

A Research Paper by



## Economic Diversification and Outdoor Recreation in Bonner County



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# Economic Diversification and Outdoor Recreation in Bonner County

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## ABOUT HEADWATERS ECONOMICS

Headwaters Economics is an independent, nonprofit research group whose mission is to improve community development and land management decisions.

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## I. EXECUTIVE SUMMARY

Bonner County is a rural county in northern Idaho, characterized by its vibrant small towns and rural countryside and its mountains, lakes, and rivers. Sandpoint, the county seat, is known in the region and beyond as a tourist and retirement destination, located between Lake Pend d'Oreille and Schweitzer Mountain Resort ski area.

What is less well known are the diverse aspects of the region's economy built on innovative businesses in advanced manufacturing, aerospace, and software.

This report explores how investments in trails and outdoor recreation could contribute to Bonner County and particularly its ongoing efforts to sustain a diverse rural economy through a strong tourism sector, which in turn fuels the area's ability to recruit and retain businesses and skilled employees. Local businesses are competing against other small towns and large metro areas for small-business owners and the skilled employees, and Bonner County's amenities help provide a competitive edge.

Bonner County is well-suited to further leverage its outdoor recreation economy—fueled by both summer and winter recreation—into a more robust economic engine. The region already has a strong tourism economy that provides the infrastructure, marketing, and reputation needed to fuel trail-based economic tourism.

We estimate that developing Bonner County's current trails further would likely result in \$750,000 to \$4.5 million in new annual spending by visitors to the area. This spending would then support between 12 and 72 jobs and between \$254,000 and \$1.6 million in personal income each year.

Our interviews with business leaders also highlight the recruitment value of the area's high quality of life—including outdoor recreation and a close-knit community. These factors help to attract entrepreneurs and business owners to the area, many of whom first visited Bonner County as tourists.

Headwaters Economics analyzed the potential of trails to contribute to Bonner County's ongoing economic diversification. Building trails does not guarantee economic activity. Bonner County already has tourism-related infrastructure like lodging, restaurants, gear shops, and charter fishing and guide services, but the area would have to further invest in marketing itself and making connections between trailheads and towns (e.g., shuttle services) to encourage spending by visitors. Existing services like the SPOT bus or the Selkirk Recreation District shuttle could provide a foundation for connecting trail-users to towns.

The communities of Whitefish, Montana and the Methow Valley in Washington demonstrate that trail networks built with local needs in mind—such as trailheads close to town, funding that relies more on visitors than local residents, and preserving working landscapes—result in trail networks championed by local residents that also bring in outside users who generate substantial spending that supports the local economy.

Bonner County does not have a single, unified organization that can champion the shared vision of multiple stakeholders. The *Bonner County Trails Plan* contains a shared vision of priority trail connections and networks, but without one entity to drive the efforts it will be difficult to make strategic and well-coordinated progress. In Whitefish and the Methow Valley, the trails organizations provided credibility for this strategic vision to the community, landowners, and funding entities.

## II. INTRODUCTION

Bonner County is a rural county in northern Idaho, characterized by its vibrant small towns and rural countryside and its mountains, lakes, and rivers. Sandpoint, the county seat, is known in the region and beyond as a tourist and retirement destination, located between Lake Pend d'Oreille and Schweitzer Mountain Resort ski area.

What is less well known are the diverse aspects of the region's economy built on innovative businesses in advanced manufacturing, aerospace, and software.

This report explores how investments in trails and outdoor recreation could contribute to Bonner County. We focus particularly on its ongoing efforts to sustain a diverse rural economy through a strong tourism sector, which in turn fuels the area's ability to recruit and retain businesses and skilled employees. We use three methods to evaluate outdoor recreation's economic potential:

- interviews with manufacturing and aerospace businesses;
- case studies of other communities' experiences developing outdoor recreation; and
- economic impact analysis.

This report is divided into five sections:

- the latest research describing how communities benefit from trails and outdoor recreation;
- the economic context of outdoor recreation in Bonner County;
- factors related to sustaining a diverse economy in Bonner County;
- two case studies of communities in the region that successfully developed economically significant trail systems; and
- the potential economic impact of trails in Bonner County.

## III. HOW COMMUNITIES BENEFIT FROM TRAILS AND OUTDOOR RECREATION

A growing body of research measures how trails benefit communities. These community benefits are measured in terms of additional jobs and income, improved public health, higher property values, and enhanced quality of life.<sup>1</sup>

### **New Jobs and Income**

The Outdoor Industry Association estimates that the outdoor recreation industry in Idaho results in \$7.8 billion in consumer spending each year, supporting 78,000 direct jobs.<sup>2</sup> This is a combination of tourism-related travel spending on lodging, gas, and restaurants, and outdoor gear spending on clothing, footwear, and skiing, hunting, and fishing equipment.

Trails are one aspect of outdoor recreation. High-quality trails can attract visitors from outside the local area who travel specifically to use a trail. The benefits of these destination trails are most commonly measured in terms of local business impacts. This includes business revenue, employment, and employee earnings. In addition to its direct effect on businesses, visitor spending has a ripple effect in the community as employees and business owners spend their earnings, and local and state governments receive more tax revenue.

In Whitefish, Montana, a network of trails near town draws 22,000 visitors per year who spend \$3.6 million annually, supporting 68 local jobs. A similar study in Helena, Montana, where the trail network has earned the International Mountain Biking Association's "Ride Center" designation,<sup>3</sup> finds that about

14,000 visitors come to Helena each year, spending more than \$4 million annually. Helena has been particularly successful in connecting its trails on public land to downtown businesses by offering free shuttles from downtown to trailheads during the summer.

Trails also add to the high quality of life that serves as a recruiting tool for small business owners, entrepreneurs, and people who work remotely. The outdoor recreation lifestyle can help businesses recruit employees to the area.

### **Higher Property Values**

Trails can be associated with higher property value, especially when a trail is designed to provide neighborhood access and maintain residents' privacy. Trails, like good schools or low crime, create an amenity that commands a higher price for nearby homes. Trails are valued by those who live nearby as places to recreate, convenient opportunities for physical activity and improving health, and safe corridors for walking or cycling to work or school. In rural Methow Valley, Washington, homes within one-quarter mile of trails benefitted from a 10 percent price premium.

Price is not property owners' only concern. Legal, well-marked access eliminates problems with trail users trespassing. Research also shows that those who opposed a trail prior to construction generally find a trail to be a much better neighbor than they anticipated.<sup>4</sup>

### **Improved Public Health**

Trails can improve public health by increasing physical activity and providing safer transportation routes for pedestrians and cyclists. In light of increasing chronic disease in the U.S., the Surgeon General has identified physical activity as one of the most effective actions people can take to improve their health.

The trails-related gains in physical activity are most significant in rural places with few parks and narrow road shoulders. Increased physical activity is greatest among people at greatest risk of inactivity, including people with low income, low education attainment, and the elderly.

Several communities<sup>5, 6</sup> and states<sup>7, 8</sup> have measured the savings in health care costs due to residents' exercise on trails and compared these benefits to the costs of building the trails. Although it can be challenging to isolate physical activity associated only with trails, researchers have found the benefits from reduced health care costs far outweigh the cost of trail construction

### **Improved Quality of Life and Community Identity**

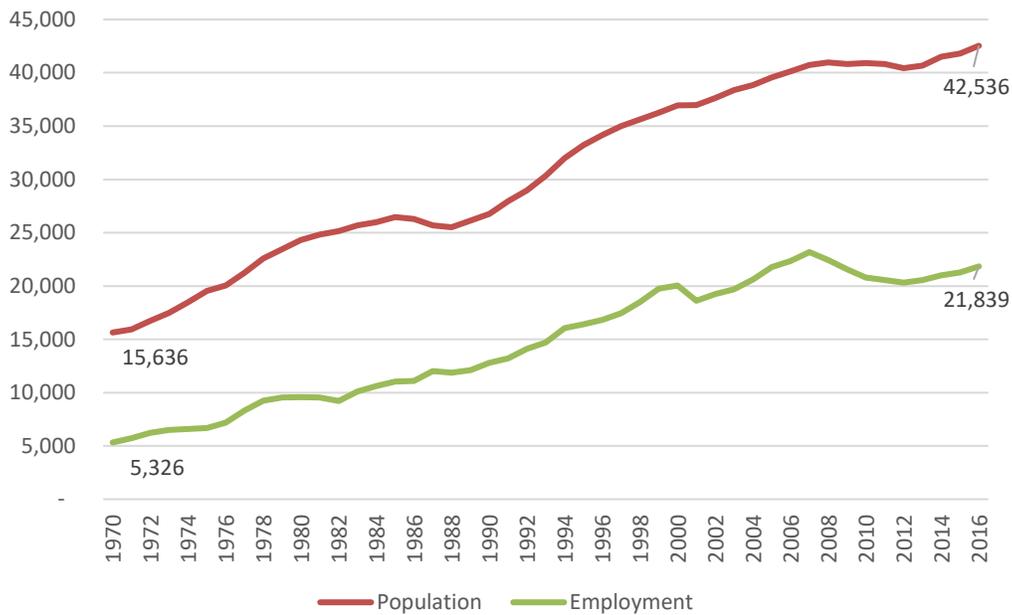
Trails can measurably improve a community's quality of life by providing opportunities for social connection and safe places for recreation and commuting. Trails are an amenity that keeps existing residents and attracts new people—an asset that contributes to community identity. When residents use trails frequently, trails become an integral part of community life. These benefits cannot be measured in dollars but, as the following research highlights demonstrate, the benefits can be measured in other ways.

In Whatcom County, Washington, 95 percent of long-time residents—many of whom are mountain bikers, hikers, and trail runners—state that trails are important to their decision to stay in the area.<sup>9</sup> In Whitefish, Montana, residents rated summer recreation and winter recreation as one of the top three reasons why they either moved to or stayed in the area. (“Community character” was the other reason.)<sup>10</sup>

#### IV. ECONOMIC CONTEXT OF OUTDOOR RECREATION IN BONNER COUNTY

Bonner County’s population and economy have been growing steadily over many decades, showing the area’s ability to attract new residents and businesses as the economy shifts from timber dependence to a more diverse mix of industries. Population grew 172 percent from 15,636 in 1970 to 42,536 in 2016. Employment grew 310 percent over the same time period, from 5,326 to 21,839. Population growth slowed and employment declined during the Great Recession in the late 2000s, but both have been growing again since 2012 (Figure 1).

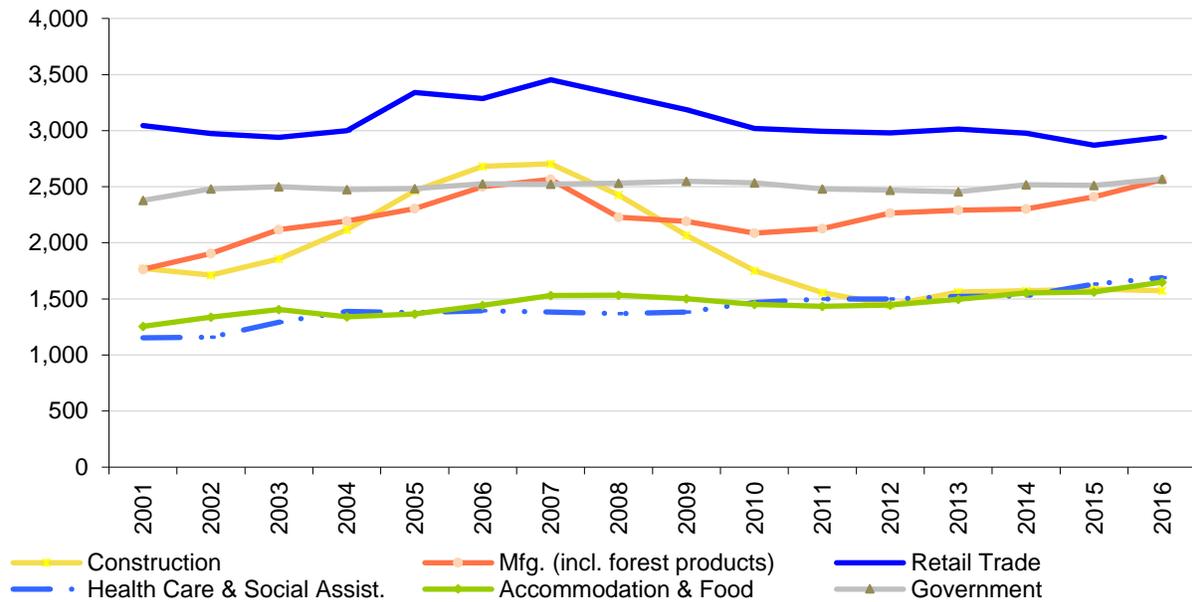
Figure 1. Population and employment trends in Bonner County, Idaho. 1970-2016.



Data Sources: U.S. Department of Commerce. 2017. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C., reported by Headwaters Economics’ Economic Profile System, [headwaterseconomics.org/eps](http://headwaterseconomics.org/eps).

In many ways, Bonner County’s economy is similar to other rural communities around the West: retail businesses are the largest employer, government employment (federal, state, and local) is steady, construction dropped dramatically after the last recession and has not yet recovered, and health care is rising steadily. Employment in accommodation and food services, a hallmark of a tourism-heavy economy, is rising as well: from 1,255 employees in 2000 to 1,649 in 2016 (Figure 2).

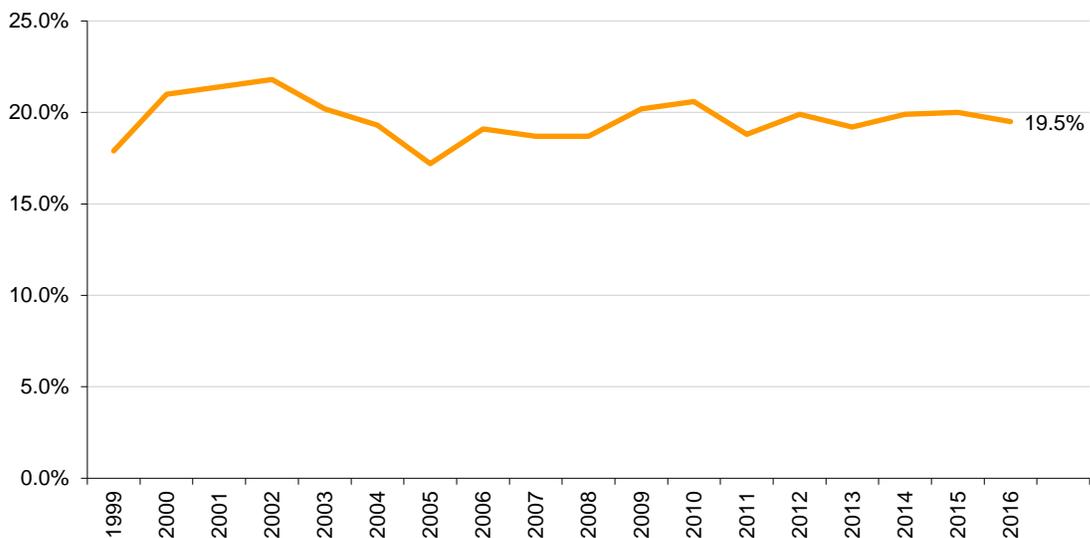
Figure 2. Employment trends in the six largest sectors in Bonner County, 2000-2016.



Source: U.S. Department of Commerce. 2017. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C., reported by Headwaters Economics' Economic Profile System, [headwaterseconomics.org/eps](http://headwaterseconomics.org/eps).

Travel and tourism is a long-standing, sustaining industry for Bonner County (Figure 3).<sup>11</sup> Industries that include travel and tourism make up 19.5 percent of local employment, compared to 16.7 percent of employment in non-metro counties around Idaho.

Figure 3. Trends in travel and tourism-related industries in Bonner County, 1999-2016.



Source: U.S. Department of Commerce. 2018. Census Bureau, County Business Patterns, Washington, D.C.

While jobs in tourism-related industries in Bonner County pay better than in other non-metro counties in the state (\$18,000 versus \$16,500), they pay almost 50 percent less than the \$34,500 average annual wages across all sectors in Bonner County.<sup>12</sup>

Bonner County is unusual, however, in the size and breadth of its manufacturing sector. Across non-metro Idaho counties, manufacturing makes up eight percent of employment. In Bonner County, however, it makes up 12 percent of employment and has been growing as a share of the economy since 2001 (Figure 2).

The manufacturing sector is particularly valuable to the local economy because it is both large and well paying: in 2016 manufacturing jobs paid an average of \$45,000, which is 31 percent higher than the county average of \$34,500 per job. Section V discusses in greater detail manufacturers' perspectives on the advantages and challenges of being located in Bonner County.

## **V. SUSTAINING A DIVERSE ECONOMY IN BONNER COUNTY**

Economic diversity is vital for rural places to help weather recessions and commodity booms and busts, but it can be especially challenging due to distance from markets and relatively small labor forces. Bonner County has a remarkably diverse economy for a rural community. The county's greatest economic engines include tourists and retirees drawn by natural amenities, alongside health care and retail serving residents of northern Idaho, and a robust manufacturing sector that sells nationally and internationally.

One of the biggest challenges in economic diversification in rural communities is retaining and recruiting businesses that provide high-paying jobs for residents. The large, growing, and innovative manufacturing sector has been an essential part of Bonner County's economic resilience and prosperity. Manufacturing is not the only source of high-paying local jobs—the area also has strong technology, software, and finance businesses—but it is the largest of these high-wage sectors. Manufacturing also creates jobs for a range of skill and education levels in manufacturing positions and corporate operations.

Bonner County's distance from a major airport and interstates for freight shipping makes it a less convenient place to run a manufacturing facility, but nonetheless manufacturing is tied with government as the second-largest employment sector (after retail, see Figure 2).<sup>13</sup> To better understand what brings manufacturers to Bonner County and keeps them there, along with the biggest challenges these businesses face, we conducted interviews with leaders at nine manufacturing companies (Table 1). This sample does not represent all manufacturers or aerospace-related businesses in the area but represents a range of business sizes and products.

These manufacturers do a small amount of their business locally but nearly all their sales are national or even international, so their location in Sandpoint is not necessarily a competitive advantage.

Table 1. Businesses Interviewed for Manufacturer and Aerospace Survey

Business Name	Number of Employees	Business Description
Aerocet	50	Manufacture composite airplane floats.
Another Screw Company	15	Manufacture precise screws as components in aerospace, medical, defense, hunting and fishing gear, and electronics applications.
Cascade Rescue	8	Manufacture, wholesale, and sell rescue equipment and equipment for people who work at heights.
Diedrich Roasters	100	Fabricate and assemble coffee-related equipment, particularly coffee roasters.
Encoder Products	150	Design, manufacture, and sell a sensor used in automated manufacturing to allow production engineers to monitor how machines are working.
Litehouse Foods	400+	Manufacture and sell salad dressings direct to retail outlets, restaurants, and pre-packaged salad producers.
Quest Aircraft	264	Design, manufacture, and service single-engine turbo prop aircraft designed for use in remote environments.
Timberline Helicopters	70	Provide helicopter services for wildfire fighting, ski lift construction, and powerline construction as well as maintain and refurbish helicopters.
Wildwood Grilling	52	Manufacture grilling woods like cedar planks, skewers, and smoking chips.

## Interview Findings

This section summarizes the four main lessons learned from these interviews. These conclusions represent our analysis identifying the most common responses during the interviews, and do not imply that an individual business supports or opposes any conclusions or suggestions presented in this summary.

### ***Quality of life, community character, and outdoor recreation bring business owners and entrepreneurs to Bonner County.***

Many of the founders of the businesses we interviewed moved to Bonner County because they were looking for a smaller community, better quality of life, and access to the outdoors for year-round recreation. Many visited as tourists first, and they remembered the area when they were looking for a place to relocate or start their businesses.

These same amenities keep the businesses in the area, despite incentives from other communities to relocate. Companies are often recruited by other communities but choose to stay in Bonner County because they are committed to the community.

### ***These amenities help Bonner County businesses compete for skilled employees in the national labor market, and keep qualified employees for a long time.***

Most businesses we interviewed identified recruiting employees for professional and technical positions as one of the major challenges of being in Bonner County. The relatively small local labor force means they are competing for these skilled workers against businesses in large cities around the U.S.

Many potential employees with the right skills who live in large cities prefer to stay in big cities. Bonner County businesses report, however, that small-town amenities of a high quality of life and outdoor recreation are a strong draw for some qualified employees. These people are harder to find, but once hired they tend to stay at the companies for a long time and are loyal to the business and area. Businesses also described how Bonner County's outdoor recreation and natural amenities make local companies much more appealing compared to small towns without these assets. As Enrico Moretti describes in *The New Geography of Jobs*, cities are competing for "human capital," particularly in innovative and highly skilled industries like Bonner County's manufacturing, aerospace, and technology sectors. Bonner County's quality of life helps to increase the area's competitiveness.

Bonner County businesses use several strategies to find skilled employees who will thrive in a small community. Timberline keeps two apartments in Sandpoint to let new and prospective employees spend time in the community before moving their family or buying a house. Encoder has had success looking for employees who have needed skills and who also have hobbies like hunting, fishing, and skiing that will keep them engaged in the area.

***Lower land costs and a close-knit business community help manufacturers start and grow their business in Bonner County.***

Several manufacturers moved to Bonner County because land costs in the cities where they were previously operating made expansion too expensive. Lower land costs in Bonner County made it possible for them to expand their businesses, which would not have been possible where they had been operating before.

Business owners who were relocating also found that the small, well-connected business community made their transition easier. Organizations like Bonner County Economic Development Corporation and the Greater Sandpoint Chamber of Commerce, as well as informal personal relationships, helped them to find commercial spaces, banking, and other resources.

***Improved shipping speed and communications technology continue to make Bonner County an easier place to provide goods and services for national and international markets.***

As the technology that connects businesses to suppliers and customers continues to improve, the obstacles to sustaining businesses in northern Idaho continue to shrink. With fiber internet now available in the city of Sandpoint, another substantial barrier to recruiting businesses and remote employees has been reduced. Coordinated business voices for state and local investments in business needs (such as workforce education and training, reliable, affordable broadband, and sustaining the quality of life that keeps businesses in the area) can continue to make it easier to do business in Bonner County.

## VI. LESSONS FROM OTHER COMMUNITIES

Many rural communities around the United States are looking for ways to diversify their economies. Places with extensive public land are thinking creatively about how to capitalize on these resources in new ways to help smooth out the highs and lows of traditional uses of public lands like oil and gas drilling, mining, timber, and grazing.

This section highlights the experiences of two communities that have invested in trails and outdoor recreation to bring new economic activity into their area: Whitefish, Montana, and the Methow Valley, Washington. We include these places because they are similar to Sandpoint economically and/or geographically, and they offer useful lessons for communities interested in outdoor recreation as an economic development strategy.

The two case studies provide several valuable insights for Bonner County. Highlights include:

- High-quality trails that serve local needs first can become an economic asset (Whitefish).
- Lands can be managed compatibly for both resource extraction and recreation (Whitefish).
- Planning documents that describe a unified vision across many interest groups provide an execution plan and demonstrate credibility to landowners, funding entities, local government, local businesses, and user groups (Whitefish).
- Partnerships with local government, especially as easement holders, sustain political support and provide credibility with landowners and granting entities (Whitefish, Methow Valley).

## WHITEFISH, MONTANA

The Whitefish Trail is a network of 42 miles of non-motorized trails close to the town of Whitefish (population 7,608 in 2017) in northwestern Montana, 30 miles from Glacier National Park. Currently the network includes 6,100 acres of lands in permanent conservation with a dozen trailheads and is the venue for an active outdoor education program. Ultimately, the community envisions a 55-mile trail around Whitefish Lake; it is about 75 percent complete in 2018.

The trails run through a mix of state (80%), federal (2%), and privately-owned lands (18%).

The system attracts year-round use by hikers, trail runners, mountain bikers, and equestrian users in the summer; it attracts hikers, snowshoers, cross-country skiers, and fat-tire bikers in the winter.

Seventy percent of trail users are from the immediate region of Flathead County. The remaining users come from around the U.S. and Canada, with 43 percent from other parts of Montana and the nearby states and provinces of Washington, Idaho, Alberta, and British Columbia.

The Whitefish Trail was developed as a strategy to protect open lands near town for conservation and recreation, reflecting residents' priorities for their community. The trail's popularity as a recreation destination has begun drawing visitors who create a substantial economic impact.

### Why was the trail system established?

In the late 1990s and early 2000s, residential development boomed near Whitefish. Montana Department of Natural Resource and Conservation, which has a legislative mandate to generate revenue for schools from the state lands it manages, announced plans to sell several parcels near town for development. Residents had been using informal trails on these lands and had taken access to them for granted.

The imminent land sale catalyzed local residents to recognize that access to the State Trust lands near town was not guaranteed. They saw a need to work closely with the city, county, and State Lands Board to make sure State Trust lands near town are managed in a way that reflects the community's conservation and recreation values, while also satisfying the mandate that the State Trust lands generate revenue.

### **Why Whitefish Is Relevant**

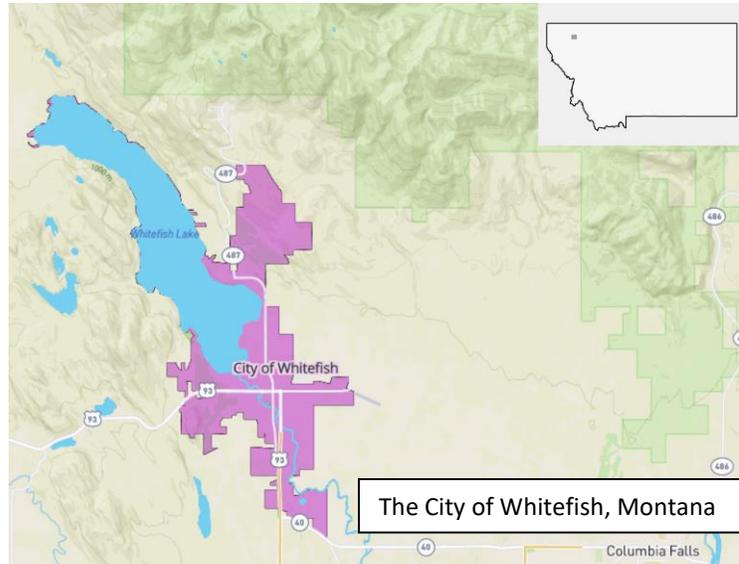
The Whitefish Trail in northwest Montana is a 42-mile non-motorized trail network connecting a small resort town to adjacent public lands.

The trail system began as a strategy to have more local say over the management of State Trust Lands to reflect community priorities to protect wildlife habitat and water quality, preserve a working forest, and provide recreation for local residents. Due to its ease of access and high quality, the trail has become a draw for visitors who spend \$3.6 million annually.

The Whitefish Trail is relevant to Bonner County for its multiple goals of conservation, recreation, and sustaining a working forest across state, federal, and private lands. Like the Gold Hill project in Sandpoint, the Whitefish Trail is the first time recreation is generating revenue for State Trust lands. The Whitefish Trail also demonstrates how a trail network developed to meet local conservation and recreation goals can create valuable economic benefits.

### Who made it happen and how?

In light of the pending sale of State Trust land, residents wanted a stronger voice in how these lands near Whitefish would be managed. Many people had differing priorities—some prioritized different kinds of recreation, others conservation, others their neighborhood character—but citizen leaders brought together the wide-ranging stakeholders to form a unified group. Through a public process including meetings and surveys, this group engaged local representatives, the State Lands Board, and city and county government to develop the 2013 [Whitefish School Trust Lands Neighborhood Plan](#), a document that formalized the collective vision for lands near Whitefish.



The Neighborhood Plan called for a recreation trail encircling Whitefish Lake as one solution to generate revenue for the state, along with continued working forestry. In 2006, the [Whitefish Trail Master Plan](#) formalized the vision and strategy to create a 55-mile trail corridor around Whitefish Lake, adjacent to town.

Whitefish Legacy Partners (WLP) is the non-profit that was formed to execute the Master Plan and remains the lead organization behind the trail. The City of Whitefish holds all licenses and easements for the trail, covers the Whitefish Trail volunteer liability, and helps manage the construction contracts.

### What does the trail cost?

Since 2009, WLP has spent approximately \$210,000 annually on recreation licenses, planning and design, construction and maintenance for the trail and associated infrastructure, and educational and recreation programs.

WLP pays the state for access to the State Trust lands through a combination of land use licenses and recreational use easements. This formal, revenue-generating arrangement is the first of its kind on State Trust lands in Montana.

When WLP was first negotiating with the state, land use licenses presented a lower up-front cost and were therefore more appealing to a new organization. These licenses are negotiated with the state as a function of the miles of trail, acres used at trailheads, and an estimate of annual users. WLP negotiated a 10-year license agreement to provide the community with assurance that this was a long-term project. WLP pays about \$15,000 annually for these licenses. The end goal for the entire 55+ miles of Whitefish Trail is to convert all the temporary licenses to permanent easements.

On top of the \$210,000 spent annually, WLP also purchased a \$7.3 million recreational use easement from the state in 2014, making the trail corridor a permanent part of the parcel. The Beaver Lakes Recreation Use Easement purchased the development rights from 1,520 acres of land and secured the public's right to access more than 15 miles of the Whitefish Trail in perpetuity. This money went into the Montana School Trusts to fund public schools in Montana. Funding for the recreation use easement was raised from private donors.

Annualizing the one-time \$7.3 million easement purchase over 30 years using a seven percent discount rate, the approximate value of this investment is \$544,000 per year.

The annual trail-related expenses, including operations and management (O&M), programming, trail construction and design, use licenses, and easements is \$754,000 (\$210,000 annual expenses and \$544,000 approximate value of the one-time easement purchase).

#### How are trails funded?

The Whitefish Trail is funded entirely by WLP, which relies on a combination of interest from the Whitefish Trail Endowment Fund, private donations, corporate sponsorships, events, and grants.

WLP's endowment began with a close relationship with a private landowner who supported the Whitefish Trail vision. The landowner also wanted to exchange some private land parcels for state land parcels. WLP, building on its relationships with the Department of Natural Resource and Conservation, helped negotiate the land swap and received a \$750,000 contribution from the landowner to start the endowment.

Interest from the endowment is used to pay only for Whitefish Trail operations and maintenance expenses. As the trail expands, its O&M budget increases. WLP fundraising, private donors, and investment returns have added to its endowment principal, which recently reached \$1 million. In 2017, interest from the endowment covered nearly 100 percent of the O&M budget.

The endowment, in addition to providing long-term O&M funding, helped WLP raise additional money because it showed that the organization, although new, had a long-term maintenance plan. With this early financial foundation and strong supporters in the city and Whitefish Community Foundation, WLP won a \$500,000 Recreational Trails Program grant from the state, the largest ever in Montana.

These early wins brought attention from the community and created more support and enthusiasm for the project.

The remaining funding needs—trail construction, land access, staff salaries, and educational and recreational programming—come from small private donors giving less than \$1,000 annually (26%), large private donors giving more than \$1,000 annually (22%), events (22%), grants and foundation support (20%), and corporate sponsors (12%). WLP's median donation is \$100, showing support from numerous small donors, partners, and sponsors. The Whitefish Trail maintenance fund also receives partner contributions from organizations that pay for access to the lands where WLP holds recreational easements.

#### Community engagement

WLP has several successful strategies to keep the community engaged with the Whitefish Trail. Events help raise money but also raise community awareness. Its annual fundraising and community event—the Whitefish Trail Hootenanny—takes place in downtown Whitefish and the festival atmosphere helps draw new supporters.

WLP runs several volunteer programs. These include a bike patrol that monitors trail conditions, conducts vehicle counts at trailheads, and acts as ambassadors for WLP while on the trail. WLP also runs an Adopt-a-Trail program in which local businesses and organizations commit to maintaining three miles of trail for three years.

WLP, the Department of Natural Resources and Conservation, and the City of Whitefish hold monthly public Whitefish Trail operations meetings to plan for construction projects, take public comment, and create management plans for on-the-ground maintenance issues. In addition, these partners host annual meetings to include the public in planning and to provide a forum for residents and landowners to voice concerns about the trail.

#### Impacts of trails in the community

On average, the trail system has more than 73,000 uses annually, 30 percent of which are from visitors. Visitors who identify the Whitefish Trail as a somewhat or important reason for their visit spend about \$3.6 million per year in Whitefish. This translates into about 68 jobs and \$1.9 million in income annually that would not have occurred without the trail.

Comparing the \$1.9 million in annual income the Whitefish Trail brings to the community to the \$754,000 it costs to run, every \$1 spent on the trail brings in about \$2.52 in new income to the community.

Additionally, the trail plays a role in bringing second-time visitors back to town: 21 percent of return visitors identify it as an important reason for their return compared to 15 percent of first-time visitors.<sup>14</sup> The Whitefish Trail is integral to life in Whitefish. Locals who had heard of the trail or were interviewed at the trailhead used the trail an average of 1.8 times per week. Fifty-one percent of locals stated that they recreate more since the Whitefish Trail was built. Locals who use the trail spend \$1,400 per year on outdoor gear at local shops compared to \$660 spent by locals who do not use the trail. Spending by local trail users amounts to about \$2.7 million annually.

#### Role of partners

WLP's partnership with the City of Whitefish has been instrumental to the Whitefish Trail's success. The city supports the trail in two main ways: by holding the licenses and easements and covering Whitefish Trail volunteers under the city's liability insurance.

By holding the easements and recreational licenses, the city provides private landowners and the DNRC with assurance that these legal agreements are being held by a permanent, trusted entity. This backing provided assurance that has been particularly helpful when working with private landowners, and when WLP was a new, unproven organization.

By providing liability insurance for volunteers (as well as landowner liability), the city has allowed WLP to develop a robust volunteer program. The volunteer program is responsible for a significant portion of trail maintenance, education and recreation programs, and trail ambassadors who patrol the trail.

Other partners include the Whitefish Community Foundation, which holds the Whitefish Trail's endowment and was an important source of credibility for WLP and the trail when the project first began. WLP also works closely with local biking, equestrian, and hiking groups and educators to maintain trails and provide numerous education programs.

## METHOW VALLEY, WASHINGTON

The Methow Trail Network is a 120-mile non-motorized trail system in Okanogan County (population 41,299) in northcentral Washington, with a 20-mile trail through the valley center connecting the communities of Mazama (population 190) and Winthrop (population 385). It is about four hours from Seattle.

The trails are on federal land (52%), private land (44%), and state land (4%). The trail system attracts year-round use, but it is most well-known as a destination for cross-country skiing. About 65 percent of trail uses occur between December and February.

### Why was the trail system established?

In 1972 the North Cascades Highway opened, creating new access to northcentral Washington from the Bellingham and Seattle areas. The new highway opened an area long dominated by ranching to opportunities for tourism and economic diversification.

### Who made it happen and how?

In 1977 two residents formed a nonprofit to coordinate private landowners and public land agencies to coordinate trails for winter recreation. Originally the trails were in several separate areas; the nonprofit helped to connect and integrate into these distinct areas and a unified network. A coordinated network also helped share expenses and apply for grants cooperatively rather than competitively.

The trails nonprofit, now known as Methow Trails, has evolved as its needs have changed. Today it includes four full-time staff, 12 part-time staff, and more than 200 volunteers who maintain all 120 miles of trails.

In the mid-1980s residents saw the need to connect the separate clusters of trails via a trail along the valley bottom. Also, none of the trails were deeded—they relied on informal agreements with landowners that could change if the land were sold. Three residents established the Methow Valley Institute Foundation (MVIF) to acquire right-of-way trail easements across private property to connect the network of trails and ensure they would be permanent.

During the process of negotiating these easements, which were all voluntary, landowners' biggest concern was that the trails would be managed well and would not present a burden for managing their lands in the

### **Why Methow Valley Is Relevant**

The Methow Valley trail network in northcentral Washington is a 120-mile non-motorized trail network connecting rural ranching communities.

It is known for its cross-country skiing trails that host roughly 35,000 user days each winter. Trail construction, operations, and maintenance are covered largely by user fees.

The Methow Valley trail network is relevant to Bonner County for its climate and topography that lend themselves to cross-country skiing, its patchwork of private and public landownership, and interest in creating an asset that serves locals.

The Methow Trail Network's fee-based approach demonstrates the success of a funding model that relies on visitors for a large part of revenue, and on local residents for volunteer support.

future. Many also appreciated formalizing informal access agreements they had with neighbors. To provide assurances for landowners, MVIF did an in-depth landowner liability analysis and worked with the state legislature to create incentives to landowners who provided public access and open space. Initially, they worked with influential landowners across the political spectrum who, after positive experiences with the trails on their land, became spokespersons to other landowners.



In total, it took 18 years to get trail easements on the entire network. Many easements initially were only in the winter, so there was no permanent footprint on the land and trail users could not travel far off the groomed trails. Summer easements were established after landowners trusted Methow Trails to maintain the trail and appreciated access to the trail network.

#### What does the trail cost?

The trail network costs about \$1.2 million annually to operate. The Methow Trails are known for high-quality ski trails, which results in grooming being the largest single expense: \$373,000 or roughly 40 percent of the annual budget. Trail projects and administration comprise another 32 percent of the budget, events and programs cost another 10 percent, and advertising, fundraising, and grants cost another 14 percent. The remaining one percent is used to pay interest.

Methow Trails does not pay landowners for easements. This policy has helped maintain a sustainable business model and treat all landowners consistently.

#### How are the trails funded?

Three quarters of Methow Trails' revenue comes from winter trail passes: annual passes cost \$275 per person and day passes cost \$24 each. Recognizing that beginner trail users and families are the largest revenue source, Methow Trails invests in creating a high-quality experience within two miles of trailheads. They also are investing in ways to engage broader user groups, such as snowshoers and fat-tire bikers.

Trail pass sales cover three-quarters of Methow Trails' operating expenses. The remaining third comes from the Washington State Recreation and Conservation Office, the Community Foundation of North Central Washington, the Methow Fund, Title II Recreational Advisory Council, and private and corporate donations.

Methow Trails worked with area tourist businesses and Okanogan County to pass a two percent tax on lodging in the county. The county Lodging Tax Advisory Committee uses these revenues to support area nonprofits to promote tourism. The area also passed an additional two percent tax on lodging to pay for maintenance of the trails. Methow Trails estimates that 45 percent of county lodging tax comes from people coming to use the trails; they receive about 20-25 percent of this fund, or \$40,000-\$100,000 annually.

Methow Trails started a Business Membership program in 2012. A business membership costs \$100 per year, half of which goes toward annual operating expenses and half of which goes into the endowment. Approximately 25 businesses participate annually.

The Methow Trails endowment was seeded in 2012 with a \$50,000 grant from the Community Foundation of North Central Washington. The endowment generates between \$5,000 and \$12,000 annually to support special projects. The endowment has helped to further legitimize Methow Trails as an organization that landowners and philanthropists can trust.

### Community engagement

Methow Trails runs two skiing events in the winter and two running events in the summer that host about 21,000 total participants. These events raised about \$80,000 and are used to raise money as well as bring together partner organizations and build enthusiastic support among a wider regional base of users. The events focus on fun competition more than elite events to engage the most people.

To maintain trails, run events, and encourage local involvement, Methow Trails has a service program in which people who volunteer at least 20 hours per year ski for free. Approximately 175-180 people participate in this annually. Members of this group are local ambassadors on the trails and their meaningful engagement in the operation of the trail network has been vital to building and sustaining community support.

Starting in 2013, Methow Trails began allowing kids 17 and younger to ski for free. Their goal with this program is to build the next generation of residents committed to the trail network, as well as to support the sport of Nordic skiing nationally.

### Impacts of trails in the community

On average, the trail system has 35,000 skier days per year. Approximately 80 percent of these are paid days, the remainder are unpaid days with youth and senior ski programs and free ski days to encourage local families and underserved communities. On average, trail use increased about 12 percent per year from 2005 to 2015.

Methow Trails estimates that summer use is roughly twice as much as winter use, although summer use does not generate revenue.

Eighty-four percent of trail users report that the trail network is the most important reason for their visit. Three-quarters of residents report that the trail network is the most important reason for living in the area. On average, trail users spend \$299 per day in the area. This adds up to \$6.7 million spent annually by local and non-local trail users. Much of this is spent on lodging and restaurants. Spending by visitors supports about 153 jobs and \$5.7 million in salaries in the Methow Valley.

Overall, every dollar Methow Trails spends on trails results in about \$6 of local salaries.

Methow Trails also has measured the effect of its trail network on the value of private property in the community. They found that property values are 9 percent higher within 0.25 miles of trails, or \$19,600 for an average-priced home. Seventy-three percent of those purchasing real estate report that the trail network is the most important reason why they purchased real estate.

### Role of partners

Partnerships with other organizations have helped Methow Trails build credibility and gain access to other funding sources.

The U.S. Forest Service is the largest landowner in the county and manages 51 percent of the trail network. Strong advocates within the Forest Service helped to bring the vision for the trail network to the attention of state and federal elected officials, and helped Methow Trails gain access to federal grants. Methow Trails has worked closely with Okanogan County to sustain local political support. All easements attained by Methow Trails have been turned over to Okanogan County, which also helped to provide assurances to landowners.

Methow Trails also works closely with local land trusts and environmental organizations to ensure that their recreation-focused work supports other community goals of preserving water quality and the rural landscape.

## **VII. ECONOMIC POTENTIAL OF ENHANCED TRAILS IN BONNER COUNTY**

This section describes the data, methods, and results for an analysis of the potential economic impact of enhanced trails in Bonner County and evaluates a scenario for future local income and employment that can be generated by tourists bringing new money to the area.

Because this section focuses on new economic activity, we consider only trail use by visitors, not locals, as visitors bring new spending to area businesses that would not have occurred otherwise.

The following points represent the highlights of the economic impact analysis:

- Currently visitors engaged in trail-based recreation on Idaho Panhandle National Forest and Schweitzer Mountain Resort land spend approximately \$3 million per year.
- This spending supports about 49 jobs and \$1.1 million in income annually.
- Increased investment in high quality trails could bring between 12 and 72 new jobs and \$250,000 and \$1.6 million in new income to the Bonner County area.

### **Estimates of Current Trail Use in Bonner County**

We estimated current trail-based recreation and associated spending by non-locals using visitor survey data from the Idaho Panhandle National Forest (IPNF), Schweitzer Mountain Resort (SMR), and the Pend Oreille Pedalers (POP).

We obtained data about IPNF from the National Visitor Use Monitoring (NVUM) Survey for Fiscal Year 2014.<sup>15</sup> We used the share of visitors to the Forest who participated in the following for their primary activity: backpacking, bicycling, cross-country skiing, hiking, horseback riding, motorized trail activities, OHV use, and snowmobiling. We then multiplied these shares by the estimated number of non-local groups to the forest to determine total non-local visitors by activity. About 28 percent of uses on the IPNF are made by non-locals. We applied spending estimates per group trip by activity to determine total spending by trail-based recreators.<sup>16</sup>

IPNF extends far outside of Bonner County into Washington, Montana, and other Idaho counties. To approximate how much of the recreational activities reported in NVUM are in Bonner County, we compare the acres in the Bonner County management area that are designated in the Forest Plan as “recreation-compatible” (625,440 acres) to the acres in the whole IPNF that are “recreation-compatible” (2,474,700 acres).<sup>17</sup> With 25 percent of IPNF acres that are managed for recreation occurring in Bonner County, we assume that Bonner County also has 25 percent of recreational uses for IPNF reported in NVUM.

Table 2 summarizes our estimates of trail-based recreational use and associated spending on national forest lands in Bonner County. We estimate Bonner County has 25 percent, or about 201,000 of the 819,000 trail uses that occur annually on the IPNF. Across the IPNF, non-locals make up 28 percent of visitation.

National Forest trail users spend nearly \$3 million annually in Bonner County.

Table 2. Estimates of Current Trail-Based Recreational Use and Spending on Idaho Panhandle National Forest Land in Bonner County, 2014.

Activity	Share of people pursuing as primary activity	Number of people pursuing as primary activity	Number of non-locals pursuing as primary activity	Average spending per person per day (2017\$)	Spending in Bonner County from national forest trail recreation
Backpacking	0.45%	3,688	1,033	\$19	\$19,516
Bicycling	19.09%	78,171	21,888	\$51	\$1,116,761
XC Skiing	1.12%	9,201	2,576	\$57	\$145,740
Hiking / Walking	19.09%	78,171	21,888	\$51	\$1,116,761
Horseback Riding	0.84%	6,901	1,932	\$36	\$69,243
Motorized Trail Use	1.23%	10,089	1,412	\$44	\$124,775
Snowmobiling	1.81%	14,851	4,158	\$93	\$388,780
<b>Total</b>		<b>201,073</b>	<b>56,300</b>		<b>\$2,981,577</b>

Source: U.S. Forest Service. 2018. National Visitor Use Monitoring Results version 5.0.0.2. <http://apps.fs.fed.us/nfs/nrm/nvum/results/>. Accessed 10 May 2018.

Schweitzer Mountain Resort and the Sand Creek Watershed trails between Schweitzer and the town of Ponderay also draw mountain bikers and hikers to the area. We assume that 28 percent of uses in these areas are from visitors, the same share on national forest lands. Table 3 summarizes annual uses and spending from these two areas. We estimate that both areas receive about 800 uses from non-locals who spend nearly \$42,000 each year.

Table 3. Estimates of Current Trail-Based Recreational Use and Spending on Schweitzer and Sand Creek Watershed Trails, 2014.

Activity	Total Users	Estimated Non-Local Users	Average spending per person per day (2017\$)	Spending in Bonner County
Schweitzer Mountain Resort summer lift tickets sold*	1,309	367	\$51	\$18,701
Sand Creek Watershed Trail uses**	1,617	453	\$51	\$23,098
<b>Total</b>	<b>2,926</b>	<b>819</b>	<b>\$51</b>	<b>\$41,799</b>

\* Schweitzer Mountain Resort estimates based on 2017 lift tickets sold during the summer of 2017.

\*\* Sand Creek Watershed Trail estimates based on trail cameras counting users on the cross-country and downhill trail during the summer of 2017.

These figures likely underestimate the total number of uses in the area because they do not include popular trail destinations on state lands such as Gold Hill, or private land such as Syringa Trails. The Pend d’Oreille Bay Trail averages about 160 users per day, or 14,400 between June and August.<sup>18</sup>

### Estimates of Future Trail Use in Bonner County

We use two available data sources to develop a likely range of new trail uses if Bonner County were to develop its trail system further.

The low estimate uses Phase 1 of the *Bonner County Trails Plan*, which outlines increasing miles of trails in the county by 24 percent. Under this scenario, we assume trail use also would increase by 24 percent, proportional to the miles of trails.

The high estimate of future trail uses takes the average of annual uses across several high-profile trail destinations, summarized in Table 4. Most are similar to Bonner County in being relatively far from large cities; Sea to Sky and Coldwater Mountain are the exceptions, located within two hours of Vancouver, British Columbia and Atlanta, Georgia. The places in Table 4 have invested significantly in non-motorized trail networks. In addition to building and maintaining high-quality trails, these places also have the tourism infrastructure (e.g., lodging, restaurants, outdoor shops) to support visitors. We conservatively estimate that in these communities, about half of total uses are from visitors.

Table 4. Trail Use Counts at Comparable Destinations.

Trail Network	Location	Description	Annual Trail Uses
Sea to Sky Corridor	British Columbia	400 miles of trails between Squamish, Whistler, and Pemberton	99,000
Kingdom Trails	Northern Vermont	Hundreds of miles of trails mostly on private land in a rural area	94,000
Whitefish Trail	Whitefish, Montana	42 miles of singletrack close to a small resort community in the region	73,000
Methow Valley Trails	Okanogan County, Washington	120 miles of trails connecting small towns in the region, known for cross-country skiing	70,000
Pisgah National Forest	Western North Carolina	Hundreds of miles of trails in a mountainous, rural region	60,900
Coldwater Mountain Trail	Alabama	35-40 miles of trail built for mountain biking	50,000
<b>Average</b>			<b>74,483</b>
<b>Estimated uses that are non-local</b>			<b>37,242</b>

These six communities average about 37,000 non-local trail users annually, a 147 percent increase over current trail use by non-locals in Bonner County. These trails are used mostly by mountain bikers, with the exception of the Methow Valley, known for Nordic skiing, and the Whitefish Trail where hikers outnumber mountain bikers. Bonner County also has extensive motorized summer and winter recreation, adding to the economic potential of trails.

It is difficult to anticipate exactly how many new trail users will be attracted to the area due to an enhanced trail system. Bonner County, given its existing extensive trails and tourism-supporting infrastructure, has the potential to become a regional trail destination.

Table 5 summarizes current spending by non-locals using trails on IPNF lands in Bonner County and Schweitzer and Sand Creek trails (included in the bicycling estimates), and two scenarios based on future trail use projections.

Table 5. Current and Projected Annual Spending Estimates of Non-Local Trail Users in Bonner County.

Activity	Total Current Spending	Projected Future Spending, Low Estimate	Projected Future Spending, High Estimate
<b>Total</b>	<b>\$3,023,000</b>	<b>\$3,749,000</b>	<b>\$7,482,000</b>

Current spending is about \$3 million per year. The most conservative scenario assumes \$3.7 million in future spending. This is likely if the county pursues Phase 1 of its Trails Plan, increasing miles of trails by 24 percent. The largest scenario estimates about \$7.5 million in future spending. This scenario is likely if new trails are constructed to create an interconnected network, trails are built to encourage multi-season use, and local trail and business organizations invest in marketing the area as a destination.

### Estimates of Future Economic Impacts from Trails in Bonner County

Economic impact modeling allows us to better understand how the dollars spent by visitors in a place like Bonner County become jobs and income.

Using the estimates of local trail use and visitor expenditures, we estimate economic impacts in terms of jobs and income created using the principal of the multiplier effect. The multiplier effect accounts for the multiple rounds of spending that result from the original purchase through three main effects, illustrated in the following example:

- First, when a visiting trail user purchases gasoline from a local retailer it has a *direct effect* on the local economy.
- Second, when the retailer purchases gas from its supplier, the original purchase by the trail user creates an *indirect effect* on the local economy through the wholesale, distribution, and refining supply chain.
- Third, the retailer and the supply chain pay their employees' salaries. When the employees spend those paychecks it generates additional *induced effect* in the local economy.

These rounds of spending resulting from the original purchase by the visitor can be accounted for in economic impact modeling using the IMPLAN computer software and sector-specific industrial data for Bonner County.

In this study, we used the IMPLAN modeling computer program along with 2017 industrial sector data for Bonner County, the most recent available, to estimate possible impacts resulting from attracting new visiting trail users to public lands within the county.

Annual economic impacts were estimated under three scenarios based on: 1) current use, 2) a 24 percent increase in trail use according to Phase 1 of the *Bonner County Trails Plan*, and 3) about 37,000 non-local trail users per year, in line with trail visits at comparable destination trails. All values are in 2017 dollars.

The results of the economic impact model suggest that current trail-based recreation supports about 49 jobs each year and \$1.1 million in personal income annually in Bonner County (Table 6).

Table 6. Current Economic Impacts Resulting from Current Spending in Bonner County, ID, by Non-Local Trail Users (2017\$)

<b>Impact Type</b>	<b>Jobs</b>	<b>Labor Income</b>
Direct Effect	39.4	\$836,387
Indirect Effect	5	\$133,343
Induced Effect	4.5	\$116,058
<b>Total Effect</b>	<b>48.8</b>	<b>\$1,085,787</b>

Table 7 summarizes a reasonable range of new economic activity that could result from investing in trails. With the lowest estimate of growth in number of visitors, we expect about 11 new jobs and \$254,000 in new labor income. With the highest estimate for new visitors, we expect about 72 new jobs and \$1.6 million in new labor income annually.

Most new economic activity would be in lodging, restaurants, and grocery stores. The general distribution of jobs across industries and economic sectors are not expected to change substantially.

Table 7. New Economic Impacts Resulting from Investments in Trails in Bonner County, ID (2017\$)

<b>Impact</b>	<b>New economic activity, low estimate*</b>		<b>New economic activity, high estimate*</b>	
	<b>Jobs</b>	<b>Labor Income</b>	<b>Jobs</b>	<b>Labor Income</b>
Direct Effect	9.4	\$197,803	58.1	\$1,233,521
Indirect Effect	1.1	\$28,993	7.4	\$196,657
Induced Effect	1	\$27,140	6.6	\$171,165
<b>Total Effect</b>	<b>11.6</b>	<b>\$253,937</b>	<b>72.0</b>	<b>\$1,601,341</b>

\* Low estimate assumes a 24% increase in miles of trails and number of visitors. High estimate assumes 38,000 visitors coming to Bonner County to use trails.

## VIII. CONCLUSION

Bonner County’s mountains, lake, and cultural events have combined to create a resort community and retirement destination. What is less obvious from the landscape are its robust manufacturing, aerospace, and tech sectors. The amenities that bring tourists also attract entrepreneurs and small business owners, and help those business owners to recruit and retain skilled employees. Local businesses are competing against other small towns and large metro areas for small business owners and skilled employees, and Bonner County’s amenities provide an advantage.

Bonner County is well-suited to further leverage its outdoor recreation economy—fueled by both summer and winter recreation—into a more robust economic engine. It already has a strong tourism economy that provides the infrastructure, marketing, and reputation a community needs to fuel trail-based economic tourism. It also has abundant existing and potential recreation opportunities, such as the Sand Creek Watershed. (A recent Headwaters Economics report describes [best practices for watersheds and recreation](#) to protect water quality and provide recreation.)

We estimate that developing Bonner County’s current trails further would likely result in \$750,000 to \$4.5 million in new spending by visitors to the area. This spending would support between 12 and 72 jobs and \$254,000 and \$1.6 million in personal income each year. The range reflects two different scenarios: one in which the trail system is built out to Phase I of the *Bonner County Trails Plan* and a second in which the trail system is built out to the same extent as other rural communities like the Whitefish Trail in Whitefish, Montana and Methow Valley Trails in northcentral Washington.

Our interviews with business leaders highlighted the recruitment value of the area’s high quality of life—including outdoor recreation and a close-knit community. These factors help to attract entrepreneurs and business owners to the area, many of whom first visited Bonner County as tourists.

Building trails does not guarantee economic activity. Bonner County already has tourism-related infrastructure like lodging, restaurants, and gear shops, and charter fishing and guiding services, but the area would have to invest in marketing itself and making connections between trailheads and towns (e.g., shuttle services) to encourage visitation and spending by visitors. Existing services like the SPOT bus or the Selkirk Recreation District shuttle could provide a foundation for connecting trail users to towns.

The communities of Whitefish, Montana and the Methow Valley in Washington demonstrate that trail networks built with local needs in mind—such as trailheads close to town, funding that relies more on visitors than local residents, and preserving working landscapes—result in trail networks that are championed by local residents but that also bring in outside users who generate substantial spending that supports the local economy.

Bonner County does not have a single, unified organization that can champion the shared vision of multiple stakeholders. The *Bonner County Trails Plan* does present the shared vision of priority trail connections and networks, but without one entity to drive the efforts it will be difficult to make strategic and well-coordinated progress. In Whitefish and the Methow both, the trails organizations provided credibility for this strategic vision to the community, landowners, and funding entities.

Several bright spots demonstrate strong momentum to improve access to trails in the community, including Gold Hill, Syringa Trails and Pine Street Woods, and the Sand Creek Watershed. These projects highlight the potential for partnerships between nonprofit organizations, state and federal land agencies, and private landowners.

## IX. ENDNOTES

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<sup>1</sup> A searchable database with more than 130 studies on the benefits from trails can be found at <https://headwaterseconomics.org/trail/>.

<sup>2</sup> Outdoor Industry Association. 2017. Idaho State Report. [https://outdoorindustry.org/wp-content/uploads/2017/07/OIA\\_RecEcoState\\_ID.pdf](https://outdoorindustry.org/wp-content/uploads/2017/07/OIA_RecEcoState_ID.pdf) Accessed 19 July 2018.

<sup>3</sup> “Ride Centers” are communities with extensive trail networks suitable for a range of abilities, with supporting businesses to make the area a mountain biking destination.

<sup>4</sup> For additional background on the potential legal concerns related to trails, see <https://headwaterseconomics.org/wp-content/uploads/trails-library-legal-overview.pdf>.

<sup>5</sup> Deenihan, G. and B. Caulfield. 2014. Estimating the Health Economic Benefits of Cycling. *Journal of Transport & Health* 1(2): 141-149.

<sup>6</sup> Wang, G., C.A. Macera, B. Scudder-Soucie, T. Schmid, M. Pratt, and D. Buchner. 2005. A cost-benefit analysis of physical activity using bike/pedestrian trails. *Health Promotion Practice* 6: 174-179.

<sup>7</sup> Grabow, M., M. Hahn, and M. Whited. 2010. *Valuing Bicycling’s Economic and Health Impacts in Wisconsin*. Madison, WI: University of Wisconsin, Nelson Institute for Environmental Studies Center for Sustainability and the Global Environment.

<sup>8</sup> BBC Research & Consulting. 2014. Community and Economic Benefits of Bicycling in Michigan. Prepared for the Michigan Department of Transportation.

<sup>9</sup> Whatcom Mountain Bike Coalition. 2014. 2014 WMBC Rider Survey.

<sup>10</sup> The full report is available at <https://headwaterseconomics.org/economic-development/trails-pathways/whitefish-trail-use/>.

<sup>11</sup> Travel and tourism consists of sectors that provide goods and services to visitors to the local economy, as well as to the local population. These industries are: retail trade; passenger transportation; arts, entertainment, and recreation; and accommodation and food. It is not known, without additional research such as surveys, what exact proportion of the jobs in these sectors is attributable to expenditures by visitors, including business and pleasure travelers, versus by local residents. Some researchers refer to these sectors as “tourism-sensitive.” They could also be called “travel and tourism-potential sectors” because they have the potential of being influenced by expenditures by non-locals.

<sup>12</sup> U.S. Department of Labor. 2017. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Washington, D.C.

<sup>13</sup> U.S. Department of Commerce. 2017. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C., reported by Headwaters Economics’ Economic Profile System. <https://headwaterseconomics.org/eps>

<sup>14</sup> <https://headwaterseconomics.org/economic-development/trails-pathways/whitefish-trail-use/>

<sup>15</sup> U.S. Forest Service. 2018. National Visitor Use Monitoring Results version 5.0.0.2. <http://apps.fs.fed.us/nfs/nrm/nvum/results/>. Accessed 10 May 2018.

<sup>16</sup> White, Eric M. 2017. Spending patterns of outdoor recreation visitors to national forests. Gen. Tech. Rep. PNW-GTR-961. Portland, OR: USDA Forest Service, Pacific Northwest Research Station. [https://www.fs.fed.us/pnw/pubs/pnw\\_gtr961.pdf](https://www.fs.fed.us/pnw/pubs/pnw_gtr961.pdf). Accessed 10 May 2018.

<sup>17</sup> U.S. Forest Service. 2015. Land Management Plan, 2015 Revision, Idaho Panhandle National Forests. [https://www.fs.usda.gov/Internet/FSE\\_DOCUMENTS/stelprd3826554.pdf](https://www.fs.usda.gov/Internet/FSE_DOCUMENTS/stelprd3826554.pdf)

<sup>18</sup> Average daily use calculated for June 1-July 17, 2018, from infrared trail counter on the Pend d’Oreille Bay Trail.



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