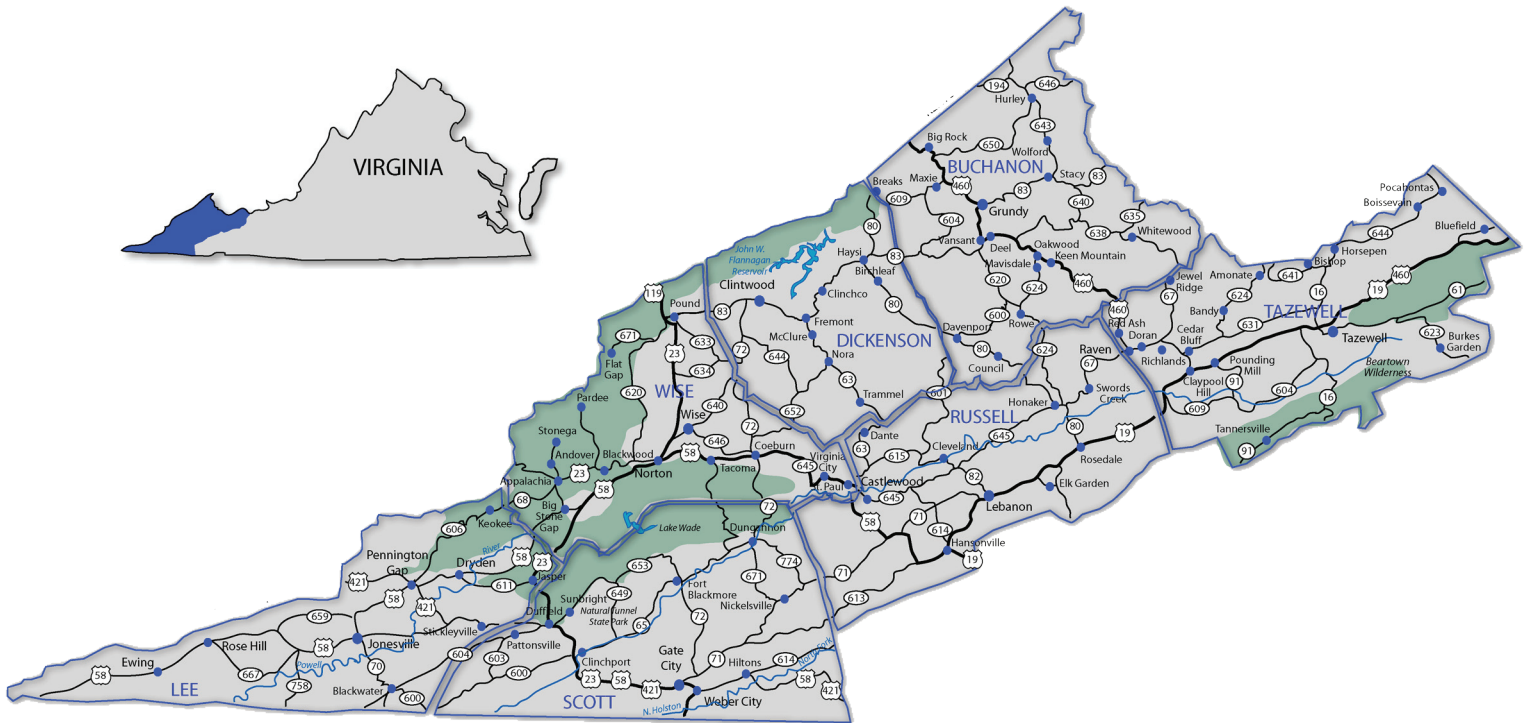


EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

INTRODUCTION

The Southwest Regional Recreation Authority (SRRA) was created in 2008 by the Virginia General Assembly. The purpose and goal of SRRA is to develop and market a system of trails throughout a seven county area which includes the counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Wise and the City of Norton. “Spearhead Trails” was chosen as the name for the trail system since a map of Southwest Virginia resembles the head of a spear. Also because it is firmly believed that this initiative will help the communities “spearhead” forward towards positive economic growth.



The Spearhead Trails is envisioned as a system of managed, sustainable trails for all types of activities, including but not limited to, all-terrain vehicles and off-highway motorcycle riders, hikers, bikers, canoeists and equestrians. By forming cooperative easement agreements with both public and private land owners which puts the liability onto a governmental agency rather than the landowners themselves, it is the intent of SRRA to create a trail system that will be overseen by a state authority and patrolled by rangers with full law enforcement capabilities. Safety and conduct rules will be established to protect landowners, users and the environment.

The legislative code that created SRRA in 2008, including revisions made in 2009, is available in its entirety in APPENDIX A.

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The effort has broad-based support. Local partners in the Authority include Lee, Wise, Scott, Buchanan, Russell, Dickenson, and Tazewell counties and the City of Norton. The Lenowisco and Cumberland Plateau Planning District Commissions, the Virginia Tourism Corporation, Virginia Department of Conservation and Recreation, and the Virginia Department of Forestry have also provided assistance as partners in various capacities. Many of the towns have now become actively involved and the number of volunteers interested in seeing the Spearhead Trail System come to fruition have been a tremendous asset throughout this entire process.

In April 2009, through grants from the Virginia Tobacco Indemnification and Revitalization Commission and the Motorcycle Industry Council/Specialty Vehicle Institute of America, SRRA hired WMTH Corporation and Summit Engineering to conduct an in-depth study of the seven county/City of Norton area which included:

- Site visits to every community,
- Inventory and mapping of existing and potential trails,
- Inventory of other offerings and amenities to compliment the trails and provide the services, required by those traveling to the area and staying for hours, days, and possibly longer,
- And the creation of the trailsrus.com/swvirginia website.

WMTH Corporation also conducted in-depth research of other areas that have seen economic growth through trail development and examined how southwest Virginia might too capitalize on this as a revenue generator for their communities.

FINDINGS

The researchers found that the potential is huge! There are already over 400 miles of hiking trails and a number of mountain biking and horseback riding trails and the potential for off-road vehicle trails and increased use of its many navigable waterways. All of this could be expanded and marketed as a trail destination.

Developing the Spearhead Trail System throughout the seven county/City of Norton study area in southwest Virginia under the guidance of SRRA can become a major tourism draw to the region, which in the end, will bring economic diversification through development and expansion of businesses such as outfitters, campgrounds, hotels, cabin rentals, restaurants, gift shops, supplier stores as well as ATV, bicycle, off-highway motorcycle, canoe, and equestrian services and sales.

LEGISLATION CREATING SRRA

The 2008 Virginia General Assembly “establishes an authority for Southwest Virginia to create a multi-purpose regional recreational area similar to, and potentially adjoining, such areas in West Virginia and Kentucky. The recreational area might consist of various trails and other amenities on private open-space lands where members of the public could, for example, hunt, fish, boat, camp, ride motorcycles or all-terrain vehicles, ride mountain bikes, or ride horses. The Southwest Regional Recreation Authority would have various powers to manage the area by raising funds, employing staff, and adopting rules punishable by civil penalties. Landowners participating in the recreation area would be afforded a limited liability for persons engaging in recreational activities on their property.”

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REVENUE OPPORTUNITY TO ENABLE SRRA TO BECOME SELF-SUPPORTING THROUGH PERMIT SALES TO ACCESS OHV TRAILS

OHV visits to national forests grew from 5 million in 1975 to 51 million in 2005, an increase of 92% primarily because these were primarily the only places people could legally ride their ATV's and dirt bikes. Entire trail systems are now being shutdown due to the heavy impact this magnitude of riders has had on the forest. People need a place to ride. The number of off-highway vehicles grew from 400,000 in the early 1990s to more than 8 million by 2003. In 2007, the number of OHV participants grew to 42,991,200.00. The popularity of the sport has outpaced the development of appropriate trails for OHV use.

West Virginia capitalized on this opportunity by developing a trail system that includes a total of 500 miles of trails in six different locations on private lands. At a cost to the State of \$750,000 annually, the Hatfield-McCoy Trail initiative is bringing in millions of dollars to areas of West Virginia who desperately need it and is helping to create hundreds of jobs and these numbers just keep growing! Last year, the trails brought in close to \$19 million dollars to the local communities of West Virginia and generated nearly \$800,000 in taxes alone. State and local taxes generated from the trails more than covers the funding provided by state government for the initiative.

WMTH Corporation finds that Southwest Virginia has the local government support, community interest, dramatic scenery, challenging topography, and land ownership patterns necessary to support an economically viable multi-use recreational trail system. Under the guidance and direction of Southwest Regional Recreation Authority (SRRA), an entity created by the Virginia Legislature in 2008, Virginia has the potential to surpass West Virginia in both trail development and job creation.

Once funding is in place and staff for SRRA hired, Mountain View Trail System (the only legal OHV trail system in all of southwest Virginia) could become part of the Spearhead Trail System providing 120 miles of OHV trails immediately. A permit fee can then be collected and revenue would be forthcoming. Tazewell County, the Town of Appalachia and the Town of Haysi are all moving forward to developing ATV trails in their areas adding additional miles to the Spearhead Trail System.

Lee County already has in existence over 50 miles of trails currently being used in their county that cross into Kentucky. Once permission from property owners to open these trails to the public is obtained, another 50 or more miles of trails may be added to the trail system. Pennington Gap has funding in place to complete their proposed multi-use trail and only needs \$30,000 for the environmental study which, once completed, will allow their trail to become a part of the SRRA Spearhead Trail System adding an additional 20 miles of trails.

Under proper guidance by SRRA, all of these trails could conceivably be opened in two years or less which would increase the numbers of miles of OHV trails to nearly that of the Hatfield & McCoy System and begin generating in excess of \$500,000 in permit fees alone. Within four years, the Authority could conceivably be self supporting.

2nd Year 10,000 permits sold x \$50 = \$500,000

4th Year 30,000 permits sold x \$50 = \$1,500,000

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SITUATIONAL ANALYSIS

A REGION AT RISK

- Nearly 23% of those living within the Spearhead Trails' seven county region are living below the poverty level with Russell Countians being the highest at over 31% which is almost 1/3 of their population! The State average is 9.9%. The national average is only 13%. *See Appendix F: Analysis of Counties.*
- And while Virginia on average is seeing a 9.7% increase in population and the United States as a whole is seeing an 8% increase, nearly every county in the Spearhead Trails region have experienced a significant decline. In fact, Buchanan has lost nearly 13% of its population since the 2000 census.
- Unemployment rate in the region is 2% higher than the state average.
- The overall health of this seven county region shows that one county ranks in the 90-100% of the worst counties in the U.S. for adult inactivity. Five others rank in the 50-90 percentile. An adult obesity rate of 33% in one of the counties ranks it in the worse 4% in the nation. High numbers of diabetes, coronary heart disease, stroke, breast & colon cancer and many other diseases have been reported throughout the study area. *See Appendix B: Health of Our Citizens for more on this.*

BUT THERE IS AN OPPORTUNITY TO CHANGE THIS CURRENT TREND!

STRATEGIC LOCATION

- The Spearhead Trails area is strategically located within close proximity to major populations. With rising fuel costs, travelers have a renewed emphasis for recreational opportunities close to home. There are 163,000,000 potential visitors within one day's drive (600 mile radius) of the study area. The unique terrain that combines rolling hills, mountains and wide valleys makes it all the more appealing to others outside the region.

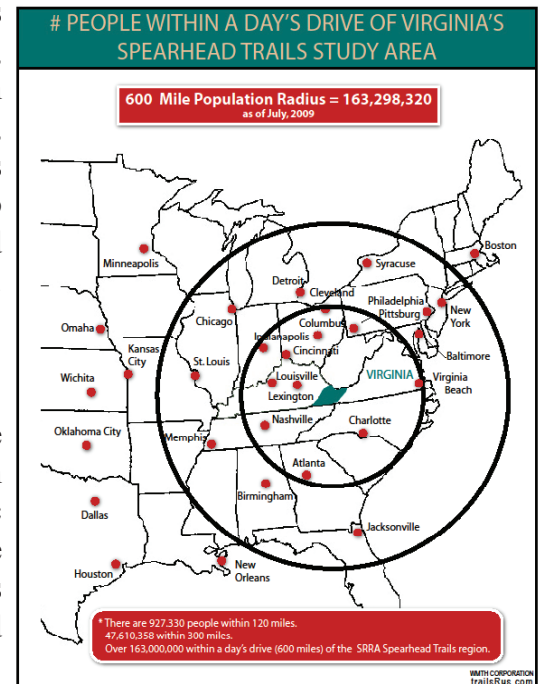
INRASTRUCTURE AND OFFERINGS

Southwest Virginia's topography makes it more conducive to development. The region offers larger valleys, more rolling hills and much more flat "buildable" lands and larger carrying capacities than both eastern Kentucky and western West Virginia where similar trail systems are being developed.

The Spearhead Trails region is also blessed with numerous tourism amenities already in place including, but not limited to, a large national forest in five of its counties, two state parks, an interstate park and a national recreational area, eleven museums, eight cultural centers, art galleries, music venues and numerous historic structures open to the public. More than enough to entice potential trail users to stay multiple days in the area, and all of which could handle a significant increase in visitation. *See Volume 4: Tourism Offerings and Amenities.*

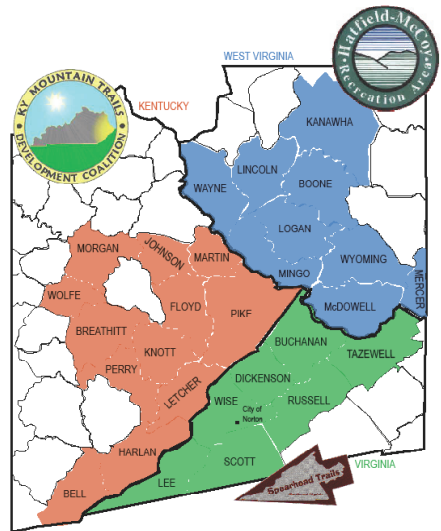
ASSETS

- Southwest Virginia has a multitude of existing trails. Most are hiking trails or nonmotorized multi-use trails primarily within or in close proximity to Jefferson National Forest or other public lands. The region also offers excellent roads, many of which are being developed into themed driving trails, which in themselves can become major tourist attractions and encourage increased travel through the region. *See Vol. 5: Inventory of Trails.*



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- Due to being in the heart of coal county, there are large parcels of private land with single ownership throughout southwest Virginia, many of which already have a network of trails created from old coal roads, gas roads and timber roads that, although often used, are not open to the public. *See Appendix N: Large Landowner Maps.*
- The region also offers some excellent fishing streams, a network of rivers and a world renowned Class 3 to 5 whitewater run. *See Vol. 2 - Appendix B: Rivers and River Access.*



OPPORTUNITY

- Southwest Virginia borders both West Virginia and Kentucky who already have in place a system of trails that are generating an estimated \$19 million and \$6 million respectively for their communities and creating upwards of 200 jobs. All three states have expressed interest in developing a trail system that crosses both county and state lines.

FINDINGS FROM STUDY

- A study by WMTH Corporation validates the viability of establishing a multi-purpose trail system in the Southwest Regional Recreation Area in the Virginia counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Wise and the City of Norton. It is envisioned that the trails would be organized and marketed under the supervision of the Southwest Regional Recreation Authority (SRRA). SRRA will also have the capability to develop and market the trails on a higher level and establish standards for a quality trail experience that will encourage trail users to return to the area multiple times, which in turn, has the potential of bringing increased revenue and jobs into an area that desperately needs it.
- The study shows, without a doubt, that there is tremendous potential for this area to become a “Trail Destination”, not just for OHV riders but also for bikers, hikers, canoeists, naturalists and others.

IMPACT / BENEFITS

- If developed under the guidance of SRRA, the proposed recreational trail system has the potential to bring 200,000 visitors to the region. Based on similar projects in adjacent states, this study estimates that the proposed trail system could bring an additional \$30 million to local economies at a time when economic growth is desperately needed. The potential increase in the work force could be as high as 300 to 500 full time equivalent laborers within the next 10 years.

COST

- **Operations.** The SRRA will need \$950,000 annually in operations funding to administer the capital projects, to market and promote the Spearhead trail system, and to provide operations, policing and maintenance of the trails. SRRA will also assist in developing trails and identifying funding sources, seeking sponsors, and applying for and administering grants.

The collection of a permit fee will allow the trail system itself to generate funding with the intent to become self supporting within four years. To this end, a primary focus initially will be on those trails which have the potential to generate funds.

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- **Capital.** This study estimates that \$500,000 in construction capital is needed immediately to bring the existing trail network up to the uniform standards that SRRA will establish to become part of the Spearhead trails system. This includes hiking, biking, horseback riding trails and blueways. Further, \$5 million in construction capital will be needed to develop the 5 proposed new trails identified herein.

See Estimated Construction Costs - Appendix K & L.

- **Phasing Trail Development.** It is recognized that securing all of the trail system development funding needs in the initial project year is unlikely. Further, the trail system cannot be solely funded by any one public source.

A permit fee system to access OHV trails (similar to the system used by the Hatfield-McCoy Trail Authority in West Virginia) will enable SRRA to become self supporting within a few years of operation.

- **On-going Maintenance.** Developing public/private partnerships and starting such programs as “adopt a trail” through the newly created “Spearhead Trailblazer” volunteer organization created to help maintain and market the trails will play important roles in assisting SRRA in reaching its goals.

The Spearhead Trail System will include hiking, biking, horseback riding, motorized and blueways.

Funding for SRRA to maintain and market the trails will be partially funded by a permit fee systems to access OHV trails.

An endeavor of this magnitude must be phased. Chapter 5 provides a suggested framework for the phasing. Three planning horizons are envisioned. These are: the immediate term (0 – 2 years), the near term (3 – 5 years), and the long term (6 – 10 years). The goal would be for SRRA and the entire network to be fully operational in four years. The goal for the immediate term is make SRRA operational so that a staff is available to pursue capital funding. Once SRRA has a team in place, the goal should be to maximize the recreational opportunity provided with the funds available. This study suggests that the immediate plan will be to bring existing trails up to SRRA standards so that they may be marketed and that two 100 mile motorized trails be developed each year for the next three years to help generate the funds necessary to make SRRA self supporting.

CONCLUSION

Based on the information collected during this study, WMTH Corporation concludes that the Southwest Regional Recreation Area has near perfect topography and sufficient land and land ownership patterns, local government support and community interest to implement an economically viable multi-use trail system.

Further, the Southwest Regional Recreation Authority, if properly funded and staffed, could be a tremendous economic engine for communities in far Southwest Virginia, similar to the Hatfield-McCoy Trails Authority in West Virginia. In fact, WMTH Corporation believes that the SRRA has, based on topography, resources, leadership, and community support, the opportunity to surpass the West Virginia’s Hatfield-McCoy economic impact on the local SWVA economies.

EXECUTIVE SUMMARY

PROPOSED TIMELINE

2008 – Form the Southwest Virginia Recreation Authority - Task Completed
Secure funding for feasibility study - Task Completed

2009 – Complete Feasibility Study – Task Completed
Seek funding for Trail Development, Authority Operations & Implementation of Plan – In Process
Establish Authority Organization, Operation, Policies and Procedures – In Process

If funding is received to hire the necessary staff to move this initiative, the following can be accomplished within two years time.

2010 – Establish Authority Executive Director Position and Additional Staff
Establish Landowner Partnerships
Begin Trail Creation
Develop and begin implementing Marketing Plan
Open first two motorized trail systems

2011 – Open additional motorized trails

2012 - Over 500 Miles of Trails in the Spearhead Trail System which would make the SW Virginia Spearhead Trailhead compxx to the West Virginia Hatfield-McCoy Trail System which generates in access of \$19 million for its local economies.

IMMEDIATE ACTION:

1. Conduct a regional Comprehensive Plan Conference to unveil the Feasibility Study to key leaders and media in Southwest Virginia.
2. Conduct a regional entrepreneur workshop to educate public officials and potential entrepreneurs of the economic possibilities of developing a regional trail initiative under the auspices of the Southwest Regional Recreation Authority.
3. Secure initial funding to facilitate the hiring of a full-time Executive Director and supporting staff for SRRA who can immediately begin to develop and implement the Spearhead Trails initiative.
4. Large land owner cooperation should be sought immediately in key areas of the region where expanded trail systems have been recommended for greatest economic growth and potential.

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LEGISLATIVE ACTION:

- The Southwest Regional Recreation Authority should immediately seek funding to hire the necessary staff to carry out the directives laid out in the legislation creating the Authority. *A detailed operations budget for SRRA is provided in Appendix D of this document.*

Please note: West Virginia's Hatfield-McCoy Authority has received \$750,000 annually to help establish itself as a nationally recognized trail system. Last year Kentucky's legislators allocated \$1,000,000 for implementation and marketing of the Adventure Tourism initiative and the Kentucky Recreational Trails Authority.

The following page shows how SRRA can become self supportive in just a few years.

- Adjustments need to be made in the Virginia Code to authorize SRRA Rangers full police powers. Currently SRRA Rangers are authorized only Conservator of the Peace powers.
- Communities wishing to become "OHV Friendly" would need to pass local ordinances allowing off-highway vehicles to drive on roads within the town limits. *Examples of ordinance passed in communities in other states are available in Appendix G.* In Virginia, it may require special legislation to be passed first at the state level. SRRA should discuss this with key legislators. If determined that legislation is required, it would be our recommendation for SRRA to find a sponsor to introduce a bill this season.
- Legislation may be needed to allow OHV's to cross roads, bridges, railroads, streams etc. within the seven county/one city area. Such legislation has already been passed for a particular highway in Buchanan County. *See Appendix H.* It is recommended that legislation now be written that would make it permissible for other counties, cities and/or towns within SRRA area to pass similar local ordinances rather than having to have special legislation passed for each situation.
- Legislation may also be needed to address excessive limitations and extensive environmental study requirements that could severely delay or prevent trail development when, in fact:
 - Many of the proposed trails have been used for years as coal roads, gas roads and timber roads.
 - Most trails will be located on private property.
 - Any many of the proposed trails are on land previously disturbed due to timber and coal extraction.