

**The Economic Impact  
of Arizona State Parks  
Heritage Funds,  
Fiscal Year 2007**



**Prepared by Arizona Hospitality  
Research & Resource Center,  
Northern Arizona University**



**NORTHERN  
ARIZONA  
UNIVERSITY**

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**P.O. Box 16282  
Phoenix, Arizona 85011  
Phone: 602-528-7500  
Email: [mail@azheritage.org](mailto:mail@azheritage.org)  
Web: [www.azheritage.org](http://www.azheritage.org)**

## Introduction: 2007 Arizona State Parks Heritage Fund Projects

Arizona State Parks (ASP) administered Heritage Fund grants from 1991 through 2008. When sweeps to the fund started in 2008, grants were cancelled. The part of the Heritage Fund administered by ASP was subsequently removed from statutes in FY2010. Because 2008 was not a typical year for Heritage Fund grant awards, data from 2007 was used for these analyses. It is important to note that not every county took part or were awarded grants every year, so this analysis should be considered a snapshot and not representative of impacts to each community throughout the history of the grant program.

In order to accommodate the project scope and timeline of the request from the Arizona Heritage Alliance, grant projects from 2007, which included capital asset acquisitions, were identified by ASP staff, and the percentage of the project cost related to acquisition was calculated.

Based upon the data supplied by ASP, the total cost of the projects awarded Heritage Fund grants in 2007 was \$12,895,267 (this includes the grant award plus the match). These funds were dispersed to 12 of Arizona's 15 counties. ASP Heritage Funds were made available for three specific programs: 1) Trails, 2) Historic Preservation and 3) Local, Regional and State Parks (LRSP) grants. The LRSP program received the most funding (\$9,232,752), followed by Historic Preservation (\$2,778,495), and Trails grant programs (\$884,020). Total project funds per county are enumerated in Table One.

**Table 1: 2007 ASP Heritage Funds by Program Type for Arizona Counties**

County	Trails	Historic Preservation	LRSP	Total
Apache			\$970,114	\$970,114
Cochise		\$50,000		\$50,000
Coconino	\$441,106		\$1,766,860	\$2,207,966
La Paz			\$656,180	\$656,180
Maricopa	\$291,089	\$808,398	\$1,777,354	\$2,876,841
Mohave			\$1,355,096	\$1,355,096
Navajo			\$960,947	\$960,947
Pima		\$368,450		\$368,450
Pinal	\$128,395	\$636,651	\$555,087	\$1,320,133
Santa Cruz		\$235,000		\$235,000
Yavapai	\$23,430	\$679,996		\$703,426
Yuma			\$1,191,114	\$1,191,114
Arizona	\$884,020	\$2,778,495	\$9,232,752	\$12,895,267

The next step in the analysis is to take the ASP Heritage Fund total project costs allocated to counties and separate them into two general categories to help facilitate an economic analysis. The two primary categories that the funds are allocated to are acquisitions (purchases of land or buildings for trails, parks, historic preservation, etc.), and construction/rehabilitation of structures. For ease of analysis all funds are allocated to either acquisition or construction. When the funds are allocated in this manner, the majority of funds \$10,898,957 (85%) was allocated to construction; \$1,996,310 (15%) was allocated to acquisitions. Allocations for the counties and state appear in Table Two.

**Table 2: 2007 ASP Heritage Funds allocated to acquisition and construction**

County	Acquisition	Construction	Total
Apache	\$430,000	\$540,114	\$970,114
Cochise		\$50,000	\$50,000
Coconino	\$497,829	\$1,710,137	\$2,207,966
La Paz		\$656,180	\$656,180
Maricopa		\$2,876,841	\$2,876,841
Mohave	\$1,068,481	\$286,615	\$1,355,096
Navajo		\$960,947	\$960,947
Pima		\$368,450	\$368,450
Pinal		\$1,320,133	\$1,320,133
Santa Cruz		\$235,000	\$235,000
Yavapai		\$703,426	\$703,426
Yuma		\$1,191,114	\$1,191,114
Arizona	\$1,996,310	\$10,898,957	\$12,895,267

**Methods for the 2007 ASP Heritage Fund Economic Impact Analysis**

ASP Heritage Fund program expenditures for 2007 were entered into the Input-Output model Impact Analysis for Planning (IMPLAN), and economic impacts and multiplier effects were calculated for each of the counties. Economic impact analysis (EIA) measures the direct, indirect, and induced effects of expenditures related to a program or activity by detailing industry responses and multiplier effects on many regional economic indicators such as output, income, and employment. There are three major components to any EIA:

1. Direct effects in this case are the program expenditures on either land acquisition or construction. These effects are considered to be primary effects within the counties.
2. Indirect effects are a measure of economic activity in other industrial sectors that are spurred by the direct effects. For example, the \$50,000 spent on the HBPP City Hall/Copper Queen Library in Bisbee provided an economic boost to local business sectors (a direct effect). The project required a number of inputs from other industries such as utilities, construction materials, etc. Indirect effects are the increased economic activity in these other industrial sectors caused by the project activity.