Once again, the popular Oceano Dunes State Vehicular Recreation Area is in jeopardy.

The state Coastal Commission staff recommends closing the entire 3,500-acre park to off-road vehicles within five years to protect the sensitive dunes environment — which includes several rare and endangered species — and to curb dust pollution that's been endangering the health of downwind residents.
That's triggered worries about the local economy, especially in small communities like Oceano and Grover Beach, where ATV rental shops, service stations and restaurants rack up big sales to off-road enthusiasts from throughout the state, especially the Central Valley.

Chambers of Commerce refer to the Dunes as a “significant economic driver.”

“Visitors and locals have been enjoying the beach in their vehicles since the turn of the last century and a specific economy has formed around this activity,” local chambers wrote in a joint letter to the state Coastal Commission.

Yet we really don’t have a good handle on whether or not the economy would survive — and past studies have not provided much clarity.

An economic analysis commissioned by State Parks in 2017 determined the OHV park contributed $243 million to the local economy in 2016-17 and supported 3,330 jobs — and that's been taken as gospel in some quarters ever since.

But serious doubts have been cast on the accuracy of that report by SMG Consulting, so much so that the Coastal Commission asked Philip King, an economics professor at San Francisco State University, to review it.

He was not impressed.

“Unfortunately, in my expert opinion, this report is inadequate for the task of providing policymakers and stakeholders meaningful guidance ...” he wrote.

Problems include a possible “significant arithmetical error ... though given the paucity of discussion and lack of availability of the raw data, it is impossible to tell if it is a mistake or just poorly explained.”

SMG representative Carl Ribaudo said he had not seen the specifics about the math claim and therefore, could not comment.

King also says it's incorrect to assume that if the off-road park closed, the county would lose out on approximately $250 million in annual revenue. It's highly likely that other visitors would travel to the area, and might generate even more revenue than off-roaders, many of whom prefer camping and preparing their own meals over staying in local hotels and eating out.
“The most reasonable assumption for an economic impact analysis, is that the empty campsites, hotel rooms, and short-term rentals will be filled by other visitors,” King wrote.

He concluded that there would be limited long-term impacts to the local economy if the off-road riding area were to close.

That same finding was reached by Pratish Patel, an associate professor of finance at Cal Poly, who took a different tack. He looked at information, including bed tax and credit card data, during a six-month period when camping and off-roading were banned due to a combination of COVID-19 and the snowy plover nesting season.

He found the closure had “no significant impact” on the county’s economy and, in fact, bed tax revenue actually increased in Oceano when compared to the previous year.

MORE ANALYSIS NEEDED

Patel’s report also drew criticism.

One argument: Looking only at bed tax generated in Oceano was misleading. There’s a limited number of hotel rooms and vacation rentals in Oceano, and many out-of-town visitors opt to stay in nearby cities. It would have been more accurate to look at bed tax in the entire region.

Beyond that, there were serious concerns about basing conclusions on data collected during such an atypical time.

“Much of the tourism business in SLO CAL in 2020 was non-traditional and likely not to occur in the years ahead,” Chuck Davison, president and CEO of Visit SLO CAL, said in an email. “What do I mean by that? Well, with theme parks, cruises, international travel and most of the big metro cities across California and the U.S. shut down, those who wanted to travel had limited or different destinations to choose than in normal times.”

Visit SLO CAL, a nonprofit countywide marketing and management organization, plans to hire a consultant to do a comprehensive economic study that will provide answers to key questions, including: What would happen to the local economy if the park banned all off-roading? Would other types of tourism fill the void? What if off-roading were phased out but beach camping was still allowed? Or what if some off-roading were still allowed, but to a lesser degree?
Finally, we may have a definitive study by a disinterested third party. It can’t come too soon, given the important decisions that are coming.

**FUTURE OF OCEANO DUNES**

Major changes could be looming for the Dunes, ranging from complete closure of the SVRA to a big expansion.

We could get a sense of what the future holds at a [March 18 Coastal Commission meeting](https://www.santabarbaraca.org), when State Parks presents its controversial Public Works Plan.

That plan proposes a major expansion to the south that would include a visitor center, an RV campground, cabins, a motocross track and other visitor-serving facilities.

Coastal Commission staff recommends going in a completely different direction that includes eliminating off-highway vehicle use over five years; closing the Pier Avenue entrance to vehicles; and making “a series of changes to protect natural resources in the park.”

The off-roading community — along with some public officials — will no doubt argue that the South County economy will be ruined if the off-road park closes.

They will likely trot out the $243 million-a-year-in-lost revenue statistic.

That’s a scare tactic.

The notion that South County is totally dependent on off-roading is just wrong, and it doesn’t take a financial study to figure that out.

The region has a lot going for it, including beaches and parks, wineries and breweries, restaurants, hiking and biking trails, theaters and museums.

There are some good arguments for maintaining some level of off-road recreation at the Oceano Dunes — if it can be done without harming the environment or public health.

But it’s past time to let go of the idea that South County’s economy would wither and die without the Oceano Dunes State Vehicular Recreation Area.

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