The Economic Impact of the Proposed

Riverside County

Regional Detention Center

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Executive Summary

- This study re-estimates economic impacts of the proposed Riverside County Regional Detention Center (RDC). The analysis in the project's EIR has a number of serious flaws. In particular the EIR assumes:
 - A jail facility near Palm Springs will have no impact on traditional Palm Springs vacationers. The recent literature cited in the EIR contradicts this conclusion.
 - o Jail visitors can be represented by a sample of California travelers who had a median household income of \$79,478, far above Riverside County's median income or that of prisoner's families.
 - Jail visitors will spend 0.97 nights on trips to the Palm Springs Area even though the RDC is a county facility easily visited on a day trip.
 - o Jail visitors will reside outside the Palm Springs Area.
 - 50% of RDC employees will be new residents to the Palm Springs Area, an assumption contradicted elsewhere in the EIR.
- The above assumptions are inconsistent with empirical facts, studies cited in the EIR or assumptions made elsewhere in the EIR. This study corrects these flaws. Otherwise it has accepted the EIR's assumptions and methodology.
- Correcting these flaws leads to a different conclusion than the one presented in the EIR. Overall, the tourism industry in the Palm Springs Area (as defined in the EIR) will lose \$90.9 million per year in lost revenue even accounting for some increase in sales generated by the RDC.
- The loss in sales will also lead to a reduction in the local share of sales taxes and transient occupancy taxes of \$2.2 million per year. Other losses (e.g., potential loss in property taxes) were not estimated but some loss in these revenues should also be expected.
- These impacts to the tourism industry can also be expected to negatively impact other industries in the Palm Springs area. These impacts have not been estimated in this report but they could be significant.
- The Palm Springs area has pockets of urban decay and blight as well as a high vacancy rate in commercial property due to the current economic downturn, which may last for some time. The negative impacts from the RDC could seriously exacerbate existing urban decay in the area.
- One should also consider the possibility of a negative event at the RDC that
 would generate media attention and could lead to even greater losses. This
 outcome may be unlikely, but is far from impossible.

Introduction

About six months ago, Dr. King was asked by Babak Naficy, attorney at law, to comment on the Draft Environmental Impact Report (DEIR) prepared for the Riverside County Detention Center (RDC). He submitted a formal memo to the City in January where he expressed some concerns about the economic analysis contained in the DEIR. Under the California Environmental Quality Act (CEQA), the purpose of an EIR is to provide an analysis of a project based on reasonable inferences that are consistent with professional standards in the field. The purpose of an EIR is not to advocate for one position or another, but to provide a reasonably objective and impartial analysis. Economic Analyses are not always part of an environmental review, but are often included since policy makers are often particularly concerned with the economic and fiscal implications of projects. Where urban decay impacts are possible, an economic analysis can also be useful.

Dr. King's January memo expressed concern that the economic analysis prepared as part of the DEIR for the RDC had overlooked a number of key issues. In particular, the analysis contained a survey of the literature on the economic impacts of prisons and jails, which concluded that these studies had mixed results. However, as Dr. King pointed out, all of the academic studies the EIR cited in favor of prison development were at least eighteen years old. Of the five academic studies published in the last ten years cited in the DEIR, three studies conclude that prisons have no overall economic impact (i.e., the economic benefits were equal to the costs). However, the most comprehensive study, which relied on census data from across the country from 1990 and 2000, concluded that prisons in rural counties have a significant negative impact on economic development. In either case, the non-prison economy, including tourism, would shrink after the RDC

Dr. King was also concerned about some of the methodology used to support the economic benefits estimated in the report, though that was beyond the scope of my memo at the time. For example, the EIR assumes that visitors to the jail will spend about the same as tourists throughout the state even though it seemed likely that a visit to a family member or friend in a jail would be quite different and those visitors would likely have lower incomes. Further, since it is clearly stated that the RDC is for the county, it is likely that most people would come on day trips, not overnight trips as assumed in the EIR. Although predicting the future and future spending is never perfect, it appeared that the EIR made every attempt to maximize the benefits of this project while minimizing potential impacts. This is not the purpose of an EIR.

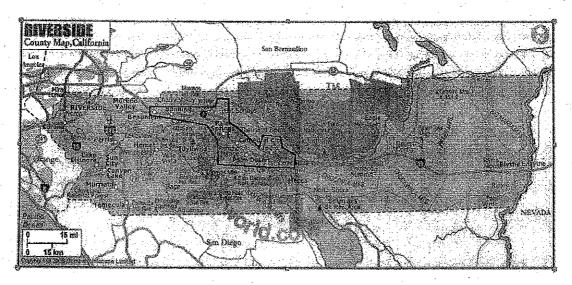
Mr. Naficy subsequently informed Dr. King that the Palm Springs Hospitality Association (PSHA) wanted a more detailed analysis of the economic impacts of the proposed RDC on the City. Although this report was delivered to the PSHA, Dr. King had minimal contact with this organization and this report was conducted independently.

Outline of this Study and Study Area

This main purpose of this study is to re-estimate the economic impacts of the proposed RDC, specifically on the City of Palm Springs and the surrounding area (as defined in the EIR). This study has three parts. Part one examines the assumptions made in the EIR concerning the benefits generated by the RDC. In some cases these benefits seem too high. The second part of the analysis examines the impacts on tourism. As Dr. King's January memo indicates, the recent academic literature indicates that although prisons and jails can generate economic activity (through job creation and visits) these gains are largely offset or outweighed by the negative consequences to other industries. Since the primary industry in Palm Springs is tourism, one should, in my opinion, be particularly concerned with potential negative impacts. The third part of this study briefly examines the possibility of urban decay as a result of negative impacts from the RDC.

Dr. King conducted this study on his own with no help or input from anyone in the tourism industry and his contact with Mr. Naficy was minimal. The purpose of this report is to provide an impartial analysis of the potential impacts of this RDC.

The Palm Springs Area, as defined by the Tourism Study, includes the towns of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage. Also included are the jurisdictions of Banning and Beaumont and the unincorporated area of Cabazon. Therefore, throughout the Tourism Study all estimated impacts were impacts to the Palm Springs Area defined as such. Figure 1 below presents a map of the Palm Springs Area and the future site of the RDC can be shown below, where the red marker represents the RDC and the gray area is the Palm Springs Area as defined by the Tourism Study.¹



Source: Maps of the World

Figure 1: The Palm Springs Area, as defined in the EIR

Benefits of the Project

Appendix K of the Proposed Riverside Regional Detention Center Draft Environmental Impact Report is entitled *The Economic Impact of the Riverside County Regional Detention Center on Palm Springs Tourism* and will be referred to as the Tourism Study throughout this report. The Tourism Study examined the potential changes to the tourism market in the Palm Springs Area and finds that there will be a net gain of \$6.2 Million to the tourism industry at the 2,000 bed level (Phase 1) and this will increase to \$20.9 Million as the facility expands to 7,200 beds (Phase 2).

However, some of the assumptions made in this Tourism Study make little sense given the demographics of prisoners and given the fact that the RDC will serve the County.

On the benefits side, the key assumptions critical to the study's result of net tourism gains are:

- Jail detainee visitors can be represented by a sample of California travelers who had a median household income of \$79,478.
- Jail visitors will on average spend 0.97 nights in the Palm Springs Area.
- 100% of jail visitors will reside in towns outside of the Palm Springs Area.
- 50% of RDC employees will be new residents to the Palm Springs Area.

Some of these assumptions above are contradicted by all of the evidence we have on jail detainees and their families or in other assumptions made in the DEIR. This analysis corrects these flaws. Where possible, this study attempts to use the same methodology as that used in the Tourism study and EIR and has accepted their methodology unless there is strong evidence to the contrary or the assumptions used in the study contradict the DEIR.

Changes in Visitor Expenditures Because of Visitors to Detainees of the Center

The Tourism Study estimates that detainee visitors will bring an additional \$4.7 million per year in Phase 1 of the project and this will increase to \$17 million per year in Phase. However, these estimates are based on specific assumptions about the demographics of these visitors as well as the fact that the vast majority of visits will be overnight.

The Tourism Study states:

"Assuming these visitors are typical of in-state California residential travelers as characterized in the 2008 DKSA survey, they will spend \$79.30 per person per day and stay 0.97 day per trip." (Section 6.2, page 32)

While this assumption may be relevant for overnight tourist visits in California, it is not suitable for a visit to the RDC for two reasons. First, the DKSA sample is composed of individuals with above average earnings and education levels when, in fact, empirical evidence shows that households of prisoners have below average

income and education levels and are more likely to be recipients of welfare or public assitance.²

Table 1 presents the demographic data of the sample used in the EIR to estimate spending on visits. Even a casual inspection would indicate that this sample is not representative of Riverside County, or visitors to a county jail. One example of the bias in this DKSA sample is that the median household income was \$79,478, while in the same year the median household income for the state of California was \$61,017 and it was \$57,590 for Riverside county (USDA Economic Research Service 2010). Therefore Riverside County had a median household income equal to only 72.45% of the DKSA sample. Since the RDC will serve Riverside County, this study will assume that the majority of visitors to the RDC detainees will be Riverside County residents and therefore the individuals in the DKSA do not represent the future detainee visitors.

Not only does the DKSA sample display higher household incomes than residents of Riverside county, but evidence shows that the average Riverside County resident is likely to have a significantly higher income than visitors to the RDC.² These discrepancies are not minor and because of them, this study will provide more accurate estimates of the amount that will be spent on travel by the future detainee visitors.

Table 1: EIR's Assumed Demographics of RDC Visitors

	•
Sample Size	5369
Average Daily	
Expenditures	
Total Excluding	\$79.30
Transport	Ψ17.50
Food	\$28.20
Length of Stay	
Avg. # Days	1.72
Avg. # Nights	0.97
Income	
Household	902 420
Income Average	\$92,439
Household	\$79,478
Income Median	Ψ/2 ₃ ∓/0
Education	
Education Averag	14.8
Median	14.1
No College	20%
Some College	36%
College	44%
Graduate Net	4470
Post College	18%

Source: DKSA 2008

This study's estimates adjust for the fact that the DKSA survey sample has income well above that of Riverside County, but to be conservative the study has not adjusted for the fact that the median income in Riverside County is likely to be above that of the detainee visitors despite evidence that RDC visitors will likley have significantly lower incomes. ³

The second, and perhaps even more important, as the EIR makes clear, the RDC will be serving Riverside County residents and is centrally located in the county, which makes it very unlikely that the visits will include an overnight stay, or expenditures on shopping, entertainment, and lodging as a typical vacation would. The majority of the visits will be day trips and this study assumes that the restaurant sector of the tourism industry will experience some increase in demand (most likely fast food restaurants easily accessed on trips to the RDC), but there will be minimal impact on the other sectors of the tourism industry from detainee visitors.

Consequently, it makes little sense for the Tourism Study to assume that the average detainee visitor will spend 0.97 nights in the Palm Springs Area. There is no reason to believe that most jail visits will involve an overnight stay. Table 2 below displays data on income, population, distance from the future RDC site, and crime indices for various towns within and outside of the Palm Springs Area. The towns in this table represent 70.2 % of the Riverside County population.

Table 2 below indicates that the majority of Riverside County towns are within an hour drive from the future RDC site. Therefore, RDC detainee visitors who live in Riverside County will be able to make visits within a day or even a half-day. Given that the RDC site is located along Interstate 10 and easily accessible, it is not clear that the visitors will be adding any significant demand to the Palm Springs Area tourism industry. However, to be conservative this study assumes that 85% of visitors will make food purchases in the Palm Springs Area and the remaining 15% have the same expenditure behaviors (e.g., they will stay overnight) as found in the DKSA sample. The estimate for visitor spending on food was taken from the DKSA data on daily food spending, which was \$28.20. After adjusting for income differences as described in the previous section of this report, we estimate that the 85% of detainee visitors making day trips to the RDC will spend \$20.43 in the Palm Springs Area and that the remaining 15% will spend \$79.30 in the Palm Springs Area. These assumptions are still somewhat generous and it is quite possible that visitors will spend even less than this amount.

In addition, from Table 2, 18.43% of county residents reside within the Palm Springs Area and that the average crime index within the Palm Springs Area is higher than the county (town/county ratio = 1.09) while the average crime index for towns outside of the Palm Springs Area is lower than that of the county (town/county ratio=0.81). This evidence implies that there is no reason to assume, as the DEIR does, that the inmates and their visitors will be disproportionately coming from outside of the Palm Springs Area. This is important since residents of the Palm Springs area are not incoming visitors adding spending to the area, as the EIR assumes. However, once again, the study takes into account the fact that

some detainee visitors will not be from the same towns as the detainees themselves and that the 15% who we assume make overnight stays are also from outside of the Palm Springs Area.

Table 2: Demographics, Crime Statistics and Drive Times to RDC Facility

Area/Town	Population	% of County	Miles to	Estimated Driving	Income	Crime Index	Ratio
	(2008 data)	Population	Facility.	Time	· .	(2004 data)	City/County
Riverside County	3400546						
raverside County	2100516	100%	N/A	N/A	\$56,859	410.2	1.00
A. The Palm Springs	Area as define	d by the Tour	sm Study	· ·		1.	
Banning	28,917.00	1.38%	- 6	13 minutes	\$43,224	288.5	0.70
Beaumont	32,663	1.55%	. 15	. 18 minutes	\$40,050	253.8	0.62
Cabazon ,	. No	fata	3	9 minutes		No data	
Cathedral City	52,095	2.48%	18	26 minutes	\$52,402	404.1	0.99
Desert Hot Springs	24,489	1,17%	13	19 minutes	\$35.019	862	2.10
Indian Wells	5,177	0.25%	29	35 minutes	\$126,650	328.5	0.80
Indio	84,443	4.02%	33	35 minutes	\$51,477	503.4	1,23
La Quinta	43,865	2.09%	38	44 minutes	\$73,511	353.4	0,86
Palm Desert	50,876	2.42%	27	35 minutes	\$65,108	433	1.06
Palm Springs	47,952	2.28%	15	16 minutes	\$48,475	639.2	1.56
Rancho Mirage	16,714	0.80%	24	31 minutes	\$80,618	391.1	0.95
Within Palm Springs				***************************************		Average	
Area Total	387,191	18,43%			1	Ratio	1.09
~					Ì		
B. Towns outside of t							
Blythe	16,092	0.77%	130	2.17 hours	\$47,601	568.6	1.39
Calimesa	7,454	0.35%	26.6	30 minutes	\$51,003	194.8	0.47
Canyon Lake	11,243	0.54%	58.9	1.16 hours	\$94,471	152.5	0.37
Coachella	39,391	1.88%	38.4	42 minutes	\$38,526	509.7	1,24
Corona	149,923	7.14%	58.6	1.08 hours	\$74,936	227	0.55
-lemet	70,991	3.38%	32.9	43 minutes	\$34,838	433.2	1.06
ake Elsinore	50,952	2.43%	32.9	43 minutes	\$56,440	321.2	0.78
Чогепа	190,871	9.09%	31.5	36 minutes	\$56,042	365.5	0.89
lurrieta	58,626	2.79%	68.0	1.25 hours	\$75,412	141.6	0.35
Vorco	26,659	1.27%	60.8	1.08 hours	\$84,426	296.6	0.72
Perris	55,643	2,65%	49.5	52 minutes	\$47,867	428.7	1.05
liverside .	295,357	14.06%	46.8	52 minutes	\$56,859	410.2	1.00
ian Jacinto	37,842	1.80%	30.7	39 minutes	\$41,271	392.2	0.96
emecula	76,411	3.64%	71.7	1.25 hours	\$76,555	232.2	0.57
Outside Palm Springs area Total	1,087,455	51.77%	*		-	Average Rato	0.81
otal for Both Areas	1,474,646	70,20%					

Sources: City Data (income, population, and crime) & Google Maps (driving distances/time)

Table 3 summarizes this study's corrections to the Tourism study in the EIR, correcting the three significant (erroneous) assumptions made by the study: 1) that visitors will have an income well above the county average, 2) that most visitors will stay overnight, 3) that all visitors will be from outside the Palm Springs area. The adjusted estimates are displayed in the last row of Table 3 below.

Table 3: Expected Annual Detainee Visitor Expenditures

Expected Expenditures (In Millions)	2,000 bed	7,200 bed
Tourism Study	\$4.7449	\$17.0142
Adjusting for Income	\$3.4377	\$12.3268
Adjusting for Length of Stay	\$1.8050	\$6.4723
Adjusting for population	\$1.6076	\$5.7644

Sources: Dean Runyan 2010, and this study's estimates.

This study's final estimates are that in Phase 1 the detainee visitors will add approximately \$1.6 Million dollars annually to tourism industry sales within the Palm Springs Area and approximately \$5.8 Million dollars annually when at final build out. Indeed, even these projections may be too high since these estimates still assume quite high spending on food.

Changes in Visitor Expenditures Because of Visits by Friends and Family to RDC Employees

The tourism study also estimates the expected increased in tourism industry sales in the Palm Springs Area made by visitors to the RDC employees, predicting an increase of \$17,500 annually during Phase 1 and \$47,000 annual additional sales at build out.

Although this is a relatively minor amount given the overall magnitude of the estimates measured, once again the assumptions seem to be inconsistent. In this case, these assumptions directly contradict those made elsewhere in the EIR. These estimates of expected new sales hinge on the assumption that 50% of the RDC employees will be new residents to the Palm Springs Area. This directly contradicts Population and Housing section of the EIR, which reads:

"Based on the existing labor force, unemployment rate, and projected growth in the project region, most of the new permanent employment opportunities created by the RDC project are anticipated to be filled by existing area residents who live in the project vicinity or within commuting distance, and the project's impacts on employment are considered less than significant." (EIR, Population and Housing section, Section 4.10, page 7).

and

"Potentially Significant Impacts. No potentially significant impacts to population, housing, and/or employment resulting from the proposed project have been identified." (EIR, Population and Housing section, Section 4.10, page 8).

The Population and Housing section of the EIR reached this conclusion based on data showing that the region surrounding the future RDC site is considered "job poor" and will be able to fill the entire increase in labor demand created by the project. Therefore, this study maintains that there will be no changes in net sales in the Palm Springs Area due to friend and family visitors.

While these assumptions do not meaningfully change the ultimate economic impacts, they once again point to an analysis fraught with contradictions and inconsistencies. Surely at a minimum one should expect an EIR to be consistent with itself.

Changes in Sales to the Tourism Industry Generated by RDC Job Creation

The Tourism Study makes predictions about new RDC employee spending in the tourism industry. However, it is unclear what the final Tourism Study's final estimates actually are. In section 6.4, they state that in Phase 1 of the project RDC employees will add an additional \$3.71 Million in annual sales to the tourism industry in the Palm Springs Area and that will increase to \$10.01 at final build out, while in section 6.6 of the same report the estimates they record are \$1.42 Million in Phase 1 increase to \$3.84 during Phase 2. This study will use the second, higher set of estimates, (\$3.71 Million in Phase 1 and \$10.01 Million in Phase 2), because these are consistent with the data presented in the Tourism Study on page 34 and there is no explanation given for the estimates reported in section 6.6. The estimates are based on LSA predictions of the staff required for both phases of the RDC project, the average of the salary range for the various staff positions, and that the new employees will spend 10% of their salaries (the national average) on tourism industry goods and services. The methods used for these estimates are acceptable and therefore this study will use these estimates.⁴

Losses to Existing Visitation

By far the most critical assumption made by the EIR is that building the RDC near the City of Palm Springs will have no negative impacts on existing tourism. The EIR and the tourism study argue that the academic literature on prisons and jails supports such a conclusion. However, as detailed in Dr. King's January memo (contained in the appendix to this paper) the tourism study's conclusion is contradicted by many of the studies that it cites. In particular, most recent studies show no net benefit (implying jobs and spending simply shift from other industries to jails and prisons) or these studies show that overall the costs are greater than the benefits. Since tourism is potentially to be more sensitive to negative impacts from a jail, it seems perplexing that the EIR brushed off this possibility.

It is difficult to estimate the precise impacts of the RDC on existing tourism, but to assume that they are zero seems very questionable. In order to estimate the potential loss in sales, this study conducted a survey of visitors to Palm Springs on Memorial Day weekend. On Sunday, May 30th 2010, a survey was conducted in the

downtown area of Palm Springs, CA. The survey was designed for the purpose of evaluating the potential economic impacts of the proposed Riverside County jail, located approximately 10 miles outside of the City of Palm Springs. Specifically, the survey design was directed at collecting representative data that could be used to estimate potential changes in annual visitation patterns to Palm Springs and the surrounding area, as well as the subsequent changes in annual visitor spending.

Research Assistants that are currently graduate students in the Department of Economics and Department of Urban Planning at the University of California, Los Angeles, were trained to objectively enumerate the surveys used in this economic impact analysis. The questions presented in the survey, as well as the corresponding summary statistics for each survey question, are presented in the appendix. Overall 66 responses to the survey were collected. The key findings are presented in Table 4 below.

Table 4: Percent Reduction in Spending if RDC is Built

	% Reduction
Lodging	-10%
Sit-down restaurants	-18%
Tours/Concents/Museums/Other events	-
Food from Stores and Take Out	-7%
Gas and Auto (Including Rental)	-23%
Beer, Wine and Liquor	-22%
Parking	-
Sundries (Sun tan lotion, books, etc.)	<u>-</u>
Other	-

Respondents also indicated that they would reduce spending in all other categories, however many respondents simply left many categories blank. To be fair, we threw out any category with less than 30 responses. Although this survey was conducted with limited resources, it does clearly indicate that respondents stated that they would reduce trips and spending if the RDC is built. The survey referred to the full build-out of the RDC, so this study applies the reduction in spending to full build-out only.

This study applied the estimates of reduction in spending from Table 4 above to the overall spending on tourism (only) from the Tourism study and the EIR. Table 5 below shows the estimated losses in sales to the city of Palm Springs resulting from the impact of the RDC on the desirability of Palm Springs as a vacation destination. Survey data on changes in tourist expenditures on overnight accommodations, food services, local transportation and gas, and food stores was combined with Dean Runyan data on sales to visitors for each of these commodities in Riverside County and the Palm Springs market share of the county's tourism industry in order to estimate the annual loss to the Palm Springs economy in Phase 2 of the RDC.

Following the methodology of the Tourism Study, this study uses the taxable room sales from the town of Palm Springs as a percent of the taxable room sales made in

Riverside County as a proxy for the Palm Springs market share of the tourism industry. In 2009, Dean Runyan recorded \$100.4 Million in taxable room sales for the city of Palm Springs, which is 19.7% of the total \$509.7 Million in taxable room sales for Riverside County. Based on this market share, the Dean Runyan data on the visitor spending, and the results of the survey data we estimate the losses in traditional tourist sales as well as the amount of tax dollars lost coming from the reduction in tourist spending.

Table 5: Lost Sales (\$ millions) From Traditional Palm Springs Tourism

Spending	Riverside	Palm Springs	Palm Springs	Estimated %	Total Estimated
Category	County	Market Share	i	Change	Loss
Taxable Room					
Sales	\$481.2	19.7%	94.8	-10%	-\$10.0
Food Service	\$1,726.6	19.7%	340.1	-18%	-\$61.2
Local		-			
Transportation					As market year
and Gas	\$693.8	19.7%	136.7	-23%	-\$31.4
Food Stores	\$290.9	19.7%	57.3	-7%	-\$4.0
Visitor Air	•				-
Trans.	\$14.5	19.7%	2.9	www.	
Total				a La maria	-\$106.7

Source: Dean Runyan 2010, and Survey Results

As Table 5 above indicates, the loss to the tourism industry in the Palm Springs area, at full build out, is estimated at \$106.7 million, which is substantially more than the economic benefits from the project that the EIR estimated or the revised estimates in this study.

Another important issue for policy makers is the loss in tax revenues collected from these sales. Tourism is a large part of the Palm Springs economy and tax dollars generated by this sector are a significant source of City government income. The sales tax rate in Riverside County is 8.75%, of which 1% is allocated to local governments (California State BOE, 2009). In addition local governments collect Transient Occupancy Taxes (TOTs) on taxable room sales.

Since the city of Palm Springs collects 1% of sales taxes and a 12.7% TOT on taxable room sales, one can estimate the changes in local government tax receipts that will be created by the RDC due to the loss in sales for these various categories. For food/grocery sales, we assume that only 30% are taxed, so the effective local tax on food store sales is only 0.3%. Table 6 below indicates that expected Palm Springs tax losses due to changes in visitor spending when the RDC has reached Phase 2 are approximately \$2.21 Million per year. Other losses (e.g., potential loss in property taxes) were not estimated but some loss in these revenues should also be expected.

Table 6: Palm Springs Annual Tax Losses

	Net Change in Sales (in Millions)	Effective Tax Rate	Tax Losses (in Millions)
Room Sales	-\$10.0	12.7%	-\$1.3
Food Service	-\$61.2	1%	-\$0.6
Local Transportation	-\$31.4	1%	-\$0.3
Food Stores	-\$4.0	0.3%	\$0.0
NET TOTAL		access nicenses in the first of the first provide the first of the first provided in the first of the second con-	-\$2.2.

Net Economic Impacts of the RDC on the Palm Springs Area Tourism Industry

The Tourism Study predicts that at final build out the RDC will generate approximately \$20.9 Million in new sales to the Palm Springs Area tourism industry. As shown above, the estimates in this study are based on a number assumptions which are simply not supported by the available data and/or academic literature. This study corrected these flawed assumptions based on empirical evidence and findings in the literature this study arrives at very different conclusions, namely that at final build out the RDC will result in approximately \$90.9 Million in lost sales to the Palm Springs Area tourism industry. Table 7 displays estimates from both the Tourism Study (EIR) and this study.

Table 7: Net Economic Impacts of the RDC on the Palm Springs Area Tourism Industry (Negative estimates in parentheses)

	Tourism Study	Our Estimates
	(in Millions)	(in Millions)
Traditional overnight visitors to the Palm Spri	ngs Area	
Total reduction in lodging expenditures (Palm	Springs) \$0.0	(\$10.0)
Food Service	\$0.0	(\$61.2)
Local Transportation	\$0.0	(\$31.4)
Food Stores	\$0.0	(\$4.0)
Total Change in Tourist Spendings	\$0.0	(\$106.7)
-	A STATE OF THE PARTY OF THE PAR	
Visitors to detainees of the center	\$17.0	\$5.8
Visits by friends and family to RCDC employee	s \$0.0	\$0.0
Purchases by new employees of the RCDC	\$3.8	\$10.0
New business expenditures generated by RCD	C \$0.0	\$0.0
NET TOTAL	\$20.9	(\$90.9)

Of course it is always difficult to make predictions about the future. However it is abundantly clear that the assumptions made about spending related to the RDC made a significant number of dubious assumptions, in particular over-estimating the amount of spending by visitors to the RDC. It is also clear that the literature on the economic impacts of prisons and jails does not support an optimistic conclusion that the RDC will have no negative impacts. Indeed, even a relatively small reduction in tourist spending would be sufficient to tip the balance on the negative side for the Palm Springs area.

Potential for Urban Decay

Dr. King's January Memo pointed out that urban deacy and blight is already an issue in the Palm Springs area and in Riverside County. The City and County have set up a number of redevelopment areas (RDAs) to address blight. To create an RDA, the area must, by law, be declared blighted. To determine that a site is blighted requires an even higher threshold than urban decay, so there should be no question that urban decay is already a serious issue in Palm Springs and other parts of Riverside County, which I document in more detail below.

The Palm Springs RDA comprises much of the downtown area of Palm Springs, where many older buildings, some of historical significance, exist. According to the RDA:

"The Community Redevelopment Agency of the City of Palm Springs is the entity created under state redevelopment law that provides for the elimination of blight and the promotion of economic development in Palm Springs." (From the RDA website: http://www.palmsprings-ca.gov/index.aspx?page=401)

Riverside County also has five RDAs, one close to the proposed prison in the desert community area and the nearby city of Desert Hot Springs has an RDA which comprises much of the downtown (see

http://www.rivcoeda.org/Departments/Redevelopment/tabid/60/Default.aspx). Dr King's January memo contains more details.

A site visit to Palm Springs in May 2010 indicated that the City, like many other cities in California, has a high vacancy rate in commercial property. Should the current downturn continue, as many economists expect, the combination of a long downturn and negative impacts to the tourism industry have the potential to exacerbate vacancies leading to eventual urban decay. Palm Springs is relatively affluent, and these impacts are likely to be stronger in neighboring areas such as Cathedral City.

Conclusion

In conclusion, the Tourism Study estimates the Palm Springs Area will experience large economic benefits from the RDC project. However, the study fails to take into account a number of realities of the proposed project. In particular, the nature of the visits to detainees at the RDC has been portrayed as that of a typical vacation, jail detainee visitors have been assumed to have the same spending behaviors as individuals with median household income 30.3% above the median household income in the State of California, all jail detainee visitors are assumed to reside outside of the Palm Springs Area, and the study assumed that 50% of future RDC employees will be migrating from other areas— a direct contradiction to the analysis in the Population and Housing chapter of the EIR. These assumptions made by the Tourism Study run in direct contradiction to the literature, the data, to other sections of the EIR, and to common sense.

When conservatively correcting for the errors in the Tourism Study's estimations, far different conclusions are reached. Chapter 5 of the EIR acknowledges that there may be a loss to the tourism industry (without actually estimating those losses), but uses the Tourism Study's flawed gains estimates to conclude that there will be no considerable impacts to the Palm Springs Area tourism industry. However, we find the estimated losses are indeed considerable and any gains here will in no way be able to mitigate the economic losses.

The analysis here is hardly a worse case scenario. First, this study accepted some of the assumptions made in the DEIR and the tourism study, which were still questionable. Second, there is also a possibility that the jail could be subject to bad publicity (e.g., from escapes, increased crime, etc.) that would lead to perceptions (real or not) that the Palm Springs area is unsafe. Given the nature of the Palm Springs tourism industry, bad publicity could seriously impact the tourism industry.

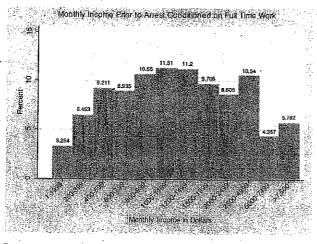
It is also clear that some parts of the Palm Springs area have already been declared blighted and, like other parts of California, the Palm Springs area has experienced higher vacancies in commercial property. A negative blow to the tourism industry would significantly exacerbate existing urban decay, an environmental impact that was not examined in the DEIR.

End Notes:

- (1) Palm Springs Area boundaries drawn in Figure 1 are approximate
- (2) The Population Bulletin (2002) states, "The empirical evidence is unequivocal: A higher percentage of the poor than the non-poor are arrested, convicted for violent crimes, and incarcerated." The idea that there is a relation between low household earnings and having an incarcerated household member shows that it is incorrect to assume that the DKSA sample, with above average household incomes represents the future RDC detainee visitors (Assumption 2).

To provide some empirical evidence we analyze the 1997 survey conducted by the United States Department of Justice documents prisoners' monthly earnings in the month prior to arrest, whether anyone in the prisoners' household was a welfare or public aid recipient, and whether the prisoners' main childhood caretaker was a welfare or public aid recipient. This survey indicates that having a household member in prison is correlated with low household earnings and high probability of being a welfare or public aid recipient.

The data show that 61% of individuals in the sample who had full time employment the month prior to arrest were earning less than \$1,500 in the month prior to arrest. This figure is extrapolated to infer an annual income of less than \$18,000 and compared to the national real per capita income in 1997, which was \$19,241 (US Census Bureau). Figure 2 below displays a histogram of prisoners' monthly earnings prior to arrest for those prisoners in the Western US who had full time employment at the time of arrest. Even when considering those with full time employment, we see that a large portion of the sample have earnings below the national average per capita income.



Source: US Department of Justice

Figure 2

This exercise ignores the fact that the prisoners may be using this earned income to support dependents and that there may be secondary earners in the household, so the per capita income for these households does not directly follow. However, 50.04% of the individuals surveyed in the Western US report living in the same household as their own children who are the age of 18. This suggests that the per capita income of the families in this sample is much less than the national average and that the prisoners themselves and their families have less discretionary income than the national average. Therefore the tourism report, which draws conclusions on prisoner visitor spending from a sample with greater than average discretionary income will yield overestimates.

In addition 27.81% of the individuals in our sample report that prior to arrest they were living in a household where at least one person was a recipient of welfare or public assistance. According to a USCB 2005 congressional report in 1997 14.8% of individuals were living in a household with at least one welfare recipient (US Department of Health and Human Services). Therefore, our sample of prisoners is nearly twice as likely to be found in a household receiving public aid.

The link has been made between below average income and prisoners, but it is necessary to show that the potential visitors to the inmates will also have below average income. In our sample we find that 30.45% of those inmates surveyed report that their parents or guardians had been welfare/ public aid recipients. This indicates that welfare status between prisoners and their family members is highly positively correlated and above the national average.

- (3) We adjust for income differences in a linear fashion, i.e. because Riverside County residents have a median household income that is 72.45% of the DKSA sample median household income, we assume that they will spend 72.45% of the amount reported to be spent on food per individual per day in the DKSA data, or . Although this may not completely accurately characterize how income relates to food expenditures, we do not consider this to be an underestimation of the amount that will be spent by RDC detainee visitors on food in the Palm Springs Area, because the DKSA data records food spending per day while the visitors are not expected to purchase more than one meal during the visits.
- (4) There are actually 3 sets of estimates of new RDC employee spending in the Palm Springs Area tourism industry. The tourism study reports \$3.71 and \$10.01 in Phase 1 and Phase 2 respectively on page 33 of the report, Table 7 on page 34 in the report shows that the estimates are \$3.7087 for Phase 1 and \$9.9984 for Phase 2, finally on page 35 they have the numbers at \$1.4227 and \$3.8393. There is no explanation for the within report changes of these estimates and the source of change is unclear. Due to this, we use the \$3.7087 for Phase 1 and \$9.9984 in Phase 2 estimates from Table 7, because the data for this set of estimates has been included while the source of the other sets of estimates has not been described in the report.

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January 14, 2010

Memo

To: Babak Naficy, Attorney at Law

From: Philip King, Ph.D.

Re: Economic Analysis in DEIR for Riverside County Regional Detention Center

You asked me to comment on the economic analysis contained in the DEIR for the Riverside County Regional Detention Center (RDC). The DEIR concludes that the RDC will have a positive impact on the County, yet the literature the DEIR cites and the DEIR's own analysis contradicts this conclusion. Further, the economic analysis presented to justify the project contains serious errors and omissions and is inconsistent with other evidence provided by the same consultants. In brief:

- 1. The DEIR concludes that studies of the economic impact of prisons are mixed, but all of the academic studies cited in favor of prison development are at least eighteen years old. Of the five academic studies published in the last ten years cited in the DEIR, three studies conclude that prisons have no overall economic impact. The most comprehensive study, which relies on census data from across the country from 1990 and 2000, concludes that prisons in rural counties have a significantly negative impact on economic development. In either case, the non-prison economy, including tourism, would shrink after the RDC.
- 2. Even if one accepts the DEIR's conclusion that the evidence on the economic impact of prisons is mixed, how does the DEIR end up deriving a positive benefit?
- 3. The DEIR argues that the "brand image" of the tourism industry in the Palm Springs area is critical and cites a survey showing that safety is a key issue for tourists. However, it relies on a survey of unnamed individuals and provides no evidence of their expertise on the subject.
 - At full build-out, the prison will house 7200 criminals. If one applies the nationwide escape/AWOL rate of 1.4% per year, this implies 100 escapes/AWOLs per year from this prison. Even if only a few of these inmates escape into the broader community, public safety, or certainly perceptions of public safety, could be threatened significantly. For an upscale tourist industry which caters to an older clientele, the economic impacts would be devastating.
- 4. The DEIR estimates that tourism in Riverside County generated \$5.92 billion a year in 2009. Even a 1% loss in this revenue would mean a loss of \$59 million for the County and a loss in millions in transient occupancy and other local tax dollars.

In addition, Palm Springs and many nearby parts of Riverside County have significant areas that have been declared blighted by government agencies. A downturn in the non-prison economy would significantly exacerbate existing blight and urban decay in these areas. This impact should have been examined in the DEIR, but was not. The rest of this memo will explain these issues in more detail.

¹ See DEIR, 4.16-8.

Literature on the Economic Impact of Prisons

The DEIR and the accompanying appendix prepared by Dr. Timothy Tyrrell present a survey of the literature on the economic impact of prisons. According to the DEIR, "review of the available academic literature found no consistent result regarding the community impact of prisons." This conclusion, of course, directly contradicts the DEIR's later assertion that the Riverside County Regional Detention Center will have a positive economic impact. However, upon closer scrutiny it becomes clear that the articles which appear to show positive benefits are at least eighteen years old and the two articles cited as showing that prisons confer real estate benefits are twenty three and twenty six years old.

Only five of the academic studies discussed in the literature review were written in the past ten years. 5 All of these articles conclude that prisons either have no positive economic benefit or that they have a negative impact on local communities. All of these articles are based on more recent and more comprehensive data sets.

In addition, many of these studies examine the employment impacts of prisons. Once again most recent studies conclude that the employment impacts of prisons are not positive—despite the jobs created by these prisons, the studies find that the overall employment impact of prisons in rural areas is neutral or negative when compared to similar towns with no prisons—which means that the non-prison employment shrinks in these towns. Other peer-reviewed studies from the last ten years find no increase in businesses in towns with prisons when compared to similar towns without prisons. ⁶

The most comprehensive study of the impacts of prisons was prepared by Besser and Hanson.⁷ They point out in their analysis that many earlier studies of the impact of prisons (cited in the DEIR as concluding that the economic benefits of prisons are positive) were conducted using data from before the rapid expansion of prisons into rural areas and did a poor job of controlling for other variables or were based on a few case

² See Riverside County Detention Center Environmental Impact Report, prepared by LSA Associates, November 2009, and contained in Appendix K of the DEIR, "The Economic Impact of Riverside County Detention Center on Palm Springs Area Tourism, September, 2009.

³ DEIR, p. 4.16-15.

⁴ Specifically, the DEIR cites the following articles: Abrams and Martin, 1987, Prisons as LULUs, Environmental and Urban Issues, 14:18-21. Sechrest, 1992, Locating Prisons: Open vs Closed Approaches to Siting, Crime and Delinquency, 38: 88-104., Smyka et. Al., 1984, Effects of a Prison facility on a Regional Economy, Jnl of Criminal Justice, 12, 521-529.

⁵ Specifically, see Besser and Hansen, 2004, Development of Last Resort: The Impact of New State Prisons on Small Town Economies in the United States, Journal of Community development Society, 35(2), Hooks, Mosher, Rotolo and Lobao, 2004, The Prison Industry: Carceral Expansion and Employment in US Counties 1969-1994, Social Science Quarterly, 85(1) pp. 37-57., King, Mauer and Huling, 2004, An Analysis of the Economics of Prison Siting on Rural Communities, Criminology and Public Policy, 3(3), 453-480, King, Mauer and Huling, 2003, Big Prisons, Small Towns: Prison Economics in Rural America., Washington D.C., The sentencing project., Glasmeier and Farrigan, 2007, The Economic Impacts of the Prison Development Boom on Persistently Poor Rural places, International Journal of Regional Science, Spring 2007.,

⁶ For example, see Delissi and Besser, 2003, The Economic Impact of Prison Growth in Iowa, Iowa Policy Project. King, Debisi...

⁷ See Besser and Hansen, 2004, Development of Last Resort: The Impact of New State Prisons on Small Town Economies in the United States, Journal of Community development Society, 35(2).

studies which may not be representative of the experience of other communities, such as Riverside County.

Besser and Hanson's data set is comprehensive. It uses national census data from 1990 and 2000 and performs a detailed statistical analysis of communities with and without prisons. Unlike many earlier studies cited in the DEIR, Besser and Hansen control for other key socioeconomic variables. Besser and Hansen conclude that the increase in employment, wages and new businesses is <u>substantially lower</u> in prison towns than in non-prison towns with similar demographics. In addition, they find that prison towns lost an average of 33% of their population in the 1990-2000 period.

Consequently, the DEIR's conclusion that the evidence on the impacts of prisons is mixed ignores the critical fact that all the academic studies they discuss are over eighteen years old and all recent studies how that prisons are at best neutral and at worst have a negative impact. Further, even if a prison has a neutral impact, this conclusion implies that other industries, such as tourism, will shrink. If the Besser and Hanson study is correct, other industries will shrink even more.

Brand Image

The DEIR has a considerable discussion about the importance of "destination brand" on the local tourism industry. The discussion emphasizes the importance of safety and the perception of safety on the tourism industry. Further, the DEIR points out that visitors to Palm Springs tend to be older and more affluent—both groups value safety highly. However, the DEIR only cites anecdotal evidence and studies of anonymous discussions with people working for the visitors bureaus. They use these anonymous interviews with people who, as far as we know have no expertise in the field, to conclude the prison will have little impact. There present no evidence with any academic rigor, nor does it seem possible to replicate these studies or have access to the data that was gathered. Consequently, it is difficult to have much confidence in their conclusion.

I do agree with the authors of the DEIR that perceptions of safety are critical. Even if the prison is in fact safe, the perception of safety may still be an issue. The most comprehensive study of prison escapes and absences without leave indicates that 3% of all inmates either escape or are absent without leave and every year, 1.4% of all inmates either escape or are absent without leave.

At full build-out the prison will house 7200 criminals. If one applies the nationwide escape/AWOL rate of 1.4% per year, this implies 100 escapes/AWOLs per year from this prison. If only a few of these inmates escape into the broader community or are dangerous, public safety, or certainly perceptions of public safety, would be threatened significantly. For an upscale tourist industry which caters to an older clientele, the economic impacts would be devastating and to dismiss these issues as the DEIR does, makes no sense. Consequently, the DEIR's abrupt dismissal of safety concerns seems puzzling.

⁸ See Richard F. Culp , 2005, Frequency and Characteristics of Prison Escapes in the United States: An Analysis of National Data , The Prison Journal, Vol. 85, No. 3, 270-291.

Negative Impacts on Tourism Industry

It is clear from the literature cited above that the RDC will, at best, create no net growth in the greater Palm Springs area and Riverside County, implying a reduction in the non-prison economy, of which tourism is a significant part. The most comprehensive study, by Besser and indicates that the net impact will be even worse—leading to a shrinking economy. In either case, there will clearly be a negative impact on the tourism industry.

The economic impact analysis provided in the DEIR is completely at odds with the recent literature it cites and is inconsistent with its own conclusion that the literature on the impacts of prisons is mixed. The DEIR only examines the direct impacts of the prison and omits any discussion/analysis of negative economic and community impacts, even though the recent literature makes it clear that prisons or a zero or negative sum game. Further, its methodology appear to be biased in favor of coming up with as hgh a number as possible in order to support this project. For example, the DEIR assumes that visitors to the prison will spend the same amount per visit as the average visitor in California, yet families of prisoners are disproportionately from low income and minority groups—why was this not take into account?

However the most serious flaw in the DEIR's analysis is its failure to account for negative impacts on other industries which the recent literature finds again and again. This omission renders the EIR's analysis completely flawed and, in my opinion the DEIR does not meet the requirements of CEQA to present a reasonable analysis based on the evidence.

The DEIR estimates that the tourism industry in Riverside County generated \$5.92 billion a year in 2009. Even a 1% loss in this revenue would mean a loss of \$59 million in revenues for the County and a loss in millions in transient occupancy and other local tax dollars.

Blight and Urban Decay

I am particularly concerned that the RDC will have a negative impact on the local (Palm Springs area) tourism industry since the literature clearly indicates that the prison industry will crowd out existing industries in the area.

The most vulnerable businesses will be marginal businesses and businesses in areas that are already struggling. Palm Springs also has many older buildings with historical significance. These buildings are more expensive to maintain and thus more sensitive to an economic downturn.

The courts have recognized urban decay as an environmental impact that must be addressed in an EIR. To show urban decay it is not enough to show an economic downturn, one must also show evidence that the economic downturn will exacerbate existing urban decay.

Blight is already an issue in the Palm Springs area and in Riverside County. The City and County have set up a number of redevelopment areas (RDAs) to address blight. To

⁹ See DEIR, 4.16-8.

Appendix 1: Dr. King's January Memo To City of Palm Springs

create an RDA, the area must, by law, be declared blighted. To determine that a site is blighted requires an even higher threshold than urban decay, ¹⁰ so there should be no question that urban decay is already a serious issue in Palm Springs and other parts of Riverside County, which I document in more detail below.

The Palm Springs RDA comprises much of the downtown area of Palm Springs, where many older buildings, some of historical significance, exist. According to the RDA:

"The Community Redevelopment Agency of the City of Palm Springs is the entity created under state redevelopment law that provides for the elimination of blight and the promotion of economic development in Palm Springs." 11

Riverside County also has five RDAs, one close to the proposed prison in the desert community area¹² and the nearby city of Desert Hot Springs has an RDA which comprises much of the downtown (see Figure 1 below and reference).

In footnote 4 of Bakersfield, the Court states "Some of the parties use the term 'urban blight', assuming that it is interchangeable with 'urban decay.' This is incorrect. 'Blight' is a term with specialized meaning that has not been shown to be applicable. (See Health & Saf. Code. [Section] 33030 et seq.)" There, the City and developers argued that the plaintiff had not shown "blight" as defined in the H&S Code existed and therefore the City had no obligation to consider decay. The plaintiff countered that the absence of "blight" is not akin to an absence of "decay" as blight is a higher threshold used to allow the government to condemn private property. Urban decay is an environmental effect. Thus blight includes urban decay, but urban decay will not always rise to a level of Redevelopment Law "blight." The standard for blight is higher than that for urban decay—abandoned buildings, boarded up stores, graffiti, etc.

¹¹ From the RDA website: http://www.rivcoeda.org/Departments/Redevelopment/tabid/60/Default.aspx.

Appendix 1: Dr. King's January Memo To City of Palm Springs

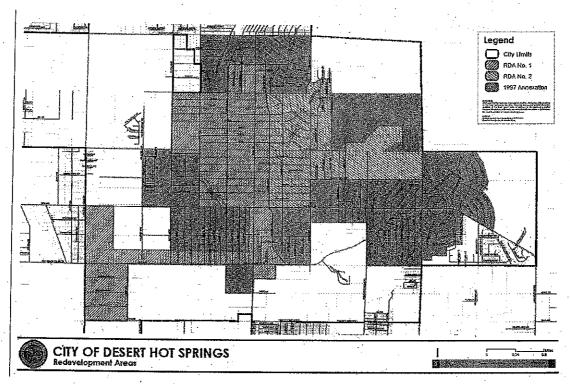


Figure 1: City of Desert Hot Springs RDA Area¹³

¹³ From the RDA website: http://www.cityofdhs.org/RDA Documents.

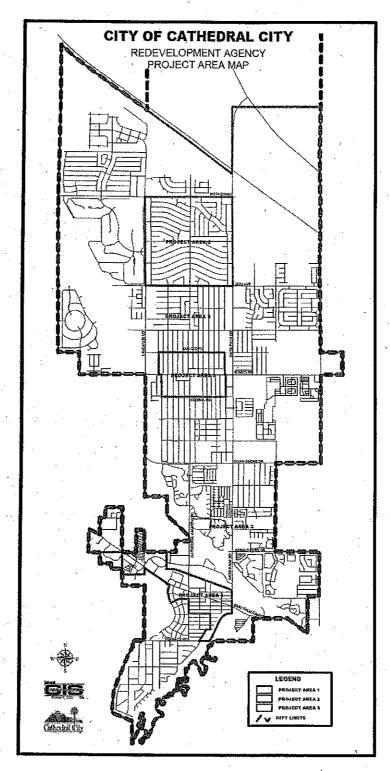


Figure 2: Cathedral City RDA¹⁴

¹⁴ From RDA website: <u>http://www.cathedralcity.gov/index.aspx?page=107</u>.

Appendix 1: Dr. King's January Memo To City of Palm Springs

Nearby Cathedral City also has several RDAs which could potentially be impacted negatively by the prison.

Other Flaws in the DEIR

The economic impact analysis contains other flaws. For example, it assumes that visitors to prisons will spend the state average for travel, even though these visitors have substantially lower incomes.

Conclusion

In sum, the DEIR is completely inadequate. It has presented a distorted view of the economic impact of the proposed prison. It ignores its own conclusion that the record is mixed. More egregiously, it completely omits the fact that all the recent studies it cites conclude that prisons either have no impact on the overall economy (implying a negative impact on the non-prison economy) or have an overall negative impact.

The DEIR also ignores existing blight in the area and fails to account for potential exacerbation of this blight and hence increases in urban decay in the area due to a downturn in the non-prison economy, especially tourism. In my opinion, based on the evidence presented in this memo and in the DEIR, there is a significant potential for urban decay as the non-prison economy inevitably declines. Moreover, downtown Palm Springs and other areas subject to urban decay, while appropriate for the tourism industry (due to their historical significance) will not be appropriate for the development of the prison economy which is more likely to take place closer to the proposed RDC. Unfortunately, this exacerbates urban decay even further.

All of these issues should have been fleshed out properly in the DEIR, not swept under the rug. This DEIR seems more interested in justifying the project as opposed to pointing out potential environmental impacts and proposing mitigation. CEQA requires a reasonable, objective analysis. CEQA does recognize that any analysis has limitations. However, it is clear that when a DEIR ignores the evidence it presents in a literature review, or the fact that recent more comprehensive studies cited should have more weight than out of date studies, then the DEIR has not met the standards of CEQA.

Even the DEIR's own (faulty) reading of the literature concludes that the community impact of a prison is mixed, yet despite this conclusion, the DEIR then goes on to estimate only positive benefits for the prison, completely ignoring negative impacts which have been identified in the academic literature the DEIR cites. This type of analysis, fraught with errors and omissions, is unreasonable and inconsistent with the requirements of CEQA. The citizens of Riverside County deserve better.

Survey of Visitors to Palm Springs

Dr. Philip King, San Francisco State University

This survey is being conducted by Professor King for the City of Palm Springs. Riverside County is considering locating a jail nearby and the City would like to understand the economic impacts. All information is confidential—no one will ask your name. You cooperation will help. It will take a few minutes.

[To be filled out by surveyor] Date/day of week	☐ Completed by Surveyor Time		
1. Which category best describes you and your household?			
☐ I am visiting the area on a day trip.			
☐ I am visiting the area and staying overnight.	n de Maria de Carlos de Carlos Carlos de Carlos de		
2. If you are staying overnight please answer 2a and 2b, other	wise skip to question 3.		
2a. If you are staying overnight, please answer the following	;; ;;		
I am staying overnight in a hotel/condo in the City of	Palm Springs.		
I am staying overnight in a hotel/condo near the City	of Palm Springs.		
☐ I am staying overnight with friends/family.			
☐ I am camping.			
2b. How many nights do you plan to stay on this trip?			
\square 1 \square 2 \square 3 \square 4 \square 5-6	☐ 7-9 ☐ 10 or more		
2c. How many nights do you plan to stay in Palms Springs or	the surrounding area this year?		
□ 1 □ 2-3 □ 4-6 □ 7-10 □ 11-14 □ 14	and the second s		
3. Do you live in the US? Yes No			
3a. If yes, what is the zip code of your primary residen	nce ?		
	,		
4. How many people from your household are in your grou	np today?		
$\square 1$ $\square 2$ $\square 3$ $\square 4$ $\square 5$	6 7-9 10 or more		
5. How would you characterize your trip?			
☐ Vacation ☐ Business ☐ Part busin	ess/part vacation		

Survey of Visitors to Palm Springs Dr. Philip King, San Francisco State University

6. Could you estimate how much your spending, per household per day on your current trip on the following items and the percentage of this spending that occurs in Palm Springs? If you spent nothing, please put a zero in the box.

Item	Average amount spent PER Household PER DAY (\$US)	Percentage spent in the City of Palm Springs Check Below.		
Lodging	,	II II 0% 25% 50% 75% 100%		
Sit-down Restaurants		IIIIIIIII		
Tours/Concerts/ Museums/Other events		IIIIIII		
Food from Stores & Take Out		II		
Gas & Auto (Including Rental)	*	II. II. II 0% 25% 50% 75% 100%		
Beer, Wine & Liquor		IIIII. 0% 25% 50% 75% 100%		
Parking		II II 0% 25% 50% 75% 100%		
Sundries (Sun Tan lotion, books, etc.)		II		
Other				

7. Riverside County is considering building a jail (regional detention center) ten miles west of Palm Springs. This jail would house 7,200 prisoners at maximum build-out. It would house people awaiting trial and serving one-year sentences or a multiple of one-year sentences.

If this jail is built, would it affect the number of days you visit Palm Springs?

Yes No

No

7a. If you answered yes above, can you tell us how many days you would stay in the area this year after the jail was built?

Survey of Visitors to Palm Springs Dr. Philip King, San Francisco State University

Demographic Information: It would help us a great deal if you could provide us with some other information about you and your household. All information is confidential.

8. How old are you?		
□ 16-19 □ 20-24 □ 25-34 □ 35-44 □] 45-54	J 65-74
9. With which of the following racial groups do White(Non-Hispanic) Hispanic Bla	you most closely identi	ify? (Check <u>only one</u>)
10. What is your highest level of Education?	•	
Did not finish High School	High School	☐ Some College
College Degree Post Graduate Degree	· ·	
13. Including yourself, how many people are in yshare financial resources)?	your current household	(people you live with and
	1 5-6 1 7-	9
14. What would you estimate is the current yearl axes)?	y income of your entire	household (before
Less than \$15,000	•	\$50,000-74,999 \$250,000 or more