

MOAB LAND USE ECONOMIC ANALYSIS: SUMMARY OF FINDINGS

MOAB, UTAH

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SUMMARY OF FINDINGS

Lewis Young Robertson & Burningham Inc., (“LYRB”) was retained as a sub-consultant by Landmark Design to assist in the Moab Area Land Use Analysis. A number of studies were completed prior to this analysis and provide context for the current state of Moab City (“Moab” or the “City”) and Grand County (“County”). These studies include the BAE Urban Economics Phase I Assured Housing Feasibility Analysis and the Phase II Assured Housing Nexus Fee Analysis for Moab and Grand County, the City of Moab 10-Year Financial Plan by Econowest, as well as a number of County analyses including a sector analysis and demographic analyses. LYRB’s primary objectives were to 1) review funding strengths and limitations of existing revenue sources; 2) complete an analysis for supportable commercial acreage; 3) conduct a supportable lodging analysis; and, 4) provide future funding recommendations. Following are the primary findings of this analysis:

FUNDING STRENGTHS AND LIMITATIONS

- ☞ The City and County benefit from considerable transient room tax and resort community tax revenues. In the case of Moab, tourism related taxes and sales tax revenues offset the need for a property tax.
- ☞ However, transient room taxes are restricted funds collected for specific uses. Per Utah State Code, 47 percent of the transient room tax must be used for tourism promotion.
- ☞ A decline in overnight accommodation construction may result in a flat growth for transient room and resort community taxes as compared with the historic average annual growth rates of 10.6 percent and 7.5 percent, respectively.

SUPPORTABLE COMMERCIAL ACREAGE

- ☞ The range of supportable commercial acreage (acres that could be developed for viable commercial businesses) is 56 to 218 acres based on a buying power analysis and a per capita commercial analysis.
- ☞ Consumer spending provides insights into the County’s current land use patterns. Thirty-five percent of spending by Arches and Canyonlands National Parks visitors was attributed to hotels and 21 percent to restaurants.
- ☞ Building trends typically follow the demands for goods and services. Continued development in overnight accommodations will be needed to match current projected growth in tourism demand. This growth will likely induce additional commercial development in the County.

SUPPORTABLE LODGING ANALYSIS

- ☞ The number of tourists is growing at a faster pace than development of hotel/motel rooms.
- ☞ Despite an increase in overnight accommodations, the room per tourist ratio has declined from 2015 to 2018, which suggests a continued demand for additional overnight accommodations.
- ☞ The growing trend of non-hotel/motel lodging will continue to impact the room per tourist ratio.

FUNDING/INCENTIVES AND RECOMMENDATIONS

- ☞ Tools such as Community Reinvestment Areas may be used to incentivize development of a particular land use type.
- ☞ In addition, the City and County may have an opportunity to generate needed revenue through impact fee implementation. Impact fees should be assessed and updated regularly to capture the impact of new development on existing infrastructure and services.
- ☞ Property tax increases may be necessary to offset changes in tourism related revenue if overnight accommodation development decreases.