

**A Proposed Bicycle and Horse Trail
From Spring Valley to Elmwood, WI:**

The Extent and Impact of Visitor Expenditures

Ed Hass, Neil Dixon, Bill Ryan, and Dave Marcouiller

Extension Report 06-01
Department of Urban and Regional Planning
University of Wisconsin - Madison/Extension

November, 2006

Acknowledgements

Users of public outdoor recreational trails experience many benefits which enhance their health, well-being, and quality of life. In addition, trail users spend money for supplies, food and beverages which improves the economy of the area by supporting jobs and business income, thereby improving the quality of life for others.

A trail starts with an idea and a group of dedicated community leaders that are willing to expend time and energy in pursuit of a community goal. The authors wish to acknowledge the contributions of the following leaders and thank them for their vision and commitment to develop an outdoor trail which will benefit generations to come.

Rita Goveronski	Spring Valley Village Administrator
Pam Herdrich	River County Resource Conservation & Development Coordinator
Tony Huppert	Spring Valley Chamber of Commerce
Arby Linder	Martell Town Chairman
Don Nellessen	Pierce County Board, Gilman Town Board
Paul Seeling	Publisher/Editor Gateway Publishing
Kirstin Schilling	Pierce County Board

Our apologies and thanks to anyone we may have inadvertently missed and to others that will contribute to this effort in the future.

Executive Summary

For the past few years, local discussions in two Pierce County communities have included an idea for developing a bicycle and horse trail along a corridor next to the Eau Galle River between Spring Valley and Elmwood. An important and related issue surrounds the potential economic impacts of such a trail on the local business community. In April of 2006, the Pierce County Extension Office asked for assistance in helping assess the potential economic impacts associated with the proposed trail. In response, a study was undertaken to compile past work that estimated visitor spending patterns for those types of activities appropriate to the proposed trail. In addition, the impacts on the local retail and service sector are discussed using case studies and an inventory of local tourism businesses.

An assessment was made of expenditure patterns estimated in previous studies. Overall, spending by trail users across Wisconsin totaled about 17 million dollars in 1999 (roughly \$21 million in 2006 dollars). Most of this trail spending was done by visitors to the more heavily-used trails such as the Elroy-Sparta trail in Monroe County, the Gandy Dancer Trail in Polk and Burnett Counties, and the Military Ridge Trail in Dane County. This overall estimate provides context for understanding potential spending by users of a proposed trail between Spring Valley and Elmwood. Previous work suggests that the impact of trail users on local business activity is, at best, modest. This is particularly true for lesser-used trails.

Wide variation exists in spending by different types of trail users. Average daily trip-related expenditures identified from recent studies suggested daily expenditures range from an average of about \$17 for hikers, \$28 for bicyclists, and \$38 for horseback riders to over \$93 for wildlife watchers. The potential spending resulting from the Spring Valley to Elmwood trail would depend on how the trail is developed, marketed, and combined with other local tourism assets. A simple expansion of spending patterns by different types of users suggests that for every 1,000 users, modest increases in local business receipts could range from roughly \$17,000 for hikers, \$28,000 for bicyclists and \$38,000 for horseback riders to \$93,000 for wildlife watchers. These expenditures translate into economic impact measured by income generated and jobs created.

The ability of this potential economic impact to be realized within the surrounding communities hinges on the creativities and abilities of local entrepreneurs. Two case studies help focus attention on key issues used by other local business communities in successfully capturing trail user spending. There is ample reason to believe that modest, yet positive economic impacts will be witnessed in the local economy as a result of the development of a trail along the Eau Galle River between Spring Valley and Elmwood.

A Proposed Bicycle and Horse Trail From Spring Valley to Elmwood, Wisconsin:

The Extent and Impact of Visitor Expenditures

Table of Contents

Section:	Page:
Acknowledgements	ii
Executive Summary	iii
Table of Contents	iv
Introduction	1
The Local Context	1
The Literature	2
This Report	4
B. The Spending Patterns of Trail Users	5
Trail use in Wisconsin	5
Variation in Trail Users	7
The Proposed Trail	8
Expenditures to Economic Impact	9
C. The Local Retail and Service Sectors	10
Case Study 1: Lanesboro, Minnesota	10
Case Study 2: Elroy, Wisconsin	11
Business Case Studies	13
Opportunities for Spring Valley and Elmwood	14
Other Beneficial Considerations of Trail Users	16
D. Summary, Conclusions, and Policy Implications	17
References	19
Appendix A. Tourism Attractions and Businesses that Cater to Spring Valley and Elmwood Visitors	23

List of Tables

Table 1.	Trail Expenditures for the State of Wisconsin	6
Table 2.	Average Daily Expenditure Patterns for Trail Users of Different Types	8
Table 3.	The Amount of Local Spending for Every One Thousand (1000) Trail Users by User Type and Local Business Sector	9
Table 4.	Items Purchased on Most Recent Trip	15

A Proposed Bicycle and Horse Trail From Spring Valley to Elmwood, Wisconsin:

The Extent and Impact of Visitor Expenditures

A. Introduction

The Local Context

Spring Valley is a vibrant community of 1,286 people (2005) which is rich in natural resources and cultural history. The village name reflects what the pioneers must have observed with the picturesque Eau Galle River flowing at the bottom of the valley walls lined with many species of northern hardwood trees. Early geological interest in iron mining, as reflected by the still standing smelting tower, has transformed into continued interest in Crystal Cave, one of the most spectacular features of the upper Midwest with over 30,000 visitors annually to this natural wonder. After many years of terrible flooding of the Eau Galle River, the largest earthen dam in the Midwest created the Eau Galle Reservoir which provides many outdoor recreational opportunities. In addition, the dam and reservoir provides a context for Spring Valley's annual Dam Days celebration in September that brings thousands to the Village of Spring Valley for a weekend of fun.

The economy has shifted away from mining over the years but still supports the community from agriculture and timber. The growth industry today is tourism which supplements the lifestyles of commuters seeking jobs in larger communities. Tourism is also becoming a significant factor in the neighboring village of Elmwood which has been designated as the UFO Capital of Wisconsin drawing in international visitors, particularly during the annual July celebration of Elmwood's UFO Days.

Indeed, several area attractions serve to draw visitors to the area. Attractions and businesses catering to tourists within 12 miles of Spring Valley are summarized in Appendix A. For instance, the U.S. Army Corps of Engineers Eau Galle Recreational Area draws 250,000 visitors annually to the area for camping, fishing, swimming, hiking, horse back riding and birding. Thousands of golfers from the Twin Cities enjoy the Spring Valley Golf Course each season, “the area’s most scenic”, for 18 challenging holes without the crowding they so often experience and at much less the cost of the Cities’ courses. The area has many artisans and crafters living and trading in this community, as well as “agricultural-tourism” destinations such as Jersey Crème Yogurt and Cady Cheese. Cady Cheese draws tourists by the thousands from all over the Midwest.

The Spring Valley to Elmwood corridor in the valley of the hill and coulee topography of the driftless region is a prime area for a recreation trail. Early railroad builders left the remnants of the rail bed which provides prime opportunities for developing a recreational trail. Because of these unique features community leaders have proposed the development of a bike and horse trail along the river corridor to link Spring Valley to Elmwood. The potential exists to expand the proposal to link to other existing trail segments and add to the regional trail network. This trail system would be one more draw to the area already rich in tourist potential.

The Literature

Economic development professionals rely on a wide variety of information and data to make decisions about how best to plan for inevitable economic transitions. Increasingly, natural and built amenities that provide locally available recreational opportunities have been thought to be a central component of post-industrial economic change (Powers 1988; 1996; Green et al. 2005; WDNR

2006). This is particularly true in amenity-rich regions such as those found across the Lake States of Minnesota, Wisconsin, and Michigan.

During the past quarter century, there has been significant progress to more fully understand how recreational resources are integrated within community economies with a particular interest in parks, trails, and related publicly provided open spaces (Howe, et al. 1997; Garvin 2001; Marcouiller et al. 2002). With specific reference to linear trail systems, local economic impacts have taken on increased importance given intensified demands for the development of public open-space corridors and general tendencies for increased community dependence on tourism as a source of income (ibid; Keith, et al. 1996; English et al. 2000). Park and trail systems have been shown to provide tangible economic benefits to the communities in which they exist. These tangible economic benefits are wide-ranging and include the positive influence on property values (Crompton 2001, 2004) and the stimulation of local retail and service sector activity driven by the inflow of dollars spent by visitors (Tribe 2005; Vanhove 2005). For purposes of this evaluation, we will focus on the latter element that involves the stimulating effect of visitor expenditures on local retail and service sector activity; often referred to as “tourism”.

In Wisconsin, there has been a continual effort to address issues associated with economic impacts of recreation and tourism at the community level, examples of which can be found in an initially compiled annotated bibliography by Haines et al. (1998) and updated in a searchable on-line database by Scott and Marcouiller (2005). These studies have addressed the variety of specific tourism types that include festivals, events, and attractions (c.f. Aderman 1988; Gray et al. 1986, 1987, 1990; Hamilton 1991, 1992; Marcouiller et al. 1994, 1995; Murray 1993; VanKoningsveld et al. 1994) and the various types of relevant outdoor recreation pursuits including camping, fishing/hunting, park visitation, and trail use (c.f. Amer et al. 1995; Cooper et al. 1979; Marcouiller et al. 2002; Penaloza 1988; Schwecke 1989). In an effort to focus on the specific type of use most appropriate

to the proposed Spring Valley to Elmwood Trail, we will use a recent workshop compilation on trail expenditure studies (Carleyolsen et al 2005) and several recent and closely related reports (Olson et al. 1999; Marcouiller et al. 2002; Hamilton et al. 1988).

This Report

The intent of this report is to describe the potential economic impacts of a proposed bicycle and horse trail extending from Spring Valley to Elmwood, Wisconsin on the business interests in the surrounding communities. In order to develop these estimates, it is first important to outline what is known about trail users, their patterns of spending, and other characteristics that affect how they are integrated into the local community. Thus, a significant part of this report will rest on the recent history of studies that have looked at trail users and their characteristics. Using this as a basis, we will identify “ball-park” estimates of what users to the Spring Valley to Elmwood trail would likely spend in the local economy and apply these expenditures in estimating their local economic impacts.

This report is organized into three subsequent sections followed by a complete list of references. First, we discuss what’s known about visitor expenditures specific to trail use in Wisconsin and the particular economic issues necessary to understand how tourist spending impacts local business activity. Next, we will outline the various elements necessary to understand the local retail and service sectors that make up what is commonly referred to as the tourism industry. We conclude with a section that outlines caveats and further needs necessary to assess the feasibility of a trail from Spring Valley to Elmwood, Wisconsin.

B. The Spending Patterns of Trail Users

To state the obvious, primary data on user characteristics specific to the proposed trail do not exist. There are, however, a limited number of studies that have looked into the characteristics of trail users in the Lake States and elsewhere. These studies typically use surveys to assess visitor characteristics for a variety of purposes. Although many past studies are done for marketing purposes, those most useful to our assessment extend into issues associated with the economic impact of visitors on local communities. Typically, these impact studies combine demographic characteristics (e.g. party size, length of stay, and place of origin) with responses of how people spend money while traveling to a given destination. The combination of these two elements with estimates of overall usage allow analysts to estimate the extent of “new”, dollars flowing into the local community as a result of the recreational activity.

Trail Use in Wisconsin

To get a handle on the importance of trail usage overall, a 2002 study of Wisconsin State Parks and Trails users suggested that annual spending by trail users in Wisconsin was roughly 18 million dollars in 1999 as shown in Table 1 for both local and non-local users. If adjusted for inflation, this would be roughly 21 million dollars in 2006. This provides a statewide upper-bound of sorts that should be kept in mind with the assessment of the proposed Spring Valley to Elmwood trail. It is important to note that this estimate was specific to the system of State Trails which includes about 20 distinct trails with a total of approximately 400 miles of trail. Also, it is important to remember that there are a handful of trails that make up the bulk of trail use (Elroy/Sparta, Gandy Dancer, Military Ridge, etc.). Key to understanding total spending is that many miles of the state trail system receive relatively light recreational use compared to the big-name trails of the state.

Table 1. Trail Expenditures for the State of Wisconsin (Marcouiller et al. 2002)

<i>Spending Category</i>	Local Trail Visitors		Non-Local Trail Visitors		Total
	Spending Per Visit Day	Total Spending	Spending Per Visit Day	Total Spending	
groceries and liquor	\$3.63	\$1,836,000	\$5.84	\$571,000	\$2,407,000
restaurants and bars	\$5.42	\$2,741,000	\$13.00	\$1,271,000	\$4,012,000
casinos/ gambling	\$0.00	\$0	\$0.00	\$0	\$0
gasoline and automobile service	\$4.53	\$2,291,000	\$7.26	\$710,000	\$3,001,000
Lodging at hotels, motels or resorts	\$4.92	\$2,489,000	\$13.90	\$1,359,000	\$3,848,000
recreational equipment purchases	\$3.24	\$1,639,000	\$0.40	\$39,000	\$1,678,000
recreation equipment rental	\$0.18	\$91,000	\$0.69	\$67,000	\$158,000
gifts, toys and souvenirs	\$1.18	\$597,000	\$9.78	\$956,000	\$1,553,000
bait and tackle	\$0.02	\$11,000	\$0.12	\$12,000	\$23,000
entrance fees	\$0.30	\$152,000	\$0.06	\$6,000	\$158,000
recreational licenses	\$1.37	\$693,000	\$1.80	\$176,000	\$869,000
Totals	\$24.79	\$12,540,000	\$52.85	\$5,167,000	\$17,707,000

Note from this Table that expenditures are identified by major industry groupings that are sensitive to traveler expenditures. These categories include businesses whose receipt base includes trip-related spending on such items as food (both groceries and restaurants), lodging, and transportation. Note also that while spending patterns are larger for users who come into the local community from afar (non-local users), this is offset by the much larger number of local users who frequent trails across the state. This is important because our primary interest has to do with drawing “new” dollars into the local communities affected by trail development. This inflow provides an increased export base to local retail and service sector businesses.¹

¹ Certainly, while we cannot discount the local recirculation of dollars already in the community, there is a “premium” associated with tourism’s ability to generate an export-base. This export-base is supported by the inflow of dollars into the community from the outside.

Variation in Trail Users

The length of visitor stay and overall visitor motivations for travel can have a dramatic affect on spending patterns. Also, the combination of trail use with other activities or events can affect trip expenditure. With this in mind, the type of alternative recreation and/or event will matter. For instance, travelers who combine a specific event such as a tractor pull or a county fair in combination with trail use tend to spend their money in different sectors of the economy than people who come into an area for camping or other outdoor recreational activities. Visitors staying for extended periods of time tend to have significantly higher accommodation and food expenses than day trippers. With some exception, trail users tend to be short-term day-trippers who have a limited amount of spending on overnight accommodations (Olson et al. 1999; Marcouiller et al. 2002).

This said, it is important to point out that there exists a wide variation in the type and extent of trail use throughout the Lake States. A recent compilation of trail studies (done for a workshop in Jefferson County) summarizes data on variation in trail user characteristics. Individual (adult) trip spending for a variety of different trail user types is summarized in Table 2. Note from this Table that the type of trail user matters. For instance, cross-country skiers and hikers tend to have significantly lower levels of local spending when compared to anglers and wildlife watchers. This latter category, in particular, provides some interesting issues associated with the types of people who might be the focus of promotional materials.² Interestingly, bicyclists and horseback riders have relatively modest total spending amounts that reflect short-term day-tripping activities combined with picnicking and other modest local spending habits.

² One possible explanation for the relatively higher spending habits of individual wildlife watchers could reflect important demographic characteristics of age, education, and income levels.

Table 2. Average Daily Expenditure Patterns for Trail Users of Different Types (Carleyolsen et al. 2006 from a variety of sources)*

<i>Spending Category:</i>	<i>User Category:</i>						
	Bicycling	Wildlife Watching	Fishing	Camping	Hiking	XC Skiing	Horseback Riding
Dining and Drink	\$6.12	\$21.90	\$16.58	\$3.00	\$3.76	\$3.86	\$6.28
Grocery/Convenience Stores	\$4.08	\$14.60	\$11.05	\$2.00	\$2.50	\$2.57	\$6.27
Retail Shopping	\$1.87	\$5.87	\$6.61	\$2.46	\$1.30	\$1.72	\$2.49
Entertainment	\$1.25	\$3.91	\$4.41	\$1.64	\$0.87	\$1.14	\$2.48
Transportation (Gas & Auto)	\$6.24	\$28.55	\$20.89	\$4.14	\$3.27	\$4.28	\$13.62
Accommodation	\$4.53	\$18.25	\$13.82	\$5.75	\$1.90	\$0.48	\$1.42
Miscellaneous Retail	\$4.25	\$0.00	\$12.38	\$4.60	\$3.60	\$5.29	\$5.76
Total	\$28.34	\$93.08	\$85.74	\$23.59	\$17.20	\$19.34	\$38.33

* Sources used in this compilation included a variety of studies from Canada and The United States. Certainly, a compilation of this sort requires comparability that is confused when combining studies that use different approaches and definitions. All estimates were, to the best of our abilities, placed on a comparable basis (accounting for inflation, exchange rate, and user demographics).

The Proposed Trail

Using these estimates in assessing the potential economic impacts of the proposed Spring Valley to Elmwood trail presents some significant challenges. At the top of this list is the simple fact that the amount of use will largely depend on a variety of issues associated with how the trail is developed, how it is marketed, and the array of other activities that can be combined with trail use. Certainly, how trail use is combined with other local tourism and recreation assets, such as the Eau Galle Reservoir and other tourism attractions, (see Appendix A for attractions and businesses that cater to visitors within 12 miles of Spring Valley) is a key element that will enhance local spending patterns.

For lack of a better approach to estimating the amount of visitation, Table 3 expands the estimates in Table 2 for a set number of users. Note that these estimates are based on a rather arbitrary one-thousand users and could be easily adjusted with alternative values depending on specific characteristics and alternative scenarios for trail and tourism development.

Table 3. The Amount of Local Spending for Every One Thousand (1000) Trail Users by User Type and Local Business Sector (using spending patterns found in Table 2).

For every 1000:	Restaurants & Taverns	Grocery Stores	Retail Stores	Entertainment	Gas Stations	Overnight Accommodations	Total per 1000 Users
Bicyclists	\$6,120	\$4,080	\$6,120	\$1,250	\$6,240	\$4,530	\$28,340
Wildlife Watchers	\$21,900	\$14,600	\$5,870	\$3,910	\$28,550	\$18,250	\$93,080
Anglers	\$16,580	\$11,050	\$18,980	\$4,410	\$20,890	\$13,820	\$85,730
Campers	\$3,000	\$2,000	\$7,060	\$1,640	\$4,140	\$5,750	\$23,590
Hikers	\$3,760	\$2,500	\$4,900	\$870	\$3,270	\$1,900	\$17,200
XC Skiers	\$3,860	\$2,570	\$7,010	\$1,140	\$4,280	\$480	\$19,340
Horseback Riders	\$6,280	\$6,270	\$8,250	\$2,480	\$13,620	\$1,420	\$38,320

Expenditures to Economic Impact

Visitor expenditures and economic impact are two separate issues. For instance, the proposed trail between Elmwood and Spring Valley would attract visitors to the region who, in turn, would spend money in the local economy thus contributing to the total receipts of businesses operating in and around the two communities. Visitor expenditures provide an inflow of currency to a local economy. This inflow of currency, witnessed by local businesses as an increase in receipts, can provide local economic impacts. Local businesses react to increased receipts by providing more hours to part-time workers, creating new jobs, meeting an expanded payroll, paying more in local taxes, and making their activities more profitable. This leads to an economic impact, namely through the creation and distribution of jobs and income.

Local retail and service sector businesses have a large role to play in generating economic impact in communities that expect benefits from trail users. This role focuses around the creative and entrepreneurial spirit of local business owners in effectively capturing the potential spending of trail users. A discussion of opportunities for trail-based businesses provides the topic of our next section.

C. The Local Retail and Service Sectors

The proposed recreational trail development linking Spring Valley and Elmwood, Wisconsin has the potential to benefit the surrounding communities in several ways. The growing popularity of multi-use trails in the country stems from a desire to increase transportation linkages, expand and conserve greenways, and to provide a much-needed “shot in the arm” for local businesses. Several examples of successful trail developments in the Midwest provide models for how this proposed project may result in business growth for Spring Valley and Elmwood. In this section of the report, we (1) provide examples of two communities that have capitalized on trail development, (2) discuss how some specific businesses have taken advantage of their proximity to trails, and (3) begin to explore potential business opportunities in Spring Valley and Elmwood based on these other communities.

Two case studies demonstrate that there are some common threads running through these community success stories. Both are taken from a recent compilation of tourism case studies compiled by Bill Ryan and others (Ryan et al. 1999) and the Iowa Department of Transportation (Iowa DOT 2000). These usefully compendia presents a variety of tourism situations including that based on trails development; examples where trails have become the central focus of tourist activity and have served as an impetus for boosting local business development (Rails to Trails Conservancy 1996). The two communities featured here are Lanesboro, Minnesota and Sparta, Wisconsin.

Community Case Study 1: Lanesboro, Minnesota

The Root River Valley is a beautiful region of bluffs and limestone outcroppings. Bicycle trails, rural highways and canoe rentals have brought the scenery of the area to many visitors. Museums, craft and gift shops have brought the flavor of the local culture to light.

Many of the residents of Lanesboro, Minnesota (population 900) do not understand why there is so much of a fuss about their town. As far as they are concerned, Lanesboro has always been special. Visitors have now found out about Lanesboro and all it has to offer. To the resident of this small community in southeastern Minnesota, Lanesboro itself has not changed as much as outsiders' impressions have.

Vacation preferences are as much a function of tourist perceptions and demands as they are of a destination attributes. Lanesboro seemed content to live its life as a sleepy farm community who happened to be fortunate enough to be situated in the scenic Root River Valley. But contemporary tourists found in Lanesboro a town that offered many outdoor activities in an area rich in heritage, natural resources, charm and rural nostalgia. Visitors come to Lanesboro to bike, canoe, hike, tube, trout fish, do sightseeing, learn, shop and sometimes just walk around.

More importantly, Lanesboro has been able to maintain the small town charm that made it attractive in the first place and accommodate a relatively large number of visitors. It is an important balancing act; the basis of the community's appeal needs to be preserved to continue their way of life and also to continue to attract visitors to the community. As one resident amusingly put it, Lanesboro did not have to establish a yesteryear theme; it never left the past. But this did not prevent the residents from recognizing the value of their town's historic look and feel. The town and its businesses have capitalized on the heritage of their community and the surrounding area's natural and human resources.

Community Case Study 2: Sparta, Wisconsin

One of the nation's first rail-trails was the Elroy-Sparta State Trail in southwestern Wisconsin. Built in the 1960's, this multi-use trail has proven very popular due to three long tunnels that punctuate its 32 miles. The crushed stone surface of the trail allows the trail to accommodate studded tread snowmobiles,

thus enabling Sparta to enjoy the benefits of tourism year-round. Since this trail opened, several others have opened in the area (totaling over 100 miles), making the region a popular destination for bicyclists, cross-country skiers, snowmobilers, and hikers.

The Elroy-Sparta Trail draws 100,000 to 120,000 users each year, many of whom travel from other states. The trail's northern anchor, Sparta, decided in 1991 to make its trails synonymous with its identity by declaring itself the "Bicycling Capital of America." This theme is evident from the 30-foot tall fiberglass statue of a bicycle rider that welcomes visitors to the town.

Sparta's businesses also express commitment to its identity: hotels and campgrounds provide free trail passes; restaurants serve healthier food desired by bicyclists; arts and crafts and novelty shops serve visiting trail users; tour operators package bus tours that include lodging, bike rental, and shuttle service to different points along the trails. By capitalizing on trail-related tourism, Sparta has not only established a new identity, but an economic future as well.

Sparta's downtown has flourished with the influx of tourism dollars. Specialty stores selling clothing, quilts, and gifts are popular among tourists. The Doll Museum and the Railroad Museum provide activities for the whole family, especially for rainy days, or for a well-deserved break from riding. In addition, Wisconsin's largest Amish community is nearby, bringing Amish crafts and furniture to downtown shops.

Both of these case studies have shown that community consensus-building and the collective marketing of businesses can pay off when it comes to taking advantage of trail riders in the community. A wide variety of activities can help bring entire families to the area rather than just niche groups like mountain bikers or trail riders. A concerted effort on the part of the business community of these trail-towns to reach out to the ever-growing number of trail enthusiasts and their families has paid off in the form of newly invigorated business activity.

Business Case Studies

A number of businesses in these and other communities have taken advantage of their proximity to trails. The following are three examples of innovative marketing and operating practices utilized.

- **Cuda Café, Deerfield WI** - This café is a “smoke-free gourmet coffee shop and deli located in a renovated tobacco warehouse on the Glacial Drumlin Trail.” Co-owner Randy Mueller noted that “What started out as a place for riders to stop in and get a power bar and a bottle of water evolved into something more.” Once the Cuda Café was open for business, the ownership reacted to a dearth of restaurants in downtown Deerfield by promoting homemade soup and sandwiches. As the business grew, Mueller remarked that even though determining how many people come in directly off the trail is difficult, he has noticed that many of his patrons “discovered” the café while riding by on the trail. Furthermore, Mueller explained that out of town customers have often seen the café from the trail and decided to come back at a later time. Expanding the business to take advantage of the need for more downtown restaurants in Deerfield helped it evolve into a full-service café and an “uptown” music venue of Friday and Saturday evenings. Mueller and the Cuda Café’s other co-owners, Bob Griggas, and Dalton Schreiber, are eager to participate in more community building efforts around the trail. Events such as the “Great Midwest Run,” which took place on the Glacial Drumlin Trail, create opportunities for the café to reach out to more potential patrons through sponsorship or simply through exposure, as the Cuda Café sits only 30 feet from the trail.
- **Scenic Valley Winery, Lanesboro MN** - The Scenic Valley Winery was established in 1984 and produces and sells fruit wines and wine-related merchandise such as hand-made wood boxes, corkscrews and coolers. Because their stay often includes biking or water sports, many customers are not able to carry bottles of wine with them. The Winery accommodates this market by shipping their goods to their home and in this way finds that tourists will remember them for their holiday needs. The Winery also finds that many of their customers are friends and relatives of people that live in the Lanesboro area. The Scenic Valley Winery is a good addition to other businesses in Lanesboro. As the only winery, it adds to an attractive business mix. Its use of local products, such as apples, plums and wine crates, supplements the local economy. Karrie compliments the community by citing its charm as one of the biggest reasons her family started their business

in Lanesboro. Wine tasting adds to the overall tourism experience, especially when the wines are made on the premises with local ingredients.

- **Capron Hardware, Lanesboro MN** - Capron Hardware is open year round and has a strong local customer base. It sells hardware items, paint, electrical and plumbing goods, camping and fishing supplies, bait and licenses, household goods and gifts. The hardware store's manager, Sue Kenyon, is very aware of its location in an extraordinary community and the store is operated with an eye to its recreational visitor market. Accordingly, it stocks many items useful for those away from home as well as those that live in the community. Lanesboro Hardware is an outlet for Winborn Bicycle Rentals and rents trail, tandem, single speed bikes and kiddie karts. It also stocks many vacation items such as the fishing supplies and bug sprays. Although the hardware store's business is somewhat seasonal, steady and devoted year-round resident trade and cross-country skiers supplement winter sales and help support what is traditionally a slow time of the year for visitors. Capron Hardware utilizes simple and effective market assessment. They ask the customers what they need and would like to see in the store as they come in.

Opportunities for Spring Valley and Elmwood

Trail users represent a new market niche for existing businesses and local entrepreneurs in the Spring Valley/Elmwood area. Providing access to technical assistance can help merchants determine how best to take advantage of new markets while enhancing the core business. Ways in which merchants can achieve this include changing merchandise selection, display and window design, and marketing. For example, a deli might create a snack pack for hikers that includes a Power Bar and bottled water along with more traditional sandwich fare. A shoe store might display snowshoes in the front window. Businesses serving a broader clientele (i.e., a bike shop) might find locations near the trail to be especially attractive.

Much of the expected increase in business associated with trail construction will be associated with the service sector. Furthermore, service related businesses catering to tourism and recreation will see the largest gains.

Supplementary businesses such as equipment repair may also see increased earnings.

Since the economic boon stemming from trail construction is primarily focused on tourism and recreation services, these businesses should be in a position to accommodate increased demand. First and foremost, the tourists will need lodging and food accommodations. Therefore, local lodging and restaurant facilities should prepare for increased seasonal and weekend usage. The possibility of increased patronage for the various eating and drinking establishments of Spring Valley and Elmwood is dependant on how well those businesses attract the trail-user market segment. Location will play an important role in this process, and trailside cafes akin to the Cuda Café in Deerfield, Wisconsin will be poised for success.

Shopping is considered the most universal element in the tourist experience. According to the *Tourism Works for America Report (1998)* by the Travel Industry of America Association (TIA), shopping is ranked first among the most popular leisure activities among U.S. resident travelers as well as by travelers to the United States. Tourists spend 8.2% of all retail dollars in the U.S. Items purchased on the most recent trip by survey respondents are listed below:

Table 4. Items Purchased on Most Recent Trip (TIA 1998)

Merchandise	% of Travelers Who Purchased
Clothing or shoes	77%
Souvenirs	49%
Books or Music	42%
Specialty foods/beverages	41%
Kids toys	39%
Items/crafts unique to destination	37%
Jewelry or accessories	36%
Home accessories or furnishings	23%
Home electronics	16%
Sports equipment	15%
Camera and/or equipment	15%
Artwork	15%
Luggage	9%
Camping equipment	7%

In addition, retailers offering popular vacation items such as disposable cameras, film, film processing, sunscreen, sunglasses, clothing accessories, and trail maps may also see increased business. Therefore, convenience and drugstores located near the trail, should plan their operating hours, inventory and marketing efforts for increased sales volume.

Opportunities for entrepreneurs in Spring Valley and Elmwood will present themselves following trail construction. The most noticeably underrepresented business in the area is bicycle equipment sales and rental. Local hardware stores are probably best equipped to fill this void in the short term. From a marketing perspective, however, a specialized retailer and service provider for this market niche may have market potential. Also, recreational support services, such as transportation between downtown lodging and points along the trail may be profitable.

Finally, the downtown economies of Spring Valley and Elmwood can experience an economic boost with increased traffic in specialty stores and gift shops. Where some retailers are already in operation, business can be augmented by increasingly catering to trail enthusiasts.

Other beneficial considerations of trail use

The benefits of a trail between Spring Valley and Elmwood would be expected to extend beyond the local business communities. Trails provide for enhanced recreational opportunities for local people residing in both Spring Valley and Elmwood. The schools can use this trail for athletics (track and cross country use). In addition, the ability to relax while walking or biking the trail has substantial benefits for both the mental and physical health of local citizens.

A trail between Spring Valley and Elmwood could provide important connections to other trails and local recreational assets. For instance, connections could be made between the trail and the local golf course. Also, linking the trail to those in St. Croix and Dunn Counties could present opportunities for

connections that could stimulate further use and draw more visitors through the communities. Certainly, the opportunity exists for Spring Valley to act as a gateway to Pierce County for those traveling an expanded trail system.

Finally, the existing tourism attractions of the region (listed in Appendix A) would benefit from a wider array of recreational and leisure opportunities present in the communities. Adding a bicycling or walking excursion to a camping trip to the Eau Galle Reservoir as part of a trip to the Crystal Cave would expand current usage and provide incentives for longer stays in the local area.

D. Summary, Conclusions, and Policy Implications

For the past few years, local discussions in two Pierce County communities have included an idea for developing a bicycle and horse trail along a corridor next to the Eau Galle River between Spring Valley and Elmwood. An important and related issue surrounds the potential economic impacts of such a trail on the local business community. In April of 2006, the Pierce County Extension Office asked for assistance in helping assess the potential economic impacts associated with a trail development proposal. In response, a study was undertaken to compile past work that estimated visitor spending patterns for those types of activities appropriate to the proposed trail.

An assessment was made of expenditure patterns estimated in previous studies. Overall, spending by trail users across Wisconsin totaled about 17 million dollars in 1999 (roughly \$21 million in 2006 dollars). Most of this trail spending was done by visitors to the more heavily-used trails such as the Elroy-Sparta trail in Monroe County, the Gandy Dancer Trail in Polk and Burnett Counties, and the Military Ridge Trail in Dane County. This overall estimate provides context for understanding potential spending by users of a proposed trail between Spring Valley and Elmwood. Previous work suggests that the

impact of trail users on local business activity is, at best, modest. This is particularly true for lesser-used trails.

Wide variation exists in spending by different types of trail users. Average daily trip-related expenditures identified from recent studies suggested daily expenditures range from an average of about \$17 for hikers, \$28 for bicyclists, and \$38 for horseback riders to over \$93 for wildlife watchers. The potential spending resulting from the Spring Valley to Elmwood trail would depend on how the trail is developed, marketed, and combined with other local tourism assets. A simple expansion of spending patterns by different types of users suggests that for every 1,000 users, modest increases in local business receipts could range from roughly \$17,000 for hikers, \$28,000 for bicyclists and \$38,000 for horseback riders to \$93,000 for wildlife watchers. These expenditures translate into economic impact measured by income generated and jobs created.

Limitations exist with this analysis and include assumptions regarding expenditure patterns, projected attendance increases, ability of the current business structure to accommodate increased numbers of visitors, and other characteristics specific to how the trail is developed, marketed, and combined with other tourism assets. There is, however, ample reason to believe that modest, yet positive economic impacts will be witnessed in the local economy as a result of the development of a trail along the Eau Galle River. Weighing these positive impacts with traditional cost-benefit project analysis and inherent underlying political and social implications are necessary to fully address the impact of trails development

References

- Aderman, M. 1988. The U.W. Indianhead Arts Center A Case Study of Travel and Spending Behavior of Students and Staff, U.W. Indianhead Arts Center, Shell Lake, WI.
- Amer, A, D.F. Schreiner, and D. Robinson. 1995. Economic Impact of Lake Texoma Fishing Activities. Department of Agricultural Economics, Oklahoma State University, Stillwater, Oklahoma.
- Carleyolsen, S, T..Meyer, J. Rude, I. Scott. 2006. Measuring the Economic Impact and Value of Parks, Trails and Open Space in Jefferson County Accounting for Current and Future Scenarios. Planning Workshop online report: <http://www.urpl.wisc.edu/academics/workshop/jefferson%20county/team1/JCEconfinal.pdf>
- Cooper, R., S. Sadowske, M. Kantor. 1979. Winter Recreation Visitor Study Wisconsin 1979. Upper Great Lakes Regional Commission.
- Crompton, John. 2001. *Parks and Economic Development*. Planning Advisory Service Report Number 502. Chicago, IL: American Planning Association.
- _____. 2004. *The Proximate Principle: The Impact of Parks, Open Space and Water Features on Residential Property Values and the Property Tax Base – Second Edition*. Ashburn, VA: National Recreation and Park Association.
- Garvin, Alexander. 2001. *Parks, Recreation, and Open Space: A 21st Century Agenda*. Planning Advisory Service Report. Chicago, IL: American Planning Association.
- Gray, J. and S. Hamilton. 1990. We're Racing To See Who Was At the 1990 Wisconsin State Fair. Recreation Resource Center, University of Wisconsin Extension, Madison, WI.
- _____. 1987. A View of the 1987 EAA Convention. Recreation Resource Center, University of Wisconsin Extension, Madison, WI.
- _____. 1986. Northwestern Wisconsin A Study of Area Visitors. Northwest Regional Planning Commission, Spooner, WI. Recreation Resources Center, University of Wisconsin Extension, Madison, WI.
- Gray, J., S. Hamilton, J. Higgins. 1986. Wisconsin's Door County Summer Guest Surveys. Recreation Resource Center, University of Wisconsin Extension, Madison, WI.

- Green, G.P., S.C. Deller, and D.W. Marcouiller (eds.). 2005. *Amenities and Rural Development: Theory, Methods, and Public Policy*. New York: Edward Elgar Publishing.
- Haines, Anna, D.W. Marcouiller, N.R. Sumathi, and Al Anderson. 1997. *Regional Economic Impact Assessments: An Annotated Bibliography of Selected Wisconsin Studies*. Staff Paper Number 97.3; Center for Community Economic Analysis, UW-Extension, Madison, WI.
- Hamilton, S. 1992. Visitor Profile of the Wisconsin Dells Area Attractions 1991. Tourism Research & Resource Center, University of Wisconsin-Extension, Madison, WI.
- _____. 1991. Pulling to See Who Was At the 1991 Grand National Tractor Pull. Recreation Resource Center, University of Wisconsin-Extension, Madison, WI.
- Howe, J., McMahon, E., and L. Propst. 1997. *Balancing Nature and Commerce in Gateway Communities*. Washington, D.C.:Island Press.
- Iowa DOT. 2000. Implementing Trail-Based Economic Development Programs: A Handbook for Iowa Communities. Iowa Department of Transportation: Iowa City, IA.
- Keith, John, Christopher Fawson, and Tsangyao Chang. 1996. Recreation as an economic development strategy: Some evidence from Utah. *Journal of Leisure Research* 28, 2: 96-107.
- Marcouiller, D.W., S. Hamilton, and C. Jobe. 1995. Farm Progress Days 1994: Economic and Educational Impacts. Tourism Research and Resource Center, University of Wisconsin- Extension, Madison, WI.
- Marcouiller, D.W. 1994. Economic Impacts of the Wisconsin Maritime Museum: A Study of Current and Projected Effects. Tourism Research and Resource Center, University of Wisconsin- Extension, Madison, WI.
- Marcouiller, D., E. Olson, and J. Prey. 2002. *State Parks and their Gateway Communities: Development and Recreation Planning Issues in Wisconsin*. Monograph G3987, Board of Regents of the University of Wisconsin System, Madison, WI.

- Murray, J. 1993. *The Economic Benefits of American Indian Gaming Facilities in Wisconsin*. University of Wisconsin- Extension, Madison, WI.
- Olson, E., D.W. Marcouiller, and J. Prey. 1999. *Recreational user groups and their leisure characteristics: Analysis for the Statewide Comprehensive Outdoor Recreation Planning (SCORP) process*. PR447 - WDNR, Madison, WI and Staff Paper 98.4 - Center for Community Economic Development, University of Wisconsin - Extension, Madison, WI. 74 pages.
- Penaloza, L.J. 1988. *Campers in State and Private Campgrounds: The 1987 Wisconsin Camper Survey*. Recreation Resources Center, University of Wisconsin-Extension and Wisconsin Department of Natural Resources, Madison, WI.
- Power, T. 1996. *Lost Landscapes and Failed Economies*. Washington, DC: Island Press.
- _____. 1988. *The Economic Pursuit of Quality*. Armonk, NY: M.E. Sharpe, Inc.
- Rails to Trails Conservancy. 1996. *Economic Benefits of Trails and Greenways. Trails and Greenways Clearinghouse*. Rails to Trails Conservancy: Washington, D.C. [www.trailsandrails.org].
- Ryan, W.R, J. Bloms, and J. Hovland. 1999. *Tourism and Retail Development: Attracting Tourists to Local Businesses*. Center for Community Economic Development, University of Wisconsin – Extension, Madison, WI
- Schwecke, T.P., R.B. Cooper, and L.J. Penaloza. 1989. *Market Analysis of Campers in Wisconsin's Private Campgrounds*. Recreation Resource Center, University of Wisconsin- Extension and Wisconsin Department of Natural Resources, Madison, WI.
- Schwecke, T.P., D. Sprehn, S. Hamilton, and J. Gray. 1989. *A Look at Visitors on Wisconsin's Elroy-Sparta Bike Trail*. Recreation Resource Center, University of Wisconsin-Extension, Madison, WI.
- Scott, I. and D. Marcouiller. 2005. *Tourism and Community Development: Resources and Applied Research Clearinghouse*. Available online at: <http://www.wisc.edu/urpl/people/marcouiller/projects/clearinghouse>
- Travel Industry of America. 1998. *Tourism Works for America Report*. The Travel Industry of America Association.

- Tribe, J. 2005. *The Economics of Recreation, Leisure, and Tourism*. Oxford, UK: Elsevier.
- Vanhove, Norbert. 2005. *The Economics of Tourism Destinations*. Oxford, UK: Elsevier.
- Van Koningsveld, R., W.C. Norman, D.W. Marcouiller, and G. Wise. 1994. Eagle Watchers Along the Wisconsin River: Survey Results from the Winter of 1993-1994. Tourism Research and Resource Center, University of Wisconsin-Extension, Madison, WI.
- Wisconsin Department of Natural Resources. 2006. *The 2005-2010 Wisconsin Statewide Comprehensive Outdoor Recreation Plan*. Madison, Wisconsin: WDNR, Bureau of Parks and Recreation.

**Appendix A: Tourism attractions and related businesses that cater to
Spring Valley and Elmwood Area visitors**

Tourism Attractions

Parks:

Name	Address	Type of Activity
Handy Andy Park	Spring Valley, WI	Park
Eau Galle Recreation Area	Spring Valley, WI	Recreational park and reservoir with camping and horseback facilities
Highland Ridge Campground	W500 Eau Galle Dam Road Spring Valley, WI	Camping, picnic shelters, hiking, horseback riding, boating, swimming.
Butternut Park	W. May Ave. Elmwood, WI	Park, picnic facilities, drive-up and tent camping available.
Dunn County Rec. Park	Menomonie, WI	Indoor/outdoor ice arena.
Public Square Park	Elmwood, WI	Park
Elmwood Park	Elmwood	Playground, ball field, shelter
Wilson Park	Wilson, WI	Band shell, Ludington Guard Band concerts, shelter
Nugget Lake County Park	N4351 Co. Rd. HH Plum City, WI	Picnic Area, 2 large shelters & modern playground equipment for children. Beautiful 116 acre lake, bait, ice & firewood. Canoe & boat rental.

Bike Trails:

Name	Address	Type of Activity
Red Cedar Trail	Downsville to Eau Claire, WI	Beautiful Bike Trail - 14 miles runs from the Red Cedar River in Downsville to the Chippewa River in Eau Claire.
Chippewa River Trail	Menomonie, WI	Bike Trail, scenic bike trail. Picnic areas along the way. Visitor's center located along Hwy 29 in Menomonie.
Stokke Trail	Menomonie, WI	Runs 8/10 miles along Red Cedar River, W. of Hwy. 29. Paved trail, offers easy hiking.

Golf Courses:

Name	Address	Type of Activity
Spring Valley Country Club	W800 Van Buren Road Spring Valley, WI	Golf course and restaurant
Glen Hills Country Park	S. of Glenwood City	9-Hole golf-course, hiking trails, canoe rental
Chippewa Valley Golf Club	Menomonie, WI	18-Hole course, pro-shop, restaurant & lounge
Menomonie Golf Country Club	Menomonie, WI	9-Hole course pro-shop, restaurant & lounge, 18-hole disc golf course that winds it's way through the wonderfully wooded Wakanda Park.
DAV Center	Located at the cross County Road BB & Hwy. 25 N. Menomonie, WI	18-hole golf course.
Roscoe's Red Cedar Out-fitters	910 Hudson Road Menomonie, WI	18-hole outdoor course

Historical Sites:

Name	Address	Type of Activity
Crystal Cave	W965 St. Rd. 29 Spring Valley, WI	Geologic history site and the longest cave in Wisconsin.
Devil's Punch Bowl	4 miles S. of Menomonie, WI	Geological formation
Caddie Woodlawn Homepark	Hwy 25 S. of Menomonie, WI	Historic site, self-guided tours. The setting for the Carol Ryrie Brink's Newberry Award winning book Caddie Woodlawn. 5 acre piece of land is a part of the original 16 acres farmed by Caddie's father.
Mabel Tainter Memorial Theater & Museum	205 Main Street Menomonie, WI	Memorial theater.
Russell J. Rassbach Heritage Museum	1820 Wakonda Street Menomonie, WI	Civil War exhibit and gift shop
Empire in Pine	E4541 Cty. Rd C Downsville, WI	Lumber museum. Tours Wed. - Sun. Roam through the jail & blacksmith shop.
Iron Smelter Ruins	Spring Valley, WI	1800's smelter located on the Spring Valley, WI high school football field.

Sight Seeing:

Name	Address	Type of Activity
Hoffman Hills State Recreational	Menomonie, WI	9 miles of trails. Climb 60 foot high observation tower to get view of the countryside surrounding Menomonie. Hiking 1 mile wetland trail. Cross-country skiing. No bikes or pets allowed.
Eau Galle Recreation Area	Spring Valley, WI	Home of the largest earthen dam in the Midwest and its reservoir.

Swimming:

Name	Address	Type of Activity
Spring Valley Pool	Spring Valley, WI	Pool.
Wakanda Water Park	909 Pine Ave. Menomonie, WI	Waterslide, drop slide, obstacle games, volleyball.
Tubing	Red Cedar River	Tubing and swimming.
Roscoe's Outfitters	Red Cedar River 910 Hudson Road, Menomonie, WI	Tubes, kayaks & canoes, available for rental.
Syverson Park	Iron Drive Spring Valley, WI	Outdoor pool June 1 through September 1.

*Related Businesses Affected by Tourist Spending***Arts and Crafts:**

Name	Address	Type of Activity
Blue Moment Gallery	123 McKay Ave. Spring Valley, WI	Arts, crafts, photography, pottery, jewelry & exhibit framing
Cady Cheese Factory Shoppe	126 Hwy 128 Wilson, WI	Crafts, cheese, sausage, tours, samples & unique gifts
Floral Designs	3 ½ miles E. of Spring Valley, WI	Floral shop.
Stockman Farm Supply	454 Hwy 128 Wilson, WI	Farm & garden supplies, clothing, etc.
Spring Valley Roses	4 miles W. of Spring Valley N7637 330 th Street	Floral shop
Eau Galle Cheese Factory	N6765 Hwy 25 Durand, WI	Tours, samples, gift shop

River Road Antiques	N2037 Spring St. Spring Valley, WI	Antiques
Ellsworth Cooperative Creamery	North Wallace Street E. Ellsworth, WI	Cheese curd capital of Wisconsin
Maple Leaf Orchard	W3901 750 th Ave. Spring Valley, WI	Hayrides into orchard. Fresh baked pies on weekends. All week: cider, honey maple syrup.
Circle K Orchard	N7653 650 th Street Ellsworth, WI Hwy 29 then S. on 650 th .	Apples, cider, honey, pies, gift shop, maple syrup.

Eating and Drinking Places:

Name	Address	Type of Activity
Red Sky Sub Shop	5320 Sabin Ave. Spring Valley, WI	Eating
Red Barn Country Café and Banquet Hall	Hwy 29 & 63	Eating, dining & ice cream parlor
Sneakers Pub & Eatery	S119 McKay Ave. Spring Valley, WI	Eating
Deb's Country Inn	S214 McKay Ave. Spring Valley, WI	Eating
Granny's Deli	109 S. Main Street Elmwood, WI	Eating, crafts & gifts
Longbranch	425 W. Winter Av. Elmwood, WI	Eating
Mainstreet Bar & Grill	109 W. Main Street Elmwood, WI	Eating
Sandbar	114 N. Main Street Elmwood, WI	Eating
Waverly Bar & Grill	W2457 Hwy 72 Elmwood, WI	Eating
The Creamery Restaurant & Inn	E 4620 Cty. Rd. C Downsville, WI	Restaurant & inn
El Paso Bar & Grill	W4277 Cty Tk G Ellsworth, WI	Eating
Spring Valley Golf Club	400 Van Buren Rd. Spring Valley, WI	Eating and golfing
The Coachman Supper Club, Baldwin	Jct. of I-94 & US 63 Next to Super 8	Eating; Dining

Lodging and Camping:

Name	Address	Type of Activity
Genz Little Log House in the Forest	150 Dugan Road Spring Valley, WI	Lodging - The great outdoors waits right outside your front door, 2 miles of trails, 3 class trout stream, abundance of wildlife, vacation rentals.
The Creamery	E. 4620 County Road C Downsville, WI	Inn & restaurant
Rush River Retreat	N7902 490 th Street Spring Valley, WI	Lodging
Nugget Lake	N4351 Co Rd HH Plum City, WI	Camping, picnic area, 2 large shelters & modern playground equipment for children. Beautiful 116 acre lake, bait, ice & firewood. Canoe & boat rental.
Eau Galle Lake Recreation Area	Near Spring Valley, WI	Picnic shelters, large playground area, boat launch (only electric motors allowed), courtesy dock & fishing dock.
Highland Ridge Campground	North end of Eau Galle Lake on County Road NN	Camping, showers, playground area, hiking trails, horse trail
Butternut Park	Nestled between the hills south of Hwy 72 in Elmwood, County Road P.	Tennis, hiking trails, electrical hook-ups, softball diamond, basketball court, playground equipment, picnic shelters & grills.