

Economic Impact of Trail Development

Community Foundation of St. Clair County

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For more information on the advancement of St. Clair County's trail network, read the full report at the [Community Foundation of St. Clair County website](#) and on [PSC's website](#).

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Background and Purpose

St. Clair County has a rare opportunity to substantially advance its trail network due to a confluence of events that will likely result in both an infusion of funding and an increased focus on development from regional and statewide trail organizations. These efforts will build off existing routes and plans developed by local leaders.

Against this backdrop, the Community Foundation of St. Clair County, with funding support provided by the Ralph C. Wilson, Jr. Foundation (RCWJRF), commissioned Public Sector Consultants (PSC) to evaluate the user patterns and economic significance of trail systems in similar communities. This effort will help partners in the county evaluate the potential value of further developing its own system. PSC researched lessons learned from leading practice communities to identify successful strategies that could be used in St. Clair County.

Summary of Findings

Trail development can be a meaningful component of a region's community and economic development strategy. The user patterns and economic significance of such systems are largely determined by their physical design, including location, length, and route. Considerations include a trail's proximity and connectivity to community assets, like neighborhoods, business districts, cultural amenities, and unique natural features. These trends and economic impacts are discussed in the following sections.

Who Uses Trails?

Of the communities studied, user groups, rates, and patterns vary greatly. Some trail systems primarily serve residents, while others have become nationally renowned tourist destinations for those seeking natural resource-based recreation opportunities. Trails that cater primarily to residents, such as the Paint Creek Trail in Oakland County, tend to be shorter in length and connect to fewer community assets. Users cite recreation, exercise, and transportation as their primary reasons for use. For example, the Paint Creek Trail served approximately 6,000 users an estimated 66,420 times in a summer. Almost all of these people, 94 percent, either resided or worked in Oakland County.

However, trails that cater primarily to tourists, such as the Great Allegheny Passage (GAP) in Pennsylvania, tend to feature longer routes that provide opportunities for multiday trips, leverage unique natural features, and connect to business districts of communities along the route. In a single season, the GAP attracts an estimated one million users, of which 250,000 are from out of state.

What Is the Demand for Outdoor Recreation in Michigan?

Outdoor recreation, particularly walking outdoors and bicycling, is highly valued by residents in Michigan and St. Clair County. A 2017 survey commissioned by the Michigan Department of Natural Resources and conducted by PSC assessed residents' views and perceptions of outdoor recreation amenities across the state and in

“The most impactful trail systems are designed to meet the needs of both residents and tourists by providing long-distance routes, unique recreation experiences, and connectivity to neighborhood-level assets.”

subregions. For the purpose of the survey, St. Clair County is located within the Central/East Michigan region.¹

Importance of Trails to Residents

82.5%

Of residents that outdoor recreation is very important or moderately important to their household

77.6%

Participated in walking outdoors

31.9%

Participated in road biking, which includes biking on paved trails

22.4%

Reported that walking outdoors was the most important recreational activity to them.

While residents cite the importance of recreation, including walking and biking, the region under performs every other in the state for the amount of recreation opportunities within a half hour of home, and all but one region for the quality of these opportunities within the same vicinity. The Central/East Michigan region also has the greatest disparity between satisfaction levels close to home and statewide, which may indicate that residents may be more likely to travel to other areas to recreate.

¹ The Central/East Michigan region comprises Arenac, Bay, Clare, Clinton, Eaton, Genesee, Gratiot, Gladwin, Huron, Ingham, Isabella, Lapeer, Midland, Saginaw, Sanilac, Shiawassee, St. Clair, and Tuscola Counties.



This house, and many others for sale in Traverse City, prominently advertise their close proximity to the TART trail system as a selling point.

How Do Trails Benefit the Economy?

Trail development can be a meaningful component of a community's economic development strategy. The value of a trail is driven by its location, length, and route, including its proximity and connectivity to community assets, like business districts, cultural amenities, and unique natural features. These aspects will impact the extent to which trails improve property values, draw tourists, spur business creation and expansion, and support community and workforce development goals.

Increase Property Value

Relatively few communities have assessed how trail development affects property value because it is a challenging task that requires controlling for multiple variables. However, the Land Policy Institute at Michigan State University (MSU) completed such a study in 2008 for Oakland County, Michigan, that compared properties with and without walkable infrastructure. MSU found that most properties close to walking and biking infrastructure, such as sidewalks, bike lanes, and trails, have a higher property value than houses

without these amenities. According to this study, houses within 100 meters experienced no change in property value; houses 100 to 500 meters saw values increase by 4.6 percent; houses 500 to 1,000 meters saw values increase 2.3 percent; and houses 1,000 to 1,500 meters saw property values increase 6.3 percent.

In Northwest Arkansas, studies have shown that houses within a quarter mile of the regional trail system sell for approximately \$15,000 more than properties two miles away from the trail system. When considering houses within one mile of bike trails, homeowners in the region experience a cumulative increase of approximately \$1.2 million of property value per mile of trail construction.² Due to the complexity of the analysis, however, the study did not establish a causal relationship between property value and trail development. Yet, government planners in the region highlight that property developers are prioritizing locating projects in areas with connectivity to the trail system (NWARPC, pers. comm.).

² BBC Research & Consulting. March 21, 2018. *Economic and Health Benefits of Bicycling in Northwest Arkansas*. Denver: BBC Research & Consulting. Accessed March 5, 2019. <https://8ce82b94a8c4fdc3ea6d-b1d233e3bc3cb10858bea65ff05e18f2.ssl.cf2.rackcdn.com/d0/97/cf26b21948308adae6828624729a/march-2018-nw-arkansas-final-report-corrected.pdf>



Increase Tourist Activity

Trail systems can attract a variety of tourists, including event-oriented, long-distance, and more casual day users. Many communities have quantified the economic significance of these visitors.

- Trail events, such as run-walks, marathons, and triathlons, can attract people from outside of the region. In Traverse City, events held on the Vasa Pathway are estimated to draw 13,000 people from outside the region each year. These visitors contributed \$2.6 million to the local economy through direct spending. The overall economic impact, which included the ripple effect of secondary spending, was estimated at \$3.5 million in a single year.
- Long-distance trails can attract cyclists and hikers who seek multiday experiences. The GAP trail in Pennsylvania is estimated to draw one million trail visits annually, 250,000 of which are from out-of-state users. Of all visitors, 62 percent planned on staying overnight. Moreover, the average user group spent \$125 on lodging and \$60 per day at restaurants, with the majority staying for multiple nights, further increasing the economic impact to the economy.
- Shorter-distance trails, particularly those leveraging unique natural features, can also serve as a draw for tourists. The Duluth, Minnesota region has developed a series of trails along the north shore of Lake Superior, which attracted 96,456 visitors from outside the region over one summer. The most heavily used trail is only 7.5 miles long but travels along the Lake Superior shoreline within the city of Duluth. Surveys showed that 74 percent of users indicated that trails were a major factor for their trip. Furthermore, these visitors spent an estimate \$17.8 million in the region during their stays.

Support Business Creation and Expansion

Increased tourism and residential use from trail development can support a variety of local businesses, including those in the hospitality sector, as well as trail-oriented businesses, such as bicycling shops and guide services. Businesses along the GAP are periodically surveyed to assess the trail's significance to their establishment. As the GAP has become more prominent and better promoted, businesses continue to experience growth:

- In 2011, 31 percent of annual business was attributed to the trail, and 30 percent of businesses indicated that they expected to expand. Just three years later, 41 percent of business was attributed to the trail, and 40 percent indicated that they planned on expanding. Of these businesses, 67 percent indicated that the GAP influenced their decision to expand operations.
- In Connellsville, Pennsylvania, trail tourism increased so much that the local trail consortium commissioned a market study to evaluate the potential development of a new hotel. The study showed that demand from trail-oriented tourism would support this effort. The hotel was later constructed and featured a business model that intentionally caters to trail users, offering close proximity to the GAP and providing a bicycle service station. The majority of the hotel's business comes from these users.
- In Pittsburgh, Pennsylvania, at the northern end of the GAP, Golden Triangle Bike Rental shifted its entire business model from daily rentals in the city to multiday rentals along the trail. Approximately 90 percent of these customers fly into the region to travel the GAP.

Support Community and Workforce Development Goals

While it is much more difficult to quantify, trail development can support community and workforce development goals. In the 21st century economy,

quality of place matters to potential employees when deciding where to live and work. Communities that succeed increasingly focus on providing a high quality of life for residents, which can be supported by trail development. Businesses are responding by locating in communities with a higher quality of life and with an existing labor pool. For example, in Northwest Arkansas, employers take prospective employees out onto the Razorback Regional Greenway as part of their talent attraction strategy, as trails are often cited as an important factor in residents' quality of life.

Moreover, well-designed trail systems can also support workforce development goals when they connect residential and employment centers. Trails can provide viable transportation alternatives to lower-income residents who may not have access to a car or public transportation. This is evidenced in Northwest Arkansas where trails in dense, low- and medium-income neighborhoods experience the highest use from people traveling to and from work and school.

Lessons Learned from Leading Practice Communities

PSC analyzed six communities from across the country with best-in-class trail systems and management models to identify user trends, the economic significance of trails, and common practices for successful trail development to determine whether these approaches can be replicated in St. Clair County. The six communities are:

- Erie County, Pennsylvania
- Fayette County, Pennsylvania
- Grand Traverse County, Michigan
- Midland County, Michigan
- Northwest Arkansas
- Wright County, Minnesota

Each region features unique characteristics and organizations with varying levels of capacity and interest in trail development. Organizational structures have emerged in each region that reflect and respond to these differences. Though each is distinct, many common themes emerged as leading practices for communities seeking to transition from a series of independent, disconnected trails to an interconnected system. These findings are described briefly below and in greater detail in the “Lessons Learned from Leading Practice Communities” section. Profiles of each region are provided in Appendix A.

Trail Organization Consortia

Trail organization consortia guide development and implementation of trail systems. Best-in-class trail systems are often led by a consortium of trail-oriented organizations that comprise a team of partners that can advance development and respond to unique challenges a region may face. Partners are cognizant of their respective roles (funding, advocacy, planning, etc.) and complete tasks without duplication or overlap of efforts to the extent possible. These groups often include meaningful partnerships between governmental, nonprofit, and philanthropic entities—regional and county planning organizations are often a common leading partner. The specific role and composition of consortia differ for each community based on the presence and capacity of entities within the region. A consortium provides the forum to establish consensus-based priorities and guide and support every aspect of the development of the trail system.

Planning and Process

Robust engagement processes and planning position communities for success. Regions that lack these critical processes may seek to achieve expedient outcomes but often experience setbacks



due to resistance from local decision makers and opinion leaders. Furthermore, lack of robust planning can result in trail systems that do not respond to community needs and priorities, failing to serve the very people who use them.

Engagement and planning often occur in multiple stages across the development process. Many communities begin by mapping existing and planned trail routes, identifying where connections are needed, and determining where revisions are appropriate. This mapping process often serves as the basis for community engagement, where residents and local leaders decide which assets to connect through a trail system and establish priorities for implementation.

Many communities use this process to establish a long-term regional trail master plan. Once this plan is developed, trail routes are integrated into other planning documents, such as long-range transportation, comprehensive, and five-year recreation plans, to better position communities for future funding and codify agreed-upon routes into municipal and county planning documents. When individual trail segments are advanced, more detailed plans are developed. During this process, additional community engagement often occurs to determine the precise location of potential routes.

Trail Systems Serve Multiple Purposes

Trail systems are intended to serve multiple purposes. The highest-value trail systems advance multiple community and economic development goals by serving both residents and tourists. The specific features of these systems differ among communities, but commonly include a primary long-distance route that enables multiday experiences, travels along unique natural features, and provides connectivity to downtowns. Secondary routes are typically designed to support resident use by connecting to neighborhoods, employment centers,



schools, and other community assets, such as environmental and cultural amenities. Designing a trail system in this manner supports tourism and maximizes the benefit for residents.

Demonstrating Value through Data

Collecting data and information from local users and businesses helps make the case for continued trail development. In many of the communities studied, local decision makers and opinion leaders were skeptical of the benefits trails provide and their relative priority compared to other community needs. Collecting robust data on trail use and business impact can help foster support for continued development. Many of the trail

systems examined completed at least one user study since their establishment that demonstrated user demographics. The most robust systems, however, complete user and economic impact studies on a periodic basis, using this information to adjust development and promotional strategies.

Common Misconceptions

In many communities, there is often concern that trails can increase public safety issues, but these concerns rarely come to fruition. Every community studied experienced concerns from residents about public safety along the trail. These concerns are perhaps most pronounced from property owners adjacent to and in the immediate

vicinity of planned routes. Once the trails are developed, however, these concerns are often not realized. Every community indicated that crime along the trail is no more pronounced than any other area of their community. Furthermore, many suggested that trails actually enhance public safety due to the formation of user groups, which deters potential negative behavior.

Branding and Wayfinding

Developing a brand and consistent wayfinding standards yields dividends for trail systems. Leading practice communities develop cohesive brands for their trail network. For the purposes of this report, wayfinding refers to information systems that guide people through a physical environment and enhance their understanding and experience of the space; branding is a multifaceted approach that includes marketing and promotional materials, wayfinding signage, and the trails' physical design, including width and surface type. Developing a consistent brand improves communications, fosters a common sense of identity among trail partners, builds support for funding requests, and enhances user experience.

Communities have taken different approaches regarding the specific information included on wayfinding signage and promotional materials. Generally, initiatives led by governmental entities are less likely to promote individual businesses, while those led by nongovernmental entities are more likely to. Using an inclusive process to develop consensus standards is one of the most important elements of a branding strategy. Ultimately, there is no right or wrong approach for what information to include—other than what community partners agree is appropriate.

Long-term Maintenance

Establishing maintenance endowments that are capitalized during initial trail development provides sustainable funding to maintain quality trail systems. Many regions expressed concerns regarding long-term maintenance expenses. Many regions internalize general maintenance expenses within the owner or managing entity's operating budget, but these budgets can be strained when facing higher-expense repairs. To overcome this challenge, one community developed a new model that could set the standard for sustainable maintenance funding. Endowed funds were established at the local community foundation to generate revenue for maintenance. In this community, funding for the endowment is included within the original capital campaign to construct the trail. This practice has been met with great support within the community, which recognizes that long-term sustainability is just as important as securing funding for initial construction.

Success Requires Sustained Effort

Achieving a best-in-class trail system requires sustained efforts. Most of the regions studied have developed their trail systems over the course of many decades, which is sustained through leadership provided by the trail organization consortium. Often, smaller segments are built incrementally, gradually building a more comprehensive system. As the trails continue to be developed and individual segments are connected, its value and impact grows.



Conclusion

Developing a trail system can be a meaningful component of a community and economic development strategy. However, it is important to consider various factors: The system's physical design, how it serves tourists and residents, the inclusion of both central long-distance and secondary connecting routes, and how the system improves the community's quality of life.

Beyond these considerations, the most successful trail systems are advanced by consortiums of trail-oriented organizations that guide every aspect of development. This includes creating regional master plans, identifying and prioritizing routes, considering branding, developing consensus wayfinding standards, and promoting the trail system. Focusing on forming consensus strategies and robust engagement can provide a strong foundation to not only develop—but also to sustain—a best-in-class trail system, which oftentimes takes many years to achieve.



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