



APPLIED ECONOMICS

ECONOMIC IMPACTS OF CAMP RIFF IN COCHISE COUNTY, AZ

MARCH 2024

PREPARED BY:

**APPLIED ECONOMICS
11209 N. TATUM BOULEVARD, SUITE 225
PHOENIX, AZ 85028**

1.0 INTRODUCTION

Bisbee Ventures One, LLC retained Applied Economics to prepare an economic impact analysis of Camp Riff, a full-service RV park and campground with 521 campsites, an on-site restaurant and lounge, clubhouse, amphitheater, wedding pavilion, Swimming pool, playground, and other amenities. This analysis includes the economic impacts of construction and operations of Camp Riff, as well as visitor impacts associated with local spending by campsite guests and other concert attendees.

The proposed lodging and entertainment facilities would be unlike any other attractions currently in the region, offering both dry campsites and RV hookups with a range of concerts and other events available to Camp Riff guests and other visitors. There would also be a free shuttle to Bisbee, which is about 15 minutes away, for shopping and dining. The development would be located on a 195-acre site on Newell Street west of Naco Highway that was formerly used as a golf course. The project includes a north parcel and a south parcel, separated by Greenbush Draw.

It is anticipated that the project would develop in four phases. The first phase could include 107 dry campsites and restrooms on the southern part of the property, as well as the restaurant, clubhouse and camp store, stage and amphitheater. Phases two and three could include 63 dry campsites with restroom facilities and 144 RV sites with hookups on the west and east portion of the south parcel. Phase 4 could include the final 207 dry campsites on the north parcel. Total construction costs are estimated at \$31.6 million including both hard and soft costs.

These campsites could attract approximately 342,000 annual visitors at 60% occupancy (**Figure 1**). The concerts and other performances hosted by Camp Riff could attract an estimated 130,000 attendees by the end of Phase IV, based on projections provided by Bisbee Ventures One, LLC. An estimated 70% of these attendees could stay at Camp Riff, an additional 5% could be day trip visitors to the region, 20% could stay in hotels in Bisbee, and 5% could be local residents. Camp Riff could also host weddings and other events that could attract an estimated 7,000 visitors per year who would not be staying at the campsite. Annual food and beverage sales, merchandise sales, entertainment tickets, campsite rentals and private event rentals could generate an estimated \$14.4 million per year in taxable sales once all four phases of the development are complete.

FIGURE 1
CAMP RIFF DEVELOPMENT ASSUMPTIONS

	Phase 1	Phase 2	Phase 3	Phase 4	Total
Construction Cost (millions)	\$8.6	\$5.4	\$8.4	\$9.2	\$31.6
Hard Cost	\$7.5	\$4.7	\$7.3	\$8.0	\$27.5
Soft Cost	\$1.1	\$0.7	\$1.1	\$1.2	\$4.1
Accommodations					
Dry Campsites	107	63	0	207	377
RV Hookups	0	0	144	0	144
Annual Camp Riff Guests	70,299	111,690	206,298	342,297	na
Annual Concert Attendance	50,000	75,000	90,000	130,000	na
Taxable Sales (millions)	\$4.7	\$7.1	\$10.2	\$14.4	
Space Rentals	\$1.3	\$2.1	\$4.0	\$6.0	na
Tickets	\$0.8	\$1.1	\$1.4	\$2.0	na
Food, Beverage and Merchandise	\$2.6	\$3.9	\$4.8	\$6.5	na

Source: Bisbee Ventures One, LLC.

At completion, the proposed development could create annual economic impacts of \$33.5 million in Cochise County, supporting about 200 direct, indirect and induced jobs and \$7.6 million in annual labor income. This includes the operations impacts for the campsite, restaurant and entertainment facilities, as well as the impacts of visitor spending in Bisbee and the surrounding area. This analysis details the cumulative impacts of the proposed project by development phase. It includes the economic impacts of construction, operations and visitor spending, as well as estimates of local and state tax revenues that could be generated by Camp Riff.

The information and observations contained in this report are based on our present knowledge of the components of development, and the current socioeconomic and fiscal conditions of the affected areas. Estimates made in this analysis are based on hypothetical assumptions, current tax structure, and the current economic structure of the region. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the estimates and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information and is intended to aid in quantifying the project's impacts on the local economy. In no way will Applied Economics be held responsible or have any liability or be subject to damages as a result of this analysis. This report may be used only for the purposes that it was intended.

2.0 IMPACT SUMMARY

The phased development of Camp Riff detailed in this analysis could generate significant economic and revenue benefits to Cochise County, in addition to creating a new tourist destination and event venue that could attract new visitors from outside the region. The quantifiable economic benefits of this proposed development include the following:

- All total, the proposed development and associated local visitor spending could have an annual economic impact of \$10.1 million on the Cochise County economy at the completion of Phase I, increasing to \$33.5 million per year by the end of Phase IV.
- Economic impacts measure the effects of economic stimuli or new demand for goods and services in the local economy. New demand could be created by guests at Camp Riff, local vendor spending to support facility operations, local employee spending, and visitor spending outside the campsite in Bisbee and the surrounding area. The secondary impacts of supplier expenditures by Camp Riff, as well as local employee and visitor spending are captured in the multiplier effects. Multiplier effects are a way of representing the larger effects on the local economy of an initial increase in demand.
- This project could directly support an estimated 65 jobs and \$2.1 million in annual labor income at the completion of Phase IV, including jobs and payroll at the campground, restaurant, clubhouse and event venues.
- Camp Riff could make local supplier purchases that could support additional economic activity. Also, the new employees could spend a portion of their income locally, creating economic impacts at local retail and service businesses. The new demand created by supplier purchases and employee spending could result in annual indirect and induced economic impacts of \$6.2 million in Cochise County at the completion of Phase IV, supporting about 38 jobs. This is in addition to the direct impacts of the project described above.
- The visitors at the RV resort and campsites, and other concert and event attendees, could spend money in the region on retail, restaurants, groceries, gas and entertainment. Average annual off-site visitor spending is estimated at \$14.9 million by the end of Phase IV, supporting an estimated 100 additional jobs in the region. An estimated 20% to 30% of event attendees could stay at hotels in Bisbee, and 50% to 70% could stay at Camp Riff, and remaining attendees could be locals and day trip visitors.
- The project could also generate one-time construction impacts. Construction costs for all four phases are estimated at \$27.5 million. This construction activity could generate a one-time economic impact of \$38.0 million, supporting an estimated 310 jobs and \$14.8 million in labor income over a multi-year construction period.
- The activities at Camp Riff and associated visitor spending also generate new tax revenues. Tax revenues include sales, lodging and property taxes at the local and state levels. By the end of Phase IV, this project could support local property, sales and lodging taxes of \$1.2 million per year to the Town of Bisbee, Cochise County and local school districts, and \$1.1 million in annual state sales taxes, based on the assumptions used in this analysis. Construction activity could also generate \$1.2 million in one-time county and state sales taxes.

3.0 ECONOMIC IMPACT RESULTS

The economic impacts of Camp Riff include one-time construction impacts, on-going operations impacts and visitor spending impacts. These impacts are quantified in terms of direct, indirect and induced jobs, labor income and output that could be generated by the development. Economic impacts measure the effects of economic stimuli or expenditures in the local economy. Direct impacts are based on information about projected employment and payroll at Camp Riff. Indirect and induced impacts are estimated using economic multipliers and represent supported supplier and consumer businesses and their employees in the county that benefit from this new economic stimuli.

Construction Impacts

The proposed development could result in a total capital investment of \$31.6 million, including hard costs and soft costs. Of this total, \$27.5 million in hard construction costs and site work have the potential to create local economic impacts.

The multiplier effect of this construction spending on the county could result in a total increase in economic activity of about \$38.0 million for all four phases combined. The 310 direct, indirect and induced jobs that could be supported by this construction project could result in more than \$14.8 million in labor income in Cochise County during the construction period. Construction impacts include local supplier purchases and construction employee spending impacts. While these represent one-time impacts, they are significant in the year(s) that construction occurs.

**FIGURE 2
CAMP RIFF CONSTRUCTION IMPACTS**

	Direct Impacts			Total Impacts		
	Construction Cost (millions)*	Jobs	Labor Income (millions)	Output (millions)	Jobs	Labor Income (millions)
Phase I	\$7.5	69	\$3.2	\$10.4	85	\$4.0
Phase II	\$4.7	43	\$2.0	\$6.5	53	\$2.5
Phase III	\$7.3	67	\$3.2	\$10.1	82	\$3.9
Phase IV	\$8.0	74	\$3.5	\$11.0	90	\$4.3
Total	\$27.5	254	\$11.9	\$38.0	310	\$14.8

* Hard construction cost.

Operations Impacts

The operations impacts capture the on-going economic activity associated with operations of the campground, on-site restaurant and clubhouse, performances and special events. The economic impact results presented here are grouped into direct impacts for Camp Riff’s operations, indirect impacts of local supplier purchases, induced impacts of local spending by employees, and additional induced impacts of visitor spending at local establishments outside the development. Direct impacts include new employment, payroll and output created by the development. The additional impacts of supplier purchases, employee spending and off-site visitor spending at other local businesses are captured in the indirect and induced impacts and are estimated using economic multipliers.

Multiplier effects are a way of representing the larger economic impact on the local economy. The multiplier effects translate an increase in direct output (loosely defined for service industries as gross sales) into a corresponding increase in indirect and induced output, jobs and labor income. In essence, the multiplier effect represents the recycling of local spending. This recycling process creates new business opportunities.

The multipliers used in this analysis are from IMPLAN, a nationally recognized vendor of economic impact software, and are specific to the economy of Cochise County. IMPLAN software is used to create complete, extremely detailed social accounting matrices and multiplier models of local economies. IMPLAN is used by more than 1,000 public and private institutions and is well respected within the academic and business community as a tool for creating local economic multipliers.

The operations of the campsite, RV resort, restaurant, clubhouse and entertainment venue proposed for Camp Riff could create direct annual output impacts ranging from \$3.9 million per year at the completion of Phase I to \$12.4 million per year at the completion of Phase IV. Phase IV levels represent the cumulative impacts of all four phases combined. Camp Riff could employ 40 to 65 people with an estimated annual payroll of \$1.3 million to \$2.1 million, increasing proportionally as each phase is completed (**Figure 3**). The operations impacts are projected to increase as new campsites are added, and as the performance venue gains market presence and attendance increases.

**FIGURE 3
CAMP RIFF ANNUAL OPERATIONS IMPACTS**

Cumulative Annual Impacts by Phase	Output (millions)	Jobs	Labor Income (millions)
Direct Impacts			
Phase I	\$3.9	40	\$1.3
Phase II	\$5.9	50	\$1.6
Phase III	\$8.5	60	\$1.9
Phase IV	\$12.4	65	\$2.1
Indirect Impacts			
Phase I	\$1.3	8	\$0.4
Phase II	\$2.0	12	\$0.6
Phase III	\$2.6	17	\$0.8
Phase IV	\$3.8	24	\$1.1
Induced Impacts			
Phase I	\$0.7	4	\$0.2
Phase II	\$1.0	6	\$0.3
Phase III	\$1.6	10	\$0.5
Phase IV	\$2.4	14	\$0.7
Total Annual Operations Impacts			
Phase I	\$6.0	53	\$1.9
Phase II	\$8.9	68	\$2.5
Phase III	\$12.8	86	\$3.2
Phase IV	\$18.6	103	\$3.9

Note: Phase IV levels represent annual impacts at build out.

In addition to the direct impacts from facility operations, there could be local suppliers and employee spending that could stem from this development. Local supplier purchases could include items such as such as wholesale food and beverages, facility maintenance, utilities, professional services (legal, IT, accounting) and equipment maintenance. These local supplier expenditures could create indirect economic impacts of \$1.3 million to \$3.8 million per year as each subsequent phase is completed, supporting 8 to 24 indirect jobs and \$0.4 million to \$1.1 million in annual labor income.

In addition to supplier impacts, the employees at Camp Riff and local supplier businesses could re-spend a portion of their income in Cochise County, generating induced impacts. The induced impacts are estimated at \$0.7 million to \$2.4 million as each phase is completed, supporting 4 to 14 local jobs and \$0.2 million to \$0.7 million in annual labor income.

Visitor Impacts

The final component of the economic impact is visitor spending on goods and services outside Camp Riff, most likely in Bisbee, due to the free shuttle service between Camp Riff and the town. Visitor spending includes food and beverages, retail, entertainment and local transportation. Based on expected occupancy rates and the number of campsites added in each phase, Camp Riff could attract approximately 342,000 guests per year at the completion of Phase IV. This figure assumes a 60% occupancy rate and 3.0 persons per campsite, based on information provided by Bisbee Ventures One, LLC. There could be an estimated 130,000 annual attendees at concerts and other events at Camp Riff, as well as non-local special event attendees. While an estimated 70% of concert attendees could also be guests at Camp Riff, there could be additional overnight visitors staying in Bisbee, and day trip visitors attending events (**Figure 4**). Total non-local visitor days associated with Camp Riff campsites and other event attendance could range from approximately 95,000 people per year at the completion of Phase I to 382,000 at the completion of Phase IV.

**FIGURE 4
PROJECTED VISITOR VOLUMES**

	Phase I	Phase II	Phase III	Phase IV
Annual Concert and Event Attendance	50,000	75,000	90,000	130,000
Local	10%	10%	10%	5%
Day Trip	10%	10%	5%	5%
Overnight at Camp Riff	50%	50%	60%	70%
Overnight in Bisbee	30%	30%	25%	20%
Non-Local Special Event Attendees	5,000	6,000	7,000	7,000
Other Camp Riff Guests (not attending events)	45,299	74,190	152,298	251,297
Total Non-Local Visitor Days	95,299	147,690	240,298	381,797

According to the Arizona Office of Tourism and Longwoods International, the average overnight visitor to Southern Arizona spends about \$232 per day on lodging, retail, restaurants, entertainment and local transportation. These spending levels were adjusted to account for known spending on lodging based on projected room rates in Bisbee, campsite rentals at Camp Riff, on-site food and beverage spending, concert merchandise and camp store sales and event ticket revenues. These adjustments resulted in average per person per day spending of \$34 on-site (including campers, and other visitors who only attend performances) and \$39 off-site.

Figure 5 details annual on-site and off-site visitor spending by type at completion of Phase IV. Visitors at Camp Riff (including campsite guests and other non-local event attendees) could spend an estimated \$12.9 million per year on-site (or within the development) on lodging, entertainment, retail and food and beverages. These visitors could also spend \$14.9 million per year off-site on local retail, restaurants, transportation/gas and recreation in Bisbee at the completion of Phase IV. The off-site spending forms the basis for the visitor impacts.

**FIGURE 5
ANNUAL VISITOR EXPENDITURES AT PHASE IV COMPLETION**

	Visitor On-Site Spending		Visitor Off-Site Spending	
	Amount (millions)	Distribution	Amount (millions)	Distribution
Lodging	\$4.5	35%	\$1.8	12%
Food	\$5.5	42%	\$2.3	15%
Entertainment	\$2.0	16%	\$1.4	9%
Retail	\$1.0	8%	\$3.5	24%
Transportation/Gas	\$0.0	0%	\$5.8	39%
Total Spending	\$12.9	100%	\$14.9	100%
Annual Visitors Days	381,797		381,797	
Average Per Person per Day	\$34		\$39	

Source: Joseph Lewis - Camp Riff; Applied Economics; Arizona Office of Tourism, Longwoods Travel USA Visitor Profile for Tucson and Southern Region, 2022; Arizona Office of Tourism Lodging Performance by County, Q3 2023.

Industry-specific multipliers were applied to each category of visitor expenditures. As a result of the multiplier effect, the induced impacts of this spending are spread to local establishments. All total, the projected off-site visitor spending impacts could range from \$4.1 million per year at the completion of Phase I to \$14.9 million per year at the completion of Phase IV (**Figure 6**). This level of activity could support 34 to 100 induced jobs local retail, restaurant and entertainment establishments and \$1.2 million to \$3.7 million in annual labor income.

**FIGURE 6
ANNUAL OFF-SITE VISITOR SPENDING IMPACTS**

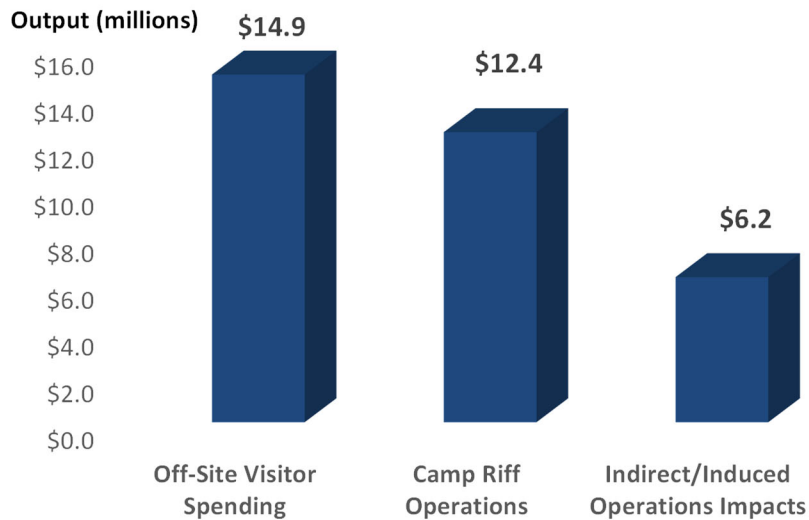
Cumulative Annual Impacts by Phase	Visitor Spending (millions)	Jobs	Labor Income (millions)
Phase I	\$4.1	34	\$1.2
Phase II	\$6.2	51	\$1.8
Phase III	\$8.7	71	\$2.6
Phase IV	\$14.9	100	\$3.7

Note: Impacts are cumulative and Phase IV levels represent annual impacts at build out.

Combined Economic Impacts

The operations impacts and visitor impacts can be combined to estimate the total annual economic impacts of the proposed Camp Riff development. These combined impacts are detailed in **Figures 7 and 8**. The project could create an annual economic impact of \$10.1 million at the completion of Phase I, increasing to \$33.5 million per year at the completion of Phase IV. Camp Riff could directly and indirectly support 86 to 200 local jobs and \$3.1 million to \$7.6 million in total labor income in Cochise County each year. The availability of this type of campground with dining, amenities and entertainment could significantly increase the number of annual visitors to the region, creating increased activity within the Bisbee area, as well as at other local visitor attractions in the region.

**FIGURE 7
ANNUAL AVERAGE OUTPUT IMPACTS AT PHASE IV COMPLETION
(Millions of Dollars)**



**FIGURE 8
CAMP RIFF CUMULATIVE ANNUAL ECONOMIC IMPACTS BY PHASE**

Cumulative Impacts by Phase	Phase I	Phase II	Phase III	Phase IV
Direct Impact - Camp Riff				
Output (millions)	\$3.9	\$5.9	\$8.5	\$12.4
Jobs	40	50	60	65
Labor Income (millions)	\$1.3	\$1.6	\$1.9	\$2.1
Indirect Impact - Local Vendor Spending				
Output (millions)	\$1.3	\$2.0	\$2.6	\$3.8
Jobs	8	12	17	24
Labor Income (millions)	\$0.4	\$0.6	\$0.8	\$1.1
Induced Impact - Employee and Visitor Spending				
Output (millions)	\$4.8	\$7.2	\$10.3	\$17.3
Jobs	38	57	81	114
Labor Income (millions)	\$1.4	\$2.1	\$3.0	\$4.4
Total Annual Economic Impact				
Output (millions)	\$10.1	\$15.1	\$21.5	\$33.5
Jobs	86	119	158	203
Labor Income (millions)	\$3.1	\$4.3	\$5.7	\$7.6

Note: Impacts are cumulative and Phase IV levels represent annual impacts at build out.

The new economic activity generated by this project could support a total local population of about 350 people, some of whom may already be living in the county. Supported population includes families of direct employees, as well as families of employees at related supplier and consumer businesses. This estimate assumes that about 73 percent of the employees could work and live in Cochise County, based on commuting data from the Census Longitudinal Employer-Household Dynamics data.

4.0 REVENUE IMPACT RESULTS

In addition to supporting jobs and output at related businesses in the county through multiplier effects, Camp Riff could also generate new tax revenues. At the completion of Phase IV, the development could generate an estimated \$0.4 million in annual local sales and lodging taxes to the Town of Bisbee, \$0.8 million in sales, lodging and property taxes to the county and schools, and an additional \$1.1 million in annual sales taxes to the state (**Figure 9 and 10**). An estimated 43% of taxes could come from on-site sales, 41% come from Camp Riff operations and 16% from employees.

FIGURE 9
ANNUAL CAMP RIFF TAX REVENUES BY SOURCE AT COMPLETION OF PHASE IV

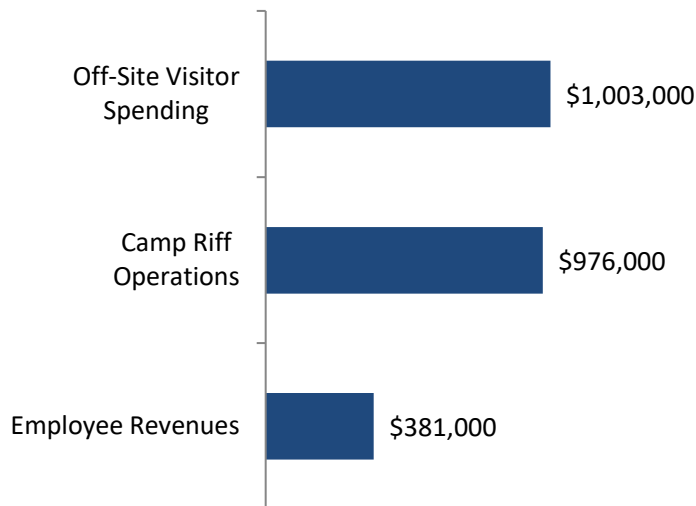


FIGURE 10
ANNUAL LOCAL AND STATE TAX REVENUES

Cumulative Annual Impacts by Phase	Cochise County		Town of Bisbee		State	Total
	Sales	Property ²	Sales	Lodging	Sales	
Phase I	\$85,791	\$188,000	\$119,000	\$55,000	\$422,000	\$869,791
Camp Riff Operations ¹	\$46,791	\$98,000	\$0	\$0	\$190,000	\$334,791
Off-Site Visitor Spending	\$32,000	\$0	\$111,000	\$55,000	\$178,000	\$376,000
Employees	\$7,000	\$90,000	\$8,000	\$0	\$54,000	\$159,000
Phase II	\$116,000	\$283,000	\$178,000	\$78,000	\$621,000	\$1,276,000
Camp Riff Operations ¹	\$58,000	\$159,000	\$0	\$0	\$280,000	\$497,000
Off-Site Visitor Spending	\$48,000	\$0	\$166,000	\$78,000	\$266,000	\$558,000
Employees	\$10,000	\$124,000	\$12,000	\$0	\$75,000	\$221,000
Phase III	\$179,000	\$418,000	\$247,000	\$81,000	\$815,000	\$1,740,000
Camp Riff Operations ¹	\$100,000	\$254,000	\$0	\$0	\$346,000	\$700,000
Off-Site Visitor Spending	\$66,000	\$0	\$231,000	\$81,000	\$369,000	\$747,000
Employees	\$13,000	\$164,000	\$16,000	\$0	\$100,000	\$293,000
Phase IV	\$249,000	\$570,000	\$337,000	\$91,000	\$1,113,000	\$2,360,000
Camp Riff Operations ¹	\$142,000	\$359,000	\$0	\$0	\$475,000	\$976,000
Off-Site Visitor Spending	\$90,000	\$0	\$316,000	\$91,000	\$506,000	\$1,003,000
Employees	\$17,000	\$211,000	\$21,000	\$0	\$132,000	\$381,000

¹ Includes concert tickets and concessions, and campsite and RV rentals. ² Includes taxes to the county, schools and other local
Note: Impacts are cumulative and Phase IV levels represent annual impacts at build out.

Camp Riff Operations

Direct revenues from the development include sales, property and lodging taxes. Taxable sales generated by campsite rentals, on-site food and beverage sales, merchandise sales at the camp store and at concerts, and ticket revenues. On-site taxable sales could generate an estimated \$237,000 to \$617,000 per year in county and state sales taxes from the completion of Phase I to the completion of Phase IV. There are also one-time sales taxes on construction estimated at \$179,000 to the county and \$1.0 million to the state for all four phases combined. Construction sales taxes are non-recurring revenues and are in addition to the annual revenues in Figures 9 and 10.

Camp Riff could involve a significant capital investment that could translate into new property tax revenues for the county, school district and other local taxing districts. Property tax estimates are proportional to limited property value per acre for other comparable RV parks with amenities in Cochise County and hard construction costs. Annual property tax estimates range from \$98,000 per year at the completion of Phase I to \$359,000 per year at the completion of Phase IV.

Employee and Visitor Revenues

Additional tax revenues could be generated by off-site visitor spending, and by direct, indirect and induced employees living in the county.

- Employee property tax revenues are based on an average per capita residential assessed value in Cochise County, the annual supported population living and working in the county, and the average countywide property tax rate. Employee property taxes are estimated at \$211,000 per year at the completion of Phase IV, including taxes to the county, schools and other taxing districts.
- Town and county sales and lodging taxes and state sales tax revenues capture employee expenditures on taxable items, and visitor spending on hotels, retail, restaurants and entertainment. Visitor hotel spending is generated by people attending concerts and special events at Camp Riff while staying in hotels in Bisbee. Employee taxable expenditures are estimated at 31% of total labor income from the economic impact.¹ Employee and visitor sales and lodging tax revenues are estimated at \$1.2 million per year at the completion of Phase IV, including taxes to the county, the Town of Bisbee and the state.

Summary

Camp Riff is a destination development that could create significant economic benefits throughout the county, with an estimated annual economic impact of \$33.5 million at the completion of Phase IV. The project could directly support an estimated 65 new jobs on-site, and indirectly support 138 additional jobs elsewhere in the county at build out. Camp Riff could also generate an estimated \$14.4 million in annual taxable sales, along with \$14.9 million in annual off-site visitor spending in Bisbee. Given the unique nature of this type of development that combines camping and live entertainment, and the location near other retail, restaurants and entertainment in Bisbee, Camp Riff could significantly increase the number of visitors to Cochise County, who could in turn spend money at other local establishments and create additional economic activity.

¹ According to the Census Bureau Consumer Expenditure Survey, households spend about 31 percent of their income on taxable goods.