

The Value of Land in Blaine County:

An Economic Analysis of Factors Impacting Land Value and Usage in Blaine County, Idaho

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Prepared by

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EXECUTIVE SUMMARY

DEFINING THE ISSUE

The value of land is determined by its use. Blaine County is a prime example of an area where land values are positively impacted by a variety of strong economic components that help determine the quality and usability of land resources. These factors include: ease of access, recreational opportunities, social and cultural resources, and the scarcity of developable land.

Ease of Access

“Ease of Access” refers to the ability to easily travel to a specific place. This is impacted by the distance to population centers as well as the existence of infrastructure to help people travel to these areas. Roads, airports, and other transportation infrastructure can increase the desirability of a region.

Blaine County’s value is enhanced by its close proximity and ease of access to major population centers. Residents and visitors alike can easily reach the area by vehicle or by air travel as it is home to Friedman Memorial Airport. Additionally, complimentary bus service has made transportation throughout the Wood River Valley convenient and affordable.

Recreational Opportunities

The ability to easily engage in nearby recreation resources enhances the value of land. Blaine County is abundant in natural resources and recreational opportunities offering such amenities as skiing, fishing, hiking, biking, hunting, and other similar activities.

Social and Cultural Resources

When an area is easily accessible and presents a variety of recreational opportunities, the development of social and cultural resources quickly follows. An increase in eating and drinking establishments, shopping venues, museums, hotels, and entertainment options becomes an important component in supporting recreational opportunities and can further increase land values.

Blaine County has a thriving social and cultural community, which has emerged in response to its recreational opportunities and ease of access. As a result, the development of resorts, hotels, and supporting businesses not only contributes to the economic assessment of land value, but also plays a large role in the regional employment situation as well as sales tax revenue.

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Scarcity

Greater land scarcity in close proximity to recreational, social and cultural resources leads to more competition for limited resources, which results in higher land values.

Due to limited buildable land, especially within the Wood River Valley, land values are much higher in Blaine County than other areas of Idaho.

COMPONENTS OF ASSESSMENT

The value of land in Blaine County can be quantified through an analysis of relative measures of economic health.

ECONOMIC INDICATOR 2015 ESTIMATES	IDAHO	BLAINE COUNTY		
		Total	% of Idaho	Economic Impact Ratio*
Population	1,654,930	21,592	1.3%	100%
Total Private Employment	670,074	12,733	1.9%	146%
Leisure & Hospitality Employment	67,057	3,507	5.2%	400%
Leisure & Hospitality Wages	\$263.0M	\$17.4M	6.6%	508%
Travel & Convention Sales Tax Revenue	\$8.5M	\$630K	6.3%	485%
Enplanements	1,828,768	67,953	3.7%	285%

* The economic impact ratio is the actual impact relative to the expected impact as measured by population.

ECONOMIC INDICATOR	IDAHO	BLAINE COUNTY	
		Home Value	Relative Value**
Home Value	\$160,500	\$373,000	132%

** The relative value is the county home value relative to the state home value.

ANALYSIS

Land becomes more valuable when travel and tourism is an important part of the local economy. In Idaho, travel and tourism is a \$2.3 billion industry. It employs 67,057 people, generating \$263 million in annual wages and contributing \$8.5 million in annual sales tax revenue.

While tourism is an important economic driver in Idaho, it is essential to the Blaine County economy. Blaine County's population of 21,592 represents a relatively small share of the total Idaho population, at 1.3 percent of the state total. However, the leisure and hospitality industry enlarges Blaine County's economic impact and reach on the state.

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More than 3,000 people work in the leisure and hospitality industry in Blaine County. This is 5.2 percent of Idaho's total employment in travel and tourism. These workers receive more than \$17 million in annual wages, which is 6.6 percent of all travel and tourism wages in the state. Additionally, Blaine's travel and tourism industry generates over \$600,000 in annual sales tax revenue to Idaho, which is 6.3 percent of all travel and convention sales tax revenues in the state.

Recreational opportunities in Blaine County continue to attract visitors from around the world. In 2015, Sun Valley Ski Resort had more than 358,000 skier visits, a 3 percent increase over 2014. The county also recorded nearly 70,000 enplanements at Friedman Memorial Airport in 2015, which was 3.7 percent of Idaho's total enplanements for the year.

Experiencing Blaine County's vast array of recreational, cultural, and entertainment options can lead to an increased desire to invest in the community and establish greater long term ties. As a result, land value increases, which increases home prices. For example, the median value of a home in Blaine County is \$373,000, which is 132 percent higher than the median home value in Idaho.

FINDINGS

An area's economic impact can be imputed by comparing the relative size of key economic indicators to the share of the state's population. For this analysis, this is called the "Economic Impact Ratio", which compares Blaine County to the State of Idaho.

With 1.3 percent of Idaho's total population, Blaine County's economic indicators could be expected to carry the same ratio. However, once the economic impact ratio has been computed, it becomes clear that factors associated with the development and support of Blaine's recreational assets exceed their anticipated impact.

This is most clearly evident when looking at the county's employment situation. While the economic impact ratio for total private employment is 146 percent, leisure and hospitality employment weighs in at 400 percent and wages for the industry are at 508 percent. As a result of the thriving leisure and hospitality industry, travel and convention sales tax revenue in Blaine County has an economic impact ratio of 485 percent. Another indicator of the importance of Blaine's tourism industry is enplanements, which had an economic impact ratio of 285 percent for 2015.

The relative value of home prices in Blaine County in comparison to the state as a whole is another measure used to evaluate Blaine's unique economic position in Idaho. Home values in the county are 132 percent higher than the state and help illustrate how increased land value can positively impact home values in an area.

SUMMARY

The economic impact of Blaine County's travel and tourism industry heavily influences the value of land in the area and exceeds its expected impact relative to its size. Because of the easily accessible array of outdoor recreational opportunities, and the resulting social and cultural

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community, Blaine County has emerged as a highly desirable place to live, work, and play. Together these components have created an environment which continues to increase the value of land in Blaine County.

REFERENCE

Data in this publication are from: U.S. Census Bureau, 2015 Population Estimates; U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages: Q4 2015; Idaho State Tax Commission, 2015 Travel and Convention Sales Tax Revenue; Federal Aviation Administration, 2015 Revenue Enplanements at Commercial Service Airports; U.S. Census Bureau, Median Value Owner-Occupied Housing Units 2010-2014; U.S. Bureau of Economic Analysis, State Annual Gross Domestic Product: 2015; Sun Valley Economic Development, 2015 Sun Valley Skier Visits.

FOR MORE INFORMATION

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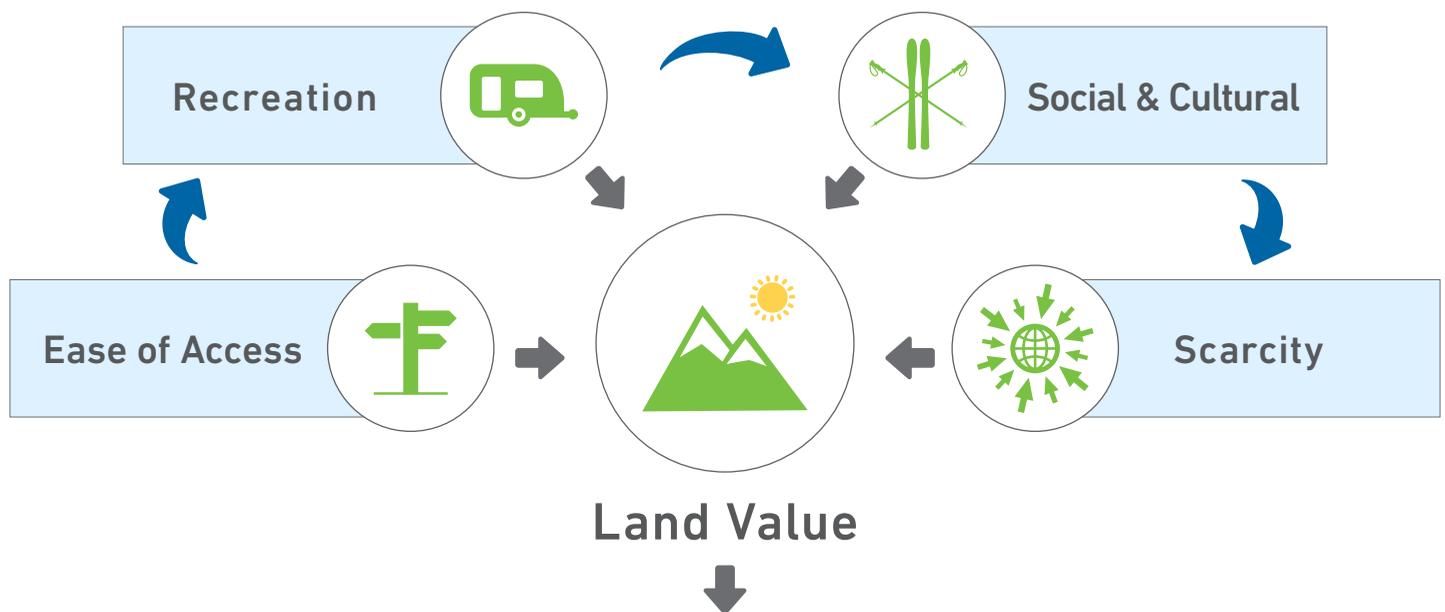


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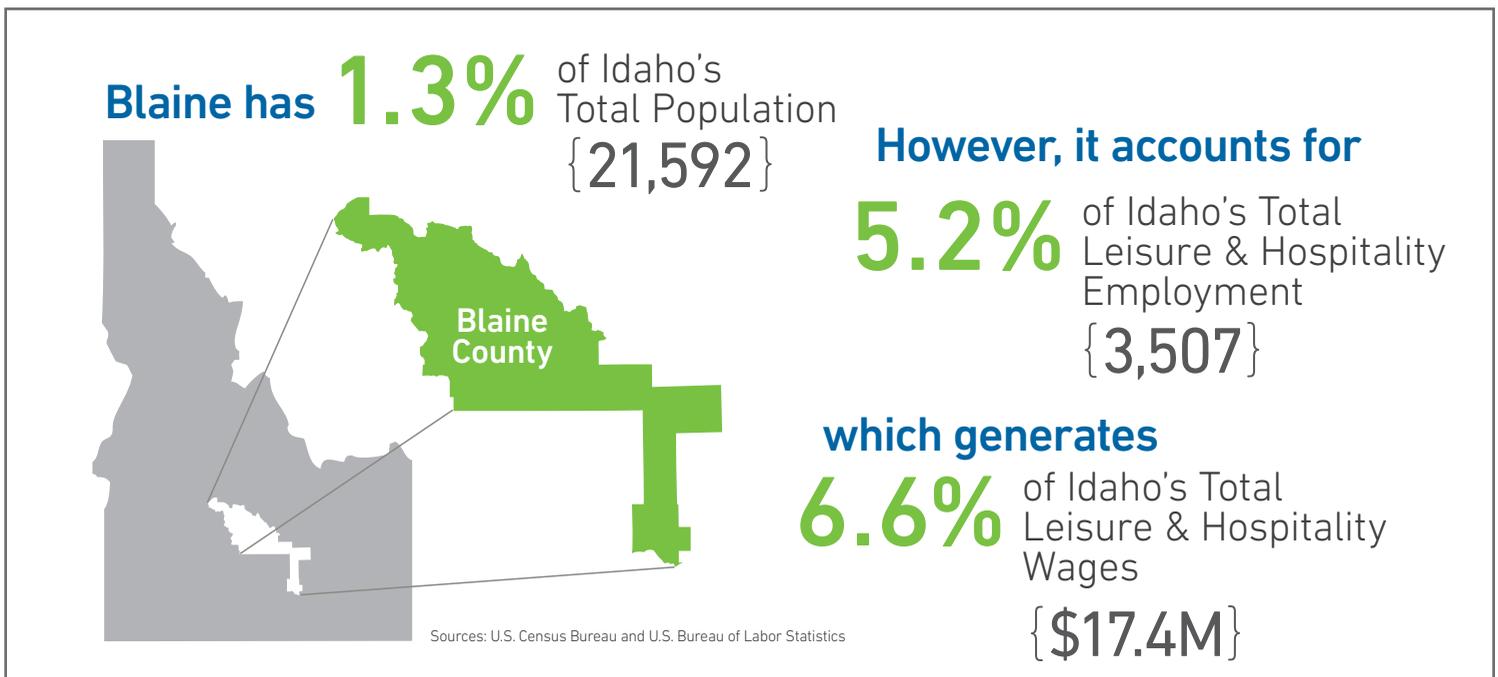
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The Economic Value of Land in Blaine County

Blaine County is a prime example of an area where land values are positively impacted by a variety of strong economic components. These factors include ease of access, recreational opportunities, social and cultural resources, and the scarcity of developable land. Blaine County is abundant in natural resources and recreational opportunities, and is easily accessible through roads and a vibrant airport. These elements have led to the development of a thriving art and culture community. Also, because of limited buildable land, especially within the Wood River Valley, land values are much higher in Blaine County than other areas in Idaho.

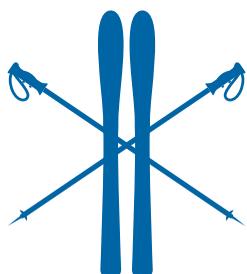


The value of land is illustrated by its use & impact on employment and wages.



With **1.3%** of Idaho's population, Blaine's economic contribution to the state's **\$2.3B** Travel and Tourism industry is larger than its size.

Travel and Tourism in Blaine County



358,717
Visits **{+3%}**
from 2014

Data: 2015 Sun Valley Skier Visits
Source: Sun Valley Economic Development

67,953
Enplanements

{3.7%}
of Idaho's Total Enplanements

Data: 2015 Friedman Memorial Airport Enplanements
Source: Federal Aviation Administration



Land Value's Impact on Home Values

The median value of a home in Blaine County is \$373,000, which is more than 132 percent higher than the median home value in Idaho.

BLAINE COUNTY
\$373,000

IDAHO
\$160,500



Data: 2010-2014 median value of owner-occupied housing units
Source: U.S. Census Bureau

**Travel and Convention
Sales Tax revenue**

\$603k

**2015 Blaine County
T&C Sales Tax revenue**

6.3%

**of Idaho's Total
T&C Sales Tax Revenue**

Source: Idaho State Tax Commission



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