

Chapter 3 FUNDING “MAKES IT HAPPEN”

- Each year since its creation, West Virginia’s Hatfield-McCoy Trail Authority has received \$750,000 in state funding to help develop, market and maintain multi-use trails within seven counties. Please Note: The increased sales tax alone now being generated due to the increase in visitors due to the trails more than covers this cost to the State. In 2008, these funds, along with funding obtained through the sale of OHV permits and additional funding from corporate sponsors and grants, provided a \$2.2 million dollar budget in which to pay for staff, maintain and police existing trails, develop new trails and market the entire trail system. It is anticipated that in less than five years, this initiative will be self-sustaining through OHV permit sales.
- The Kentucky Recreational Trails Authority was created in 2008. \$600,000 from coal severance dollars was allocated for marketing in the eastern coalfields of Kentucky. An additional \$400,000 was allocated for Adventure Tourism expenditures which included vehicle expenditures, board travel, authority meetings, staffing, booth materials, registrations, grant matches etc.
- Virginia’s Southwest Regional Recreation Authority was also created in 2008 to develop and market trails in Southwest Virginia but has received no state funding to assist in their mission and goals. SRRA has calculated it will cost \$950,000 annually to help develop, maintain and market a similar trail system as what is being developed in Kentucky and West Virginia with the intent to become self-supporting through the sale of trail permits in less than ten years.

TRAIL SYSTEM SUCCESSES...

THIS COULD BE HAPPENING IN SOUTHWEST VIRGINIA

(See Volume 3: Economic Impact of Trails for more examples and details)

BIKE TRAIL SYSTEM:

The Virginia Creeper Trail opened in 1984. It is a 34 mile rail-trail open to both foot and horseback riding but most popular with bicyclists. It attracts over 130,000 visitors each year with over 50% coming from outside the area.



Economic Impact to the State of Virginia is \$2.5 million.

Over \$1.5 million dollars spent in the local economy of Washington and Grayson Counties, creating an estimated 27.4 jobs due to the increase in visitors.

Case Study: Impact on Damascus, a small town of 9,000 in Southwest Virginia

Business Tax Revenues: In 2003, business license fees collected were \$23,000. In 2005, this number grew to \$45,000. And in 2008, when most towns were experiencing a downturn and businesses were closing, Damascus experienced an increase to \$52,000 for a 56% increase in just five years. Even today this number continues to grow. Revenues for 2009 have already surpassed \$55,000.⁶

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Restaurant/Lodging Tax Revenues: Meal and lodging tax revenues have also seen a continual increase in the past few years from \$42,000 in 2001/2002 to \$80,000 in 2003/2004 and to \$104,150 in 2007/2008.⁷ This is a 60% increase in just six years.

Tourism-related Businesses that have opened: Damascus, a town of 9,000 has seven (7) bike rentals and shuttle services, twenty-one (21) lodging facilities within the corporate limits including an RV Park, an additional 19 lodging facilities within 2 to 17 miles of the town plus seven (7) restaurants.⁸

Potential for similar results in Russell, Tazewell and portions of Dickenson

HORSE TRAIL SYSTEM

Since the Fall of 2006, an annual Fall ride has been held in Knott County Kentucky the first weekend in October and a Spring ride the first weekend in May. By the 2008 Fall ride, the number of participants grew to over 5,000 riders and nearly 2,500 horses. Riders and horses came from Ohio, West Virginia, Indiana, Florida, Tennessee, Texas, Utah, Illinois, Michigan, and Georgia with the most out-of-staters coming out of Virginia.



*5,000 attendees at 2008
Knott County Ride*

In a 2007 survey², visitors spent on average \$130.80 on gas, food, ice, t-shirts, tack, etc. for an economic impact of \$400,000.00 for the area. By 2008, total direct expenditures within the region exceeded \$649,700.00.³ All vendors except a few of the tack stores were local organizations using this event as a primary fund raising opportunity. In fact, a local community center and the fire department each raised over \$3000 for their organizations which in turn goes right back into the community to help others.



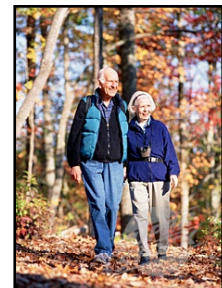
Knott County Kentucky has now developed over 100 miles of publicly accessible trails that are open year round and are looking at developing more.

Potential for similar results in Scott, Lee and portions of Dickenson

WILDLIFE VIEWING AND BIRDING

Texas has really capitalized on birding. In 1999, the town of Canadian, Texas began marketing birdwatching in their community. Within five years of using nature tourism as their focus for economic development in this town resulted in:

- Creation of 160 new jobs including 12 B&Bs and 4 new restaurants,
- Renovation of historic downtown theater,
- Renovation of 29 commercial buildings, 16 were historic buildings,
- Abraham Trading Company – 5 new employees,
- Restoration and reopening of local motel,
- 28% increase in sales tax since 1999.



All seven counties and the City of Norton could experience similar results .

BLUEWAY TRAIL SYSTEM

An economic impact study conducted on a portion of the 750 mile Northern Forest Canoe Trail in the Adirondack Mountains of New York estimated that approximately 28,000 visitors paddle a section of the trail each year spending an estimated \$4.4 million in the local economies. After accounting for multiplier effects, these expenditures:

- Created \$3.3 million in value added to the local economy,
- Experienced \$6.2 million in total economic impact,
- Supported an estimated 134 jobs,
- And provided \$2.1 million in personal income.

Three public campgrounds, dozens of remote campsites, and over fifty lodging establishments are now located on the waterway.



The Meramac River in Missouri draws 8,000 boaters on a given weekend. This has created a very lucrative business for outfitters, shuttle services, campgrounds and local restaurants. The Elkhorn River in Kentucky, which is a much smaller river, attracts as many as 400 boaters on a weekend. The Clinch River has an opportunity to attract somewhere between 3,000 to 4,000 boaters if they market themselves properly.

There is potential for similar results in Scott, Lee and portions of Wise and Dickenson

ATV TRAIL SYSTEM

Hatfield-McCoy Trail System, West Virginia opened its first trails in October of 2000 and now offer six different trail systems totaling 500 miles of trails in nine counties.

- Managed by: The Hatfield & McCoy Trail Authority
- Primary users: Off Road Vehicles (ATV's and dirt bikes)
- Recent findings show that 90% of those who ride the Hatfield-McCoy Trail System are from out of state, stay an average of 3 days in the area and spend on average \$645 per visit.



In 2006, an economic impact study of the Hatfield-McCoy Trail System showed revenue brought into the area exceeded \$7.7 million dollars, generating over \$2.7 million in income, creating over 146 jobs and \$622,752 in tax revenues.

Potential for similar results in Wise, Lee, Tazewell, Dickenson and Buchanan.

By developing, expanding and marketing these venues each of the communities in SW Virginia have the potential to have as good if not better results.