

ECONOMIC IMPACT OF ATV TRAILS

THE ECONOMIC IMPACT OF THE HATFIELD- McCOY TRAILS IN WEST VIRGINIA

HISTORY: The first trails opened in October 2000 as a potential means to generate tourism dollars into small rural communities in the southern coalfields of West Virginia. There are now six trail systems totaling 500 miles in nine counties involving 373 different landowners. The longest trail system is 115 miles of interconnecting loops, all located within a 15 mile radius. All riders must wear DOT approved helmets and spark arresters are required. They also highly recommend both protective eyewear and over the ankle footwear.



Every person is required to buy a yearly tag to ride the Hatfield - McCoy Trails at a cost of \$50 for out-of-state tags and \$26.50 for West Virginia residents. Only 9% of the riders are from West Virginia with the highest percentage of out-of-state riders (22%) coming out of Ohio and over 65% of all riders traveling somewhere between 200 to 500 miles to ride. The average person stays three days in the area, spends over \$300 and often comes back multiple times throughout the year.

REVENUE: Each year, the number of annual passes sold increases. In 2007, 25,000 were sold, 27,565 in 2008 and an anticipated 30,000 in 2009. With 30,000 people coming into the region and spending in excess of \$300 puts over \$9 million dollars directly into the local economies. There is a visitor center near Charleston, five trailhead facilities plus 53 authorized outlets throughout West Virginia where people may buy tags. Each vendor makes 10% on every tag he sells.



The local campground owner in Gilbert WV anticipates he will make close to \$4,500 just through the sale of tags this year. The local ATV sales and supply store anticipates generating over \$57,000 gross in sale of tags of which they keep ten percent.

EXPENSES: The cost to manage six independent trail systems including salaries for full and part-time staff, maintenance crew, marketing expenses and both maintenance and development of over 500 miles of trails came to \$2.2 million in 2008 with 1/3 of these funds coming from permit sales, 1/3 from state funds and 1/3 from grants and corporate sponsorships. Costs will continue to go up as more trails are developed and expanded but it is also anticipated that permit sales will exceed 50,000 within the next 3 to 5 years which could enable the initiative to become self sufficient.



ECONOMIC IMPACT: In a 2006 study, the economic impact in the southern region of West Virginia now exceeds \$7.7 million dollars generating over \$2.7 million in income, creating over 146 jobs and \$622,752 in tax revenues.¹

We met these two New Jersey boys while staying at the Mountain Breeze Motel in Gilbert. They come a couple of times a year, stay on average a week every time and have been coming to West Virginia for over five years now. They love it!

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The Hatfield- McCoy Trails offer six different multi-use trail systems varying in length from 60 miles of trails to as much as 115 miles depending on which trail system one chooses to ride.



The trailhead above is located right outside of Williamson in Mingo County and is the access point to the Buffalo Mountain Trail which is actually a series of looped trails between Williamson and Delbarton WV.

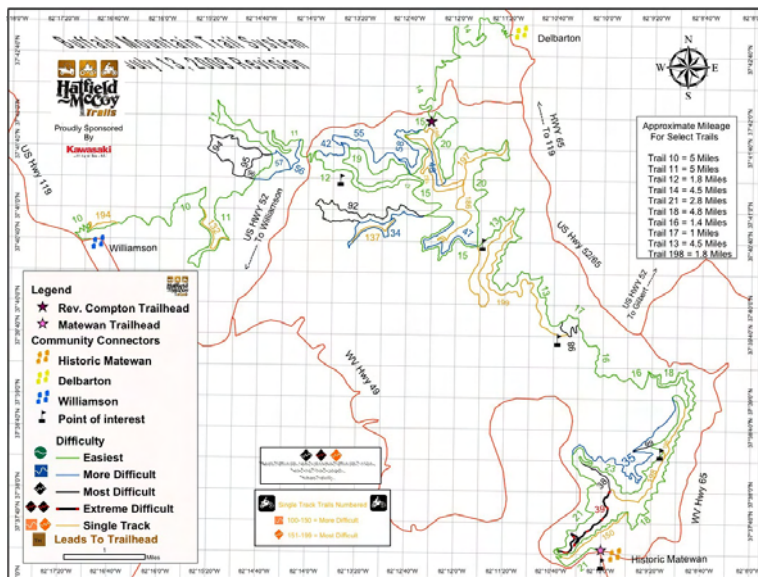


To the left is the entrance to many miles of looped trails located within the Buffalo Mountain Trail System.

Trail Ride Rule Signs are posted at every access point to every trail.



Map of the Buffalo Mountain Trails



Above represents nearly \$190,000 in corporate sponsorships for the trails.

The two couples (photo on right) from Metropolis Illinois drove seven hours to ride the Hatfield- McCoy trails. We met them at the trailhead just outside Williamson WV. The first time they rode the trails was last Fall 2008. They came back to ride again in June and planned to come back again in the Fall. They too were staying in the area seven days before heading back home.



ECONOMIC IMPACT OF ATV TRAILS

2006 STUDY ON THE ECONOMIC ACTIVITY AND IMPACT OF ATVS IN MINNESOTA

Minnesota currently offers thousands of miles of ATV trails which are managed by the Department of Natural Resources and Explore Minnesota Tourism, both official state agencies. The annual fee to ride the trails is \$30 plus fees of less than \$10 for 3-year ATV tags. In cooperation with ATV Association of Minnesota (ATVAM) and the Department of Natural Resources (DNR), the University of Minnesota conducted a study in 2005 to “ascertain ATV economic activity and impact in the State of Minnesota” that involved both a mail survey of Minnesotan’s with registered ATVs (40.2% response rate) and a mail survey to ATV retailers and manufacturers (39.2% response).³ The findings are summarized below from excerpts from an article by Bill Fallon with ATV Industry Magazine. ⁴

INTERESTING SIDEBAR WORTH NOTING WHEN COMPARING WEST VIRGINIA TO MINNESOTA...

The majority of those who ride the public trails in Minnesota are actually from Minnesota whereas, in the case of the Hatfield-McCoy Trail System, less than 10% are from West Virginia where their trails are located.

ATVs STROKE MINNESOTA ECONOMY

“ATVs revved the Minnesota economy in 2005 to the full-throttle tune of \$641.9 million in direct expenditures. So says the University of Minnesota Tourism Center, which published the results of work done by Ingrid Schneider, Ph.D. and Tony Schoenecker, a graduate research assistant, in an executive summary titled All-Terrain Vehicles in Minnesota: Economic Impact and Consumer Profile.

...The surveys say ATV-related expenditures equaled \$641.9 million in the Land of 10,000 Lakes. The residential user spent \$572.1 million on ATV-related travel expenditures: \$311.8 million at home and en route, plus \$260.3 million at their destinations. An additional \$69.8 million went to storage, equipment and insurance. The report says those residents’ ATV expenditures added up to 8,756 jobs with \$224.6 million in payroll, pumping \$491.2 million into Minnesota’s gross state product (GSP) and added \$48.9 million to state tax coffers under the general “tourism” heading.

Manufacturing added another 30.4 million to tax ledgers and accounted for 4,216 jobs with \$165.6 million in payroll. All-tallied, manufacturing contributed \$349.2 million to the GSP (Minnesota is home to Arctic Cat and Polaris.) The report tallied ATV-related retail activities and said they accounted for 1,477 jobs with \$39.2 million in payroll, contributing \$79.3 million to the state’s GSP and \$6.9 million to state tax coffers.

The total state and local tax revenue for ATV-related tourism is \$48.9 million, the report says. The report—the first on ATV consumers and economics in Minnesota—expects ATV sales and sport participation to increase significantly through 2014.

The average rider used his ATV 26 times over the course of the season. Riders spent about \$43 per day on day trips, with most of that money going to groceries. The survey found more than half of all ATV experiences occurred within 30 miles of home. Consumers who engaged in both day and overnight adventures, however, typically spent overall 17 percent more (\$307.9 million) than those who only took day trips (\$264.2 million). ...The typical rider overnights with his ATV 3.1 times per year and stays an average of 2.1 nights per trip, according to the data...”

Excerpts were taken from *BlueRibbon Magazine*, February 2007. Original article appeared in ATV Industry Magazine. Email at bill@mimag.com. Visit Magazine online www.atv-industry.com.

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- ² *Onsite visit and interviews with Bill Reed, Kendell Simpson, and Julian Rubi, owners and operators of Strategic Advantage Marketing LLC (S.A.M. Events) in Gilbert WV.*
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- ³ Schneider, I.E. Ph.D. and Schoenecker, T., *All-terrain Vehicles in Minnesota: Economic impact and consumer profile*, University of Minnesota Tourism Center, Department of Employment & Economic Development, March 2006.
- ⁴ Fallon, B., *ATV's Stoke Minnesota Economy*, ATV Industry Magazine, 2006.

ECONOMIC IMPACT OF ATV TRAILS

BECOMING AN “ATV-FRIENDLY COMMUNITY” AND OPENING A TRAILHEAD ACCESSING ONE OF THE HATFIELD - McCOY ATV TRAILS HAS REVITALIZED A SMALL COMMUNITY

The Story of Gilbert WV

Gilbert WV is a small town in the southwest quadrant of West Virginia with a total land mass of 1.1 square miles. Highway 52 runs through the center of town connecting Gilbert with larger communities such as Williamson and Logan with populations of 3,410 and 1,630 respectfully. Williamson WV is 31 miles west of Gilbert. Logan is approximately 26 miles north.

In 2000, Gilbert WV had a population of 417 people, 227 housing units, 187 households and 120 families residing in the town along the Guyandotte River. Its median income in 2000 was \$29,219 with the median income for a family being \$32,250. About 11.7% of the families and 15.5% of the population lived below the poverty line according to the 2000 U.S. Census. This is not the case today.

Although the population has not seen a tremendous increase over the past nine years, Gilbert WV has experienced a tremendous growth in both tax revenue and infrastructure due primarily (if not exclusively) to the establishment of a Hatfield & McCoy ATV Trailhead within their community.

In October of 2000, the Hatfield & McCoy Browning Fork Trailhead opened in Gilbert WV and now provides access to over 100 miles of OHV trails connecting Gilbert WV to Man WV which (as a crow flies) are less than 15 miles apart.



In the Spring of 2001, an ordinance was passed in the City of Gilbert declaring itself OHV friendly, allowing both ATV's and dirtbikes to travel into town on major thoroughfares including Hwy 52 which has become a huge economic boom for the community.

When riding in town, all riders must abide by the rules of the road in which they are riding. Helmets must be worn at all times.

In 2000, Gilbert WV had just 16 lodging rooms, a small restaurant, a gas station, and not much else. Even the local grocery store was struggling to keep its doors open.

ECONOMIC IMPACT OF ATV TRAILS

GILBERT WV TODAY

Within eight years of the trailhead opening, Gilbert WV now boasts 130 lodging rooms and more being built, numerous restaurants, a cinema, a grocery store, four pharmacies, an ambulance service with a fleet of 14 ambulances that service a regional area, two car washes, a large campground, and two auto repair shops. Indian Ridge Off-Road & Custom Shop, better known as IROC, opened a few years ago in Gilbert and has now become one of the largest parts, repair and rental facilities in Southern West Virginia for off highway vehicles (OHV's).

RESTAURANTS



A few of the restaurants that have opened in Gilbert WV since it became ATV friendly which includes two pizza places, McDonald's, Hardee's, Happy Days Diner, Wally's Restaurant, Morning Side Coffee House and a few others.



There are also two car washes within a few blocks of each other!



Remember...

Gilbert WV has a population of just barely over 400 people and yet these businesses are thriving!



ECONOMIC IMPACT OF ATV TRAILS

LODGING FACILITIES ARE OPENING UP EVERYWHERE!



*Over 130 rooms to rent in Gilbert and more opening soon!
People are even adding lodging on the upper floors of downtown businesses.*

ECONOMIC IMPACT OF ATV TRAILS

Soon after the ATV trailhead opened, Twin Hollow Campground was built offering:

- Campground 46 sites



9 full hook-up sites with water, septic, electricity (20/30/50 amp) and concrete patios.

13 sites w' water & electricity (20/30/50 amp)

24 primitive sites



8 Custom Cabins

The cabins are 16 x 24 with full kitchen and bath that sleeps 4 to 6 people, 6' deck in front, and charcoal grills.



There are also six (6) private shower/restrooms combination units next door to the office and camp store.

Three of the shower/restroom units are featured above.

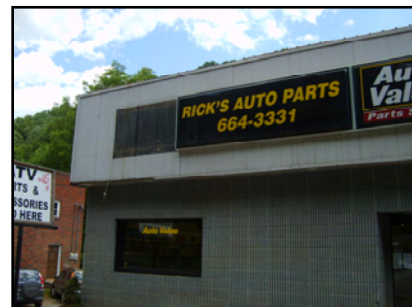
ECONOMIC IMPACT OF ATV TRAILS

MOTEL: LOCALLY OWNED AND OPERATED



Mountain Breeze Motel is one of the only traditional lodging facilities in Gilbert. The rest are primarily cabins, converted homes or second floors of commercial buildings.

AUTO STORES AND REPAIR SHOPS



There are three auto parts and repair stores in Gilbert.

PHARMACIES



Above are three of the four pharmacies located in Gilbert



An ambulance service, Family Dollar Store, 3-plex cinema and community center are just a few of the other businesses that have sprung up in Gilbert WV in the past couple of years.

ECONOMIC IMPACT OF ATV TRAILS

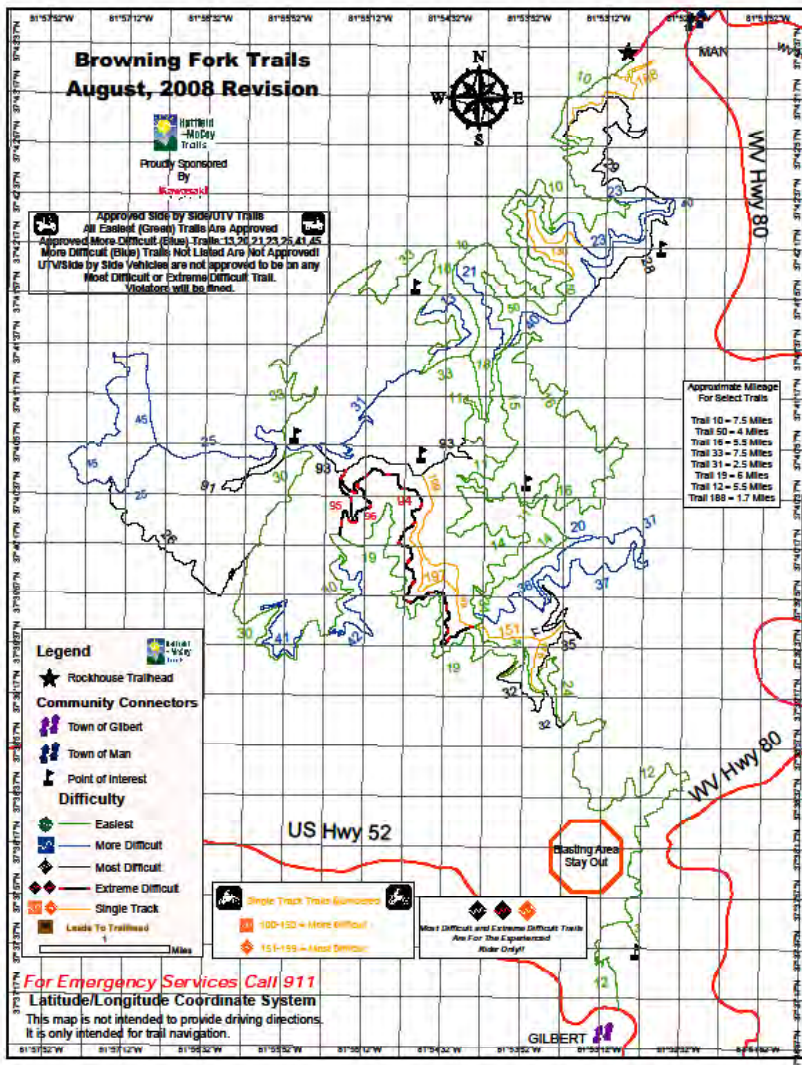
How can a community of 400 residents sustain so many businesses?
They can't.

But the thousands of visitors that come to Gilbert WV
each year to ride the trails can and do!



ECONOMIC IMPACT OF ATV TRAILS

There is only one ATV Trailhead leading into Gilbert WV. Trail #12 of the Browning Fork Trails. Yet this one trailhead brings hundreds of riders into town every week where they spend money on food, supplies, gas, and entertainment.



Trail #03 starts at Twin Hollow Campground.



Whether or not you are on a trail or on a road, everyone must obey the rules!



Trail #12 into Gilbert, WV



ONE OHV EVENT IMPACTS THE ENTIRE REGION
See *APPENDIX A* for an article written on September 15th 2008 just prior to Trailfest which is held in Gilbert WV each year.

ECONOMIC IMPACT OF ATV TRAILS

Those 55 new miles of trail really are 55 new reasons for the people of McDowell County to be excited in 2007. According to a 2006 study commissioned by the trail authority, the trails have had a \$7.2 million impact in direct spending throughout its current project areas of Logan, Boone, Mingo, and Wyoming counties, and have created more than 146 new jobs, as well as providing \$600,000 in tax revenue.

VIRGINIA COULD HAVE SIMILAR ECONOMIC GROWTH IN FOUR OF ITS CITIES!

Comparative Analysis between Gilbert WV and two communities in Southwest Virginia

Haysi, Pocahontas, Richland and Appalachia could exceed the results experienced by Gilbert, WV, in a much shorter time due to the fact all four have more to offer starting out.

On the following pages are the preliminary review of two of the communities. The researchers would strongly recommend that a more indepth study be conducted of all four towns in order to develop a detailed action plan for each one.

POTENTIAL ATV-FRIENDLY COMMUNITIES IN SW VIRGINIA

Both the Towns of Pocahontas and Haysi in Southwest Virginia have expressed interest in establishing themselves as “ATV-Friendly” and developing off-road vehicle trailheads within their communities.

POCAHONTAS is a town very similar to Gilbert WV. In 2000, the population was 441 and the median income \$29,219. Pocahontas was the location of the start of this region’s coal boom with a spur line that launched the Norfolk and Western Railroad (now Norfolk Southern) into national prominence during the 1880’s. Much still remains of these bygone days but will be lost if something is not done soon. Many of the historic structures sit vacant and both time and the elements are slowly bringing them down. But the community has an opportunity to once again thrive.



Located in Tazewell County VA, Pocahontas is uniquely situated right on the borders of West Virginia border and within just a few miles of I-77 which has become the major thoroughfare used by OHV riders throughout North Carolina traveling into West Virginia to ride the Hatfield & McCoy Trails. Within the past two years, the most recent Hatfield & McCoy Trail called the Indian Ridge Trail System opened in Ashland West Virginia. It is just 14 miles from Pocahontas which is about the same distance Man is from Gilbert WV as noted previously.

Like Gilbert WV, Pocahontas would like to establish itself as an “ATV friendly community”. It recently passed an ordinance allowing golf carts on any of their roads as long as they stay within the 25 mile speed limit. They would now like to do the same for all terrain vehicles and become a major staging area for those individuals crossing over from Virginia and North Carolina to ride the trails in West Virginia. This is an excellent idea! The Town of Pocahontas should pursue this.

As noted previously, a few suggested routes include:

- Boissevain Road is a paved road running east to west from Downtown Pocahontas. It runs into Belcher Road which eventually runs into Laurel Creek Road (which passes by Portal #6). Laurel Creek Road turns to gravel when it crosses into West Virginia. Laurel Creek Road leads to Jenkins Jones (an old mining camp) and on into Welch WV.
- People also like to ride the state line into the Laurel Area (also known as Portal #7 area). Trails in this area tend to be rough and steep in some area and are for the more experienced riders.
- People also go on out Abbs Valley Road to Portal #8 site (gas station is located along this route) then head north on Franklin Road which will also lead into Jenkins Jones.

Note: Tank Hill road heads north, turns to gravel then deadends. No trails leading off of it at this time.



Two of the roads leading out of Pocahontas onto existing trails in West Virginia.

POTENTIAL ATV-FRIENDLY COMMUNITIES IN SW VIRGINIA

Pocahontas is an ideal location for tourists! As noted earlier, Pocahontas is blessed with a rich history. This community needs to be preserved and the story told to future generations. It is believed that establishing it as “ATV-Friendly” is a start to drawing more visitors to the area. Attractions include:



The Cricket Saloon



The old depot and rail car



The story of the “Coffin” Co.



The “Haunted” House



Catholic Church and its many murals



The graveyard in Ripley’s



The Exhibition Mine and Museum



Many opportunities for lodging



Below are a few of the buildings within Pocahontas in which the upper floors might be converted into lodging for those visiting the area.



Plans are currently in place to develop a “tourist train” from nearby Bramwell, West Virginia in Mercer County, to the coal community. Railroad has recently been donated towards the project, and the project is endorsed by U.S. Congressman Frederick “Rick” Boucher from Virginia’s Ninth District. Virginia also created a “Tourist Train Commission,” for the project.

POTENTIAL ATV-FRIENDLY COMMUNITIES IN SW VIRGINIA

THE TOWN OF **HAYSI** in Dickenson County VA has also expressed a desire to pass an ordinance to become an “ATV-friendly” community. Actually much smaller than Gilbert WV, Haysi had a population of 186 as of the 2000 census. It recently lost its gas station, grocery store and a few other businesses. There is just not enough business in town to justify staying open. But Gilbert is strategically located at the intersections of Hwy 63, 80 and 83 and just a few miles (as the crow flies) of the Mountainview ATV Trail System which offers 100 miles of multi-use trails. They need to take advantage of this.

Haysi is also within close proximity of hundreds of acres of land owned by Forest Land Group who have expressed interest in providing a lease to develop ATV trails if the liability issue is addressed through the establishing trails under auspice of the Southwest Regional Recreation Authority (SRRA). *See Volume 1: Appendix A, which provides the legislation that gives SRRA this power.* There is also potential for a connecting multi-use trail to be developed from Haysi to Elkhorn City KY, a community like Gilbert WV that has also seen increased tourism traffic and revenue flow into their community since going “ATV-Friendly” in 2006.

Strategically located at the confluence of Russell Prater Creek, the McClure River, and the Russell Fork River, the Town of Haysi recently acquired 24 acres of riverfront property a portion of which could serve as both a trailhead and campground for off-road vehicles if public trails are opened in the area. There is also the possibility of working with the Kiwanis Club to utilize a portion of their property for camping, host future “trailfest” events on their property, and reopen the motorcross course which could be an excellent opportunity for ATV and dirt bike riders to test their skills.

RECOMMENDATION: The town needs to meet with the Kiwanis Club and explore these possibilities.



The vacant gas station next to the pavilion and in close proximity to the proposed campground could be an ideal building for both a trailhead facility as well as warranting the gas station to reopen due to increased vehicle traffic coming into the area as an “ATV-friendly” community.

HAYSI HAS ANOTHER OPPORTUNITY...TO CAPITALIZE ON THE RIVER

Haysi recently built a wonderful pavilion in the center of town overlooking the river. They have the opportunity to further develop their riverfront which could become an excellent potential location for a canoe outfitter to set up a canoe livery service. Considerations should be made in developing a blueways trail as well as the potential for a whitewater run as another adventure tourism attraction to draw visitors into their community. See *ECONOMIC IMPACT OF BLUEWAYS* for more on this.



The pavilion in the center of town overlooking the water provides an excellent view of the river.