

Buffalo River Watershed Alliance
Analysis of the Tourism Economy in Newton County
August 30, 2017

The following data regarding Newton County tourism businesses was provided by the Arkansas Department of Revenue, the Arkansas Department of Parks and Tourism, the National Park Service, and online sites including Arkansas.com, the Jasper/Newton County Chamber of Commerce, the Buffalo River Chamber of Commerce, VRBO.com, AirBnB and others. Cabin rental numbers are conservative and not intended to be exhaustive but represent the minimum number of businesses in operation as the date of this report.

1,240 Guests per night in 170 rental cabins, 100 motel rooms, 200 camp sites

Tourism is undoubtedly the fastest growing industry in Newton County, particularly as reflected in the rapid rise in recent years of nightly lodging accommodations. Newton County currently has over 100 lodging businesses encompassing some 170 rental cabins or lodges, over 200 camp sites and over 100 motel rooms. Collectively, these businesses can accommodate over 1,240 guests per night. A sizeable labor force is required to manage, clean and maintain these businesses, most of which operate year-round.

5 Buffalo River Concessionaires with 564 vessels

In addition to lodging, other tourism businesses are canoe concessionaires, regulated by the National Park Service/Buffalo National River, which include 5 businesses in Newton County with 564 vessels (canoes, kayaks, rafts) available for rent. These businesses also provide shuttle services for tourists with their own vessels.

Over \$6.5 million gross revenue, \$97,589 to Newton County, \$130,120 to tourism promotion

\$130,120 in “tourism taxes” was collected from these tourism businesses in Newton County in 2016, according to information from the Tourism Trust Fund. Tourism businesses in Newton County paid a total of 10%, or \$650,598.00, in combined state and county sales tax, of which 2% is assessed for the promotion of tourism by the Department of Parks and Tourism and 1.5% goes to the county. This tax represents gross revenues generated by these Newton County businesses of \$6,505,985 of which \$97,589 (1.5%), solely attributable to tourism, went to Newton County coffers in 2016. This does not include sales taxes paid by other local businesses not subject to the tourism tax but which benefit from tourist visits, such as restaurants, grocery stores, shops, etc.

Tourism critical in 10th poorest county in Arkansas

In the 10th poorest county in Arkansas, with a poverty rate of 23.5%, (2010 U.S. Census data) tourism is a significant industry, especially considering the multiplier effect as these business owners spend this income with other local businesses, such as hardware stores, cleaning and repair services, etc. In addition

to sales tax, these 100 tourism businesses also pay considerable annual real estate and property tax directly to the county.

Buffalo National River the primary tourist attraction

The primary tourist attraction in Newton County is the Buffalo National River and undoubtedly the vast majority of patrons of these businesses are drawn to Newton County because of the Buffalo. Over 1.7 *million* people visited the Buffalo in 2016 and supported over 1,200 jobs and generated a cumulative benefit to the local economy of over \$90 *million*, much of which benefited Newton County. Visitors are attracted from across the country, and the globe, by the pristine beauty of one of the last free-flowing rivers in the continental U.S., our first National River. They come to canoe, hike, camp, fish, swim and enjoy the cool, clean waters of the Buffalo. They stay in local lodging, eat in local restaurants, buy gas and groceries and shop locally. It is clear that if the Buffalo lost its allure due to degradation, if it was damaged in some way, or if it was closed due to health concerns, this vibrant and growing tourist industry would be at serious risk of collapse. There are few, if any, opportunities to take its place.

C&H CAFO puts tourism at risk

By contrast, the location of the swine CAFO, C&H Hog Farm, poses a clear risk to the ecology and beauty of the Buffalo and to the human health of those who use it, as well as to the economy of Newton County. In 2016, C&H paid approximately \$9,000 in real estate and property taxes and JBS-USA (owner of the swine) paid approximately \$1,700 in property taxes to Newton County. C&H reportedly employs only 6-12 people. From a purely financial perspective, does it make sense, is it fair, for one business which contributes less than \$11,000 to the county to put at risk over 100 businesses which contribute nearly \$100,000 to the county, (not including their considerable real estate and property taxes) plus over \$550,000 to the state, not to mention the \$90 million generated by the Buffalo River overall? In addition to Newton County, Marion, Searcy and Baxter counties also benefit from the Buffalo National River and their economies are likewise at risk should the river become degraded.

Buffalo among “Most Endangered Rivers”

The Buffalo National River is a true economic engine for a county and a region with few opportunities. The livelihoods of over 100 tourism business owners, and the labor force they employ, are being put in jeopardy because of one misplaced industrial operation. As proof of this risk, consider that the organization *American Rivers* included the Buffalo on its 2017 list of “*America’s Most Endangered Rivers*” due to the risk posed by C&H: <https://www.americanrivers.org/endangered-rivers/buffalo-river-ar/>

Swift action by our elected officials is required to insure that this vital and flourishing tourism industry is not damaged or destroyed because of a wrong-headed decision by a state agency to permit a swine CAFO to operate in such an inappropriate location. This mistake can and must be corrected.

For more information contact: Gordon Watkins, President, Buffalo River Watershed Alliance, (870) 446-5783 buffalowatershed@gmail.com