

# POTENTIAL ECONOMIC IMPACT OF A PROPOSED MULTI-USE EVENTS FACILITY IN SHERIDAN COUNTY, WYOMING

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Updated January 16, 2024



## IN BRIEF

Understanding and quantifying economic impacts of potential Sheridan County projects are crucial to stakeholders across our community. Elected officials must justify expenses to their constituents; local businesses are concerned with the potential for job creation; and local governments must balance community benefit with cost. These are just some of the impacts that must be considered when planning for the long-term viability of a new project.

This report is not meant to serve as a comprehensive analysis of the complex recreation industry, but rather as a tool to better understand segments of the local travel and tourism economy. Additionally, I have made no assumptions on the benefit to the community in terms of quality of life or access to activities, etc: this report is strictly focused on the potential economic impacts to the visitor economy.

## ECONOMIC IMPACT 101

Economic impact analyses attempt to answer the questions of how many external dollars enter a host community for a given event, and how much the new money benefits members of the host community. The general formula for calculating economic impact is given by the product of number of tourists, average spending per tourist, and appropriate multipliers.

In the inevitable absence of perfect information, economic impact analyses are complicated by the process of estimating the required inputs where facts are unknown. This report simplifies the process by using specific economic data to produce reasonable estimates of economic impact. Data has been provided by the State of Wyoming, the Wyoming Office of Tourism, AirDNA, STR Report, DataFy, Dean Runyan and Associates, the US Bureau of Economic Analysis, and the US Census.

## LOCAL INDUSTRY BASELINES

- The City of Sheridan has +/- 1,200 of available room inventory at traditional hotels and motels.
- Sheridan County has another +/- 400 of available room inventory at traditional hotels and motels, as well as guest and dude ranches, and mountain lodges.
- The number of campsites, RV parks, etc. in the community varies greatly by seasonality and is impacted by factors such as long-term stays and is therefore not considered in this report.
- Sheridan County has +/- 175 private home rentals available on sites such as VRBO, but availability fluctuates based on seasonality, major events, etc. Again, these rentals are not considered in this report.
- The annual occupancy rate at City of Sheridan properties is approximately 50.7%.

- The annual average daily rate at City of Sheridan properties is approximately \$99.11.
- We are data deficient for County properties, but for the purposes of this analysis we will scale the readily available City information.
- The average party size in 2022 was 2.8.
- The average length of stay for hotel visitors in 2021 was 2.4 days per trip.
- Individuals spent \$135 per day, or \$331 per trip.
- Parties spent \$374 per day, or \$914 per trip.
- The total of overnight hotel stays in 2022 was 439,310 (persons); 158,000 (parties).
- The total of visitor overnight stays in 2022 was 949,310 (persons); 397,890 (parties).
  - Total overnights include private homes, campgrounds, etc.
- Sheridan County sales tax: 6%
- Sheridan County Lodging tax: 4%
- Wyoming Office of Tourism Lodging Tax: 3%

The Ramada Plaza is currently the largest purpose-built convention and meeting facility in Sheridan County. The Ramada features less than 10,000 sq. ft of meeting and convention space – and does not host sporting events.

#### Inventory of Current Multi-Use Spaces in Sheridan County:

- Ramada Plaza
- Best Western Sheridan Center
- Sheridan College
- Sheridan College Agri Park
- Sheridan County Fairgrounds, Exhibit Hall and Pavilion
- Scott Foundation Campus (former NSI campus)
  - There are a number of additional venues in Sheridan County that feature meeting space but none would be considered large enough to accommodate conventions, trade shows, or sporting events in excess of 100 people.

### **NEW FACILITY PROJECTIONS**

Sheridan County Travel & Tourism regularly fields requests for information from organizers looking to plan events, meetings, and conventions in Sheridan County; a request for a minimum of 10,000 sq. ft. of available event space is common, while requests for 25,000 or 50,000 sq. ft. of space occur regularly. A facility with 50,000+ sq. ft. greatly increases the community’s capacity to host medium and large-scale events of many types. Events include but are not limited to:

- Theater and concert performances
- Trade shows
- Conferences and conventions
- Banquets and receptions
- Meetings and trainings
- Sporting events (youth, adult, senior, etc)
- Rallies

Community centers/multi-use facilities in cities like Casper and Gillette regularly host 300+ annual events; while both of these communities have significantly larger populations than Sheridan, it should be noted that event organizers often look to Sheridan County as a host site for events based on our proximity to the Bighorn National Forest, the cultural allure of our community, and the potential to program pre- and post-event activities as a way to lure additional participants.

For reference, the largest event in Sheridan County’s recent history was the Combat Veterans Motorcycle Association (CVMA) National Convention in June of 2021. This event brought 3,500+ participants to the venue (Sheridan College Golden Dome) and utilized hotel rooms in Sheridan, Gillette, Buffalo, and even Billings for an entire week. The success of this and other “large-scale” events has led to increased discussions among hotel property developers in recent years.

### POTENTIAL ECONOMIC IMPACT OF EVENTS

EVENT TYPE	LENGTH	PARTICIPANTS	PARTY SIZE	POTENTIAL SPENDING IMPACTS*	POTENTIAL TAX BENEFITS (6%)**
Concert	1 day	100	280	\$37,800	\$2,268
Indoor Track Meet	2 days	500	1,400	\$378,000	\$22,680
Indoor Soccer Tournament	2 days	1,000	2,800	\$756,000	\$45,360
Pickleball Tournament	2 days	750	1,800	\$486,000	\$29,160
Basketball Tournament	3 days	250	600	\$243,000	\$14,580
Trade Show	4 days	2,500	6,000	\$3,240,000	\$194,400
Motorcycle Rally	7 days	3,500	8,400	\$7,938,000	\$476,280

\*Formula: Total party size x spending per day (daily spending = \$135/person)

\*\*Formula: Local spending impacts / 6% sales tax

NOTE: It is difficult to estimate the impact of participant scaling as it relates to party size and number of available hotel rooms. It is likely that as total number of participants grow for an event the total party size decreases as room inventory becomes scarce. However, it is also likely that if a large-scale multi-use facility is built in Sheridan County we would see property developers react quickly by planning and building new hotels.

NOTE: Many economic impact studies developed in the Rocky Mountain West assume a percentage split of 70/30 when calculating local versus out of market participation. While every event type draws a different mix of locals versus visitors, even if we assume a split of 70/30 for each of the events listed here the potential spending impacts of visitors alone remains significant.

An important consideration is impacts over time; costs to manage, market and maintain any facility must be leveraged against potential spending impacts. I have not included maintenance and operational costs in this analysis because those figures will vary depending on the scope of planned use for the facility, but I have included data on potential revenue for the facility itself.

NUMBER OF EVENTS	AVERAGE EVENT LENGTH	AVG. # OF EVENT PARTICIPANTS (VISITORS)	TOTAL VISITATION*	ANNUAL VISITOR SPENDING IMPACTS**	ANNUAL VISITOR TAX BENEFITS (6%)	ANNUAL FACILITY REVENUE***
50	2 days	100	28,000	\$3,780,000	\$226,800	\$300,000
100	2 days	100	56,000	\$7,560,000	\$453,600	\$600,000
150	2 days	100	84,000	\$11,340,000	\$680,400	\$900,000

\*average # of participants x 2.8 party size x average length of event x number of annual events = total visitation

\*\* total visitation x \$135 daily individual average spending = local annual impacts

\*\*\*\$500 daily facility rental + \$50 avg. FOB per participant per event = facility revenue

NOTE: It is entirely likely and very possible that a multi-use center with a professional and organized sales staff would be able to book more than event per day, based on space/catering/hospitality needs.

## **CONCLUSION**

The potential economic benefits of a multi-use recreation facility are clear, but not guaranteed, and remain subject to numerous factors. These factors include availability of rooms across Sheridan County; catering services; staff (scaling of events requires scaling of staff, and a thorough evaluation of local hospitality workforce is warranted); and more.

That said, this brief analysis has been created using conservative spending criteria; I have not considered Sheridan County's continued growth, percentage increases in annual spending in the tourism economy, or even potential expansion of our room inventory with the building of new hotels, while creating this report.

**Sheridan County Travel and Tourism Insights:**

**The Economic Impact of Travel in Wyoming / 2022 / Prepared by Dean Runyan Associates**

## Sheridan County / Insights

### Direct Travel Impacts 2022

#### Visitor Spending Impacts

Amount of Visitor Spending that Supports 1 Job	\$127,961
Employee Earnings Generated by \$100 Visitor Spending	\$32
Local & State Tax Revenues Generated by \$100 Visitor Spending	\$6
Local & State Tax Revenues per County Household	\$654

#### Visitor Shares

Travel Share of Total Employment (2022)	2%
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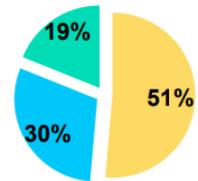
Source: Bureau of Economic Analysis and Bureau of Labor Statistics. Estimates by Dean Runyan Associates.

Visitor spending that supports one job does not include employment in Other Travel.

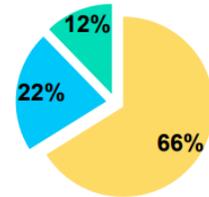
Visitors staying in Hotels, Motels, or STVRs accounted for 66% of overnight visitor spending for the state of Wyoming, while Private Home (VFR) and Other Overnight together account for 34%. Generally, areas that are primarily rural or suburban have higher shares of private home visitation and other overnight stays, while urban areas have a greater share of stays in hotels, motels, and short term vacation rentals. "Other Overnight" includes camping and 2nd home spending.

### 2022 Share of Overnight Visitor Spending

#### Sheridan County



#### Wyoming



*Due to rounding values may exceed 100%*

■ Hotel, Motel, STVR    
 ■ Private Home (VFR)    
 ■ Other Overnight

## Sheridan County / Impacts, Summary

### Direct Travel Impacts 2013-2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Avg. Annual % Chg.	
											2021-22	2013-22
<b>Spending (\$Million)</b>												
Total (Current \$)	111.4	110.6	108.3	100.8	108.5	115.9	118.8	99.1	142.9	157.9	▲ 10.5%	▲ 3.5%
Other	21.3	20.0	16.9	13.9	16.6	19.7	19.0	13.6	24.6	28.8	▲ 17.2%	▲ 3.1%
Visitor	90.2	90.6	91.4	86.9	91.9	96.2	99.7	85.5	118.3	129.1	▲ 9.1%	▲ 3.7%
<b>Earnings (\$Million)</b>												
Earnings (Current \$)	27.2	27.8	30.8	31.1	31.1	30.9	33.9	32.5	40.0	43.6	▲ 8.9%	▲ 4.8%
<b>Employment (Jobs)</b>												
Employment	1,020	1,010	1,070	1,060	1,030	980	990	930	1,030	1,040	▲ 1.0%	▲ 0.2%
<b>Tax Revenue (\$Million)</b>												
Total (Current \$)	5.4	5.8	6.1	5.9	6.2	6.5	6.7	5.7	8.1	8.4	▲ 3.1%	▲ 4.4%
Local	2.4	2.4	2.6	2.5	2.6	2.7	2.8	2.4	3.3	3.5	▲ 5.8%	▲ 3.8%
State	3.0	3.3	3.6	3.4	3.7	3.8	3.9	3.3	4.8	4.9	▲ 1.3%	▲ 4.9%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

Other includes resident air travel, travel arrangement services, convention/trade shows and a portion of transportation to visit other Wyoming destinations.

## Sheridan County / Impacts, Detailed

### Direct Travel Impacts 2013-2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2021-2022
<b>Direct Travel Spending (\$Millions)</b>											
Destination Spending	90.2	90.6	91.4	86.9	91.9	96.2	99.7	85.5	118.3	129.1	▲ 9.1%
Other Travel*	21.3	20.0	16.9	13.9	16.6	19.7	19.0	13.6	24.6	28.8	▲ 17.2%
<b>TOTAL</b>	<b>111.4</b>	<b>110.6</b>	<b>108.3</b>	<b>100.8</b>	<b>108.5</b>	<b>115.9</b>	<b>118.8</b>	<b>99.1</b>	<b>142.9</b>	<b>157.9</b>	<b>▲ 10.5%</b>
<b>Visitor Spending by Type of Traveler Accommodation (\$Millions)</b>											
Hotel, Motel, STVR	40.7	41.3	43.0	39.9	41.6	44.8	47.3	40.3	58.1	59.2	▲ 1.9%
Hotel, Motel**									51.8	49.9	▼ -3.8%
STVR**									6.2	9.3	▲ 48.7%
Campground	15.0	15.0	14.4	14.7	16.3	16.1	16.6	14.2	17.5	19.6	▲ 12.0%
Private Home	17.8	17.8	17.7	16.4	17.3	18.0	18.1	14.5	19.8	21.7	▲ 9.6%
2nd Home	7.0	7.0	6.7	6.6	6.9	7.2	7.2	7.0	10.4	14.6	▲ 39.9%
Day Travel	9.6	9.5	9.6	9.3	9.8	10.1	10.5	9.5	12.4	14.0	▲ 12.3%
<b>TOTAL</b>	<b>90.2</b>	<b>90.6</b>	<b>91.4</b>	<b>86.9</b>	<b>91.9</b>	<b>96.2</b>	<b>99.7</b>	<b>85.5</b>	<b>118.3</b>	<b>129.1</b>	<b>▲ 9.1%</b>
<b>Visitor Spending by Commodity Purchased (\$Millions)</b>											
Accommodations	16.5	17.5	18.4	17.1	17.6	18.9	19.9	15.3	24.7	25.2	▲ 1.9%
Food Service	23.0	23.3	24.3	24.4	26.1	27.3	29.0	25.6	32.0	34.7	▲ 8.3%
Food Stores	7.0	7.1	7.3	7.1	7.3	7.4	7.7	7.1	8.9	10.4	▲ 16.8%
Local Tran. & Gas	12.5	11.6	9.8	8.7	10.0	11.5	11.1	8.8	14.3	16.8	▲ 17.2%
Arts, Ent. & Rec.	14.1	14.1	14.3	14.2	14.9	15.1	15.7	14.0	17.2	18.3	▲ 6.8%
Retail Sales	15.8	15.6	15.7	15.3	15.9	16.0	16.4	14.7	18.4	20.3	▲ 9.8%
Visitor Air Tran.	1.3	1.6	1.6	0.0	0.0	0.0	0.0	0.0	2.7	3.4	▲ 25.5%
<b>TOTAL</b>	<b>90.2</b>	<b>90.6</b>	<b>91.4</b>	<b>86.9</b>	<b>91.9</b>	<b>96.2</b>	<b>99.7</b>	<b>85.5</b>	<b>118.3</b>	<b>129.1</b>	<b>▲ 9.1%</b>

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

\*Other Travel includes resident air travel, travel arrangement, convention/trade shows, and a portion of transportation to visit other Wyoming destinations.

\*\*Starting in 2021 we have additional information regarding the impacts of short term vacation rentals (STVR) and hotel, motels. Trend for these breakouts not available.

## Sheridan County / Impacts, Detailed

### Direct Travel Impacts 2013-2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2021-2022
<b>Industry Earnings Generated by Travel Spending (\$Millions)</b>											
Accom. & Food Serv.	15.9	16.8	19.0	19.0	19.2	18.6	19.9	17.8	21.2	22.9	▲ 7.8%
Arts, Ent. & Rec.	6.4	6.3	7.0	7.6	7.4	7.7	9.2	9.9	11.8	13.3	▲ 12.6%
Retail**	2.9	2.9	3.0	3.0	3.0	3.1	3.2	3.7	4.0	4.2	▲ 5.2%
Ground Tran.	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	▲ 25.0%
Other Travel*	1.7	1.6	1.6	1.2	1.2	1.2	1.3	0.9	2.8	2.9	▲ 5.2%
<b>TOTAL</b>	<b>27.2</b>	<b>27.8</b>	<b>30.8</b>	<b>31.1</b>	<b>31.1</b>	<b>30.9</b>	<b>33.9</b>	<b>32.5</b>	<b>40.0</b>	<b>43.6</b>	<b>▲ 8.9%</b>
<b>Industry Employment Generated by Travel Spending (Jobs)</b>											
Accom. & Food Serv.	650	670	710	700	680	630	620	530	590	600	▲ 1.2%
Arts, Ent. & Rec.	170	160	170	180	160	170	190	190	210	220	▲ 2.4%
Retail**	150	140	150	150	150	150	150	180	190	180	▼ -0.5%
Ground Tran.	<10	<10	<10	<10	<10	<10	<10	<10	<10	<10	▲ 12.8%
Other Travel*	40	30	30	20	20	20	20	20	40	30	▼ -6.1%
<b>TOTAL</b>	<b>1,020</b>	<b>1,010</b>	<b>1,070</b>	<b>1,060</b>	<b>1,030</b>	<b>980</b>	<b>990</b>	<b>930</b>	<b>1,030</b>	<b>1,040</b>	<b>▲ 1.0%</b>
<b>Tax Receipts Generated by Travel Spending (\$Millions)</b>											
Local Tax Receipts	2.4	2.4	2.6	2.5	2.6	2.7	2.8	2.4	3.3	3.5	▲ 5.8%
State Tax Receipts	3.0	3.3	3.6	3.4	3.7	3.8	3.9	3.3	4.8	4.9	▲ 1.3%
<b>TOTAL</b>	<b>5.4</b>	<b>5.8</b>	<b>6.1</b>	<b>5.9</b>	<b>6.2</b>	<b>6.5</b>	<b>6.7</b>	<b>5.7</b>	<b>8.1</b>	<b>8.4</b>	<b>▲ 3.1%</b>

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

\*Other Travel includes resident air travel, travel arrangement, and convention/ trade shows.

\*\*Retail includes gasoline station employment and earnings.

## Sheridan County / Overnight Visitor Details

### Visitor Details 2022

Overnight Visitor Volume for Sheridan county is based on cross-referencing visitor surveys, visitor air travel, and lodging data. Volume estimates therefore will differ from methodologies that rely solely on visitor surveys. Visitor Spending is a more reliable metric to Visitor Volume in accounting for changes in the travel industry, as it is more closely tied to economic data and lessens the variability from visitor surveys. Day travel estimates are not included because of data limitations.

Additional years available at [www.travelstats.com/wyoming](http://www.travelstats.com/wyoming).

### Average Expenditure for Overnight Visitors, 2022

	Person		Party		Party Size	Length of Stay
	Day	Trip	Day	Trip		
Hotel, Motel, STVR	\$135	\$331	\$374	\$914	2.8	2.4
Private Home	\$111	\$352	\$230	\$726	2.1	3.2
Other Overnight	\$54	\$107	\$118	\$226	2.2	1.9
<b>All Overnight</b>	<b>\$121</b>	<b>\$288</b>	<b>\$289</b>	<b>\$675</b>	<b>2.4</b>	<b>2.3</b>

### Overnight Visitor Volume, 2020-2022

	Person-Nights			Party-Nights		
	2020	2021	2022	2020	2021	2022
Hotel, Motel, STVR	384,010	464,050	439,310	140,870	167,620	158,000
Private Home	167,370	194,200	195,180	81,250	94,270	94,750
Other Overnight	207,340	261,700	314,830	93,390	119,110	145,140
<b>All Overnight</b>	<b>758,720</b>	<b>919,960</b>	<b>949,310</b>	<b>315,500</b>	<b>381,000</b>	<b>397,890</b>

	Person-Trips			Party-Trips		
	2020	2021	2022	2020	2021	2022
Hotel, Motel, STVR	143,340	198,260	178,440	61,860	71,860	64,730
Private Home	44,990	61,420	61,720	25,700	29,810	29,960
Other Overnight	85,500	129,540	159,670	46,870	60,860	75,750
<b>All Overnight</b>	<b>273,830</b>	<b>389,230</b>	<b>399,840</b>	<b>134,430</b>	<b>162,530</b>	<b>170,440</b>