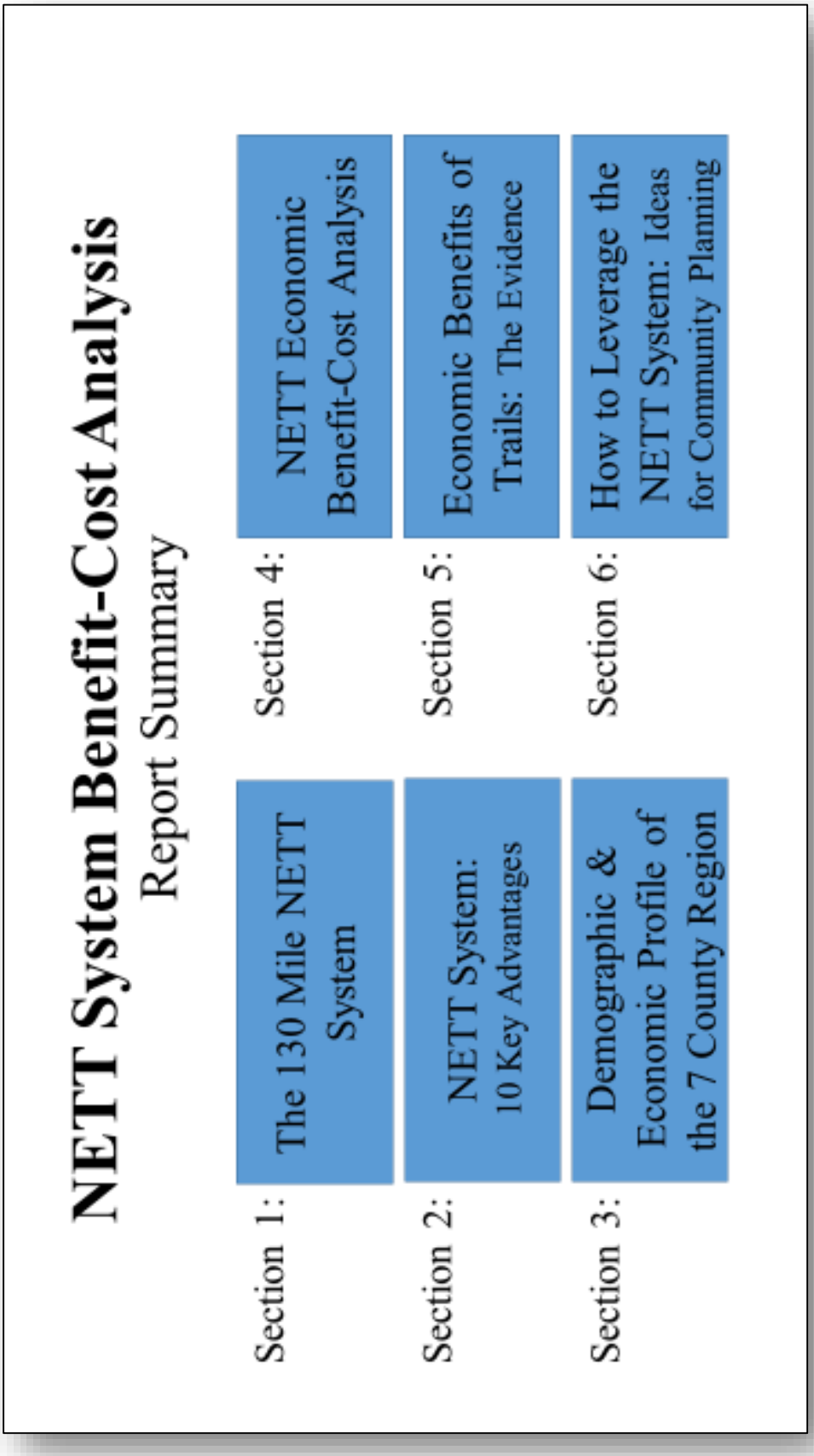
# NORTHEAST TEXAS TRAIL
# ECONOMIC IMPACT ASSESSMENT

November 2014





http://northeasttexastrail.org


NETT System Benefit-Cost Analysis
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This Report is an In-Kind Contribution by The HWH Group, a Harrison, Walker & Harper Company (www.thehwhgroup.com)

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# NORTHEAST TEXAS TRAIL
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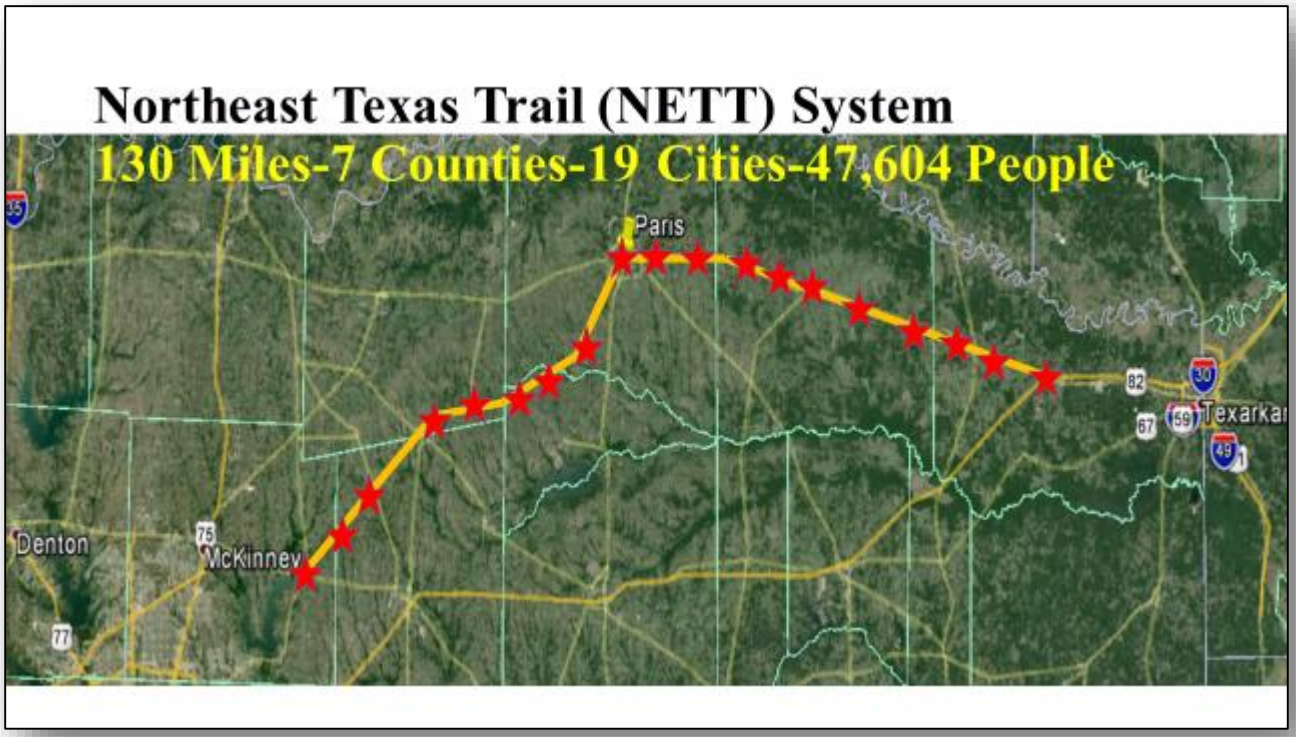
## THE 130-MILE NORTHEAST TEXAS TRAIL SYSTEM (NETT)

### Overview
This report provides an overview of the Northeast Texas Trail System (NETT) including economic and demographic data from 7 counties spanning the 19 NETT communities in Northeast Texas. It includes an economic impact assessment based on an extensive literature review and numerous best practices from across the United States. The original benefit cost analysis (BCA) was conducted in 2011 for a Federal Department of Transportation grant request. The financial and demographic data sets are the most current available as of November 2014.

The report offers a wide range of proven ideas, alternatives and suggestions for consideration by local officials, NETT advocates, civic leaders and, most importantly, concerned citizens whose communities and businesses have the opportunity to greatly benefit from the NETT. Appendix A provides map images of the NETT and each of its segments by county and trail community.




### NETT Coalition and Partnership
A vibrant partnership is alive and well! The citizens and civic leaders of 7 counties and 19 communities in Northeast Texas have a shared vision for the future of the NETT. This vision significantly impacts the health, welfare and economic prosperity of these communities and their residents, all of which can be realized by completing construction of the 130 mile NETT.

*When completed the Northeast Texas Trail will be the longest Hike/Bike and Equestrian Trail in Texas and the 4th longest in the U.S.A.*

Visit the NETT Coalition's website at http://northeasttexastrail.org.

The NETT Coalition is the product of the commitment and partnership among local and statewide trail advocates, and county, state and federal government agencies. Over the course of a two-year effort, the NETT Coalition mission has been "re-cycling" an invaluable rail banked corridor into pedestrian, bicycle, and equestrian trails for moving people through the picturesque countryside of Northeast Texas.

The NETT traverses from Farmersville (East Dallas) through 19 rural towns and 7 counties to New Boston (West Texarkana) linking population centers, community facilities, workplaces, neighborhoods, schools, recreation areas, open space and cultural/historical areas. The NETT Coalition is committed to organize the public and policy-makers to create a comprehensive system of trails, parks and protected natural areas as a vital component in the region's economy and quality of life.

## Northeast Texas Rail Banked Railway Corridor

A shocking amount of the NETT corridor is currently being used for junk disposal, while other spans are used for operating illegal motorized four-wheelers, creating deep ruts and crevices. This inappropriate use has caused erosion and flooding on the corridor and on adjacent property. Along some stretches, trees and shrubs have encroached on the entire corridor making it almost impassable. The 130 mile trail system will preserve and revitalize an invaluable rail banked railroad right-of-way's deteriorating transportation surface infrastructure.

The NETT's infrastructure was made possible by a 1983 Federal Law, the National Trail Act and its subsequent Rail Banking Process. Rail banking is when a railroad company voluntarily sells, donates, or leases unprofitable or unwanted rail lines and tracks to a qualified public or private entity (the Rail Bank Entity). Through the Federal National Trail Act, land for construction of the NETT is provided at no cost. *Along the NETT Corridor, seven rail bank entities are providing existing right-of-way for completion of the 130 mile trail system*. This is important for the following reasons:

1. The value of the right-of-way is $39,000,000 – a unique and significant capital investment and instant equity in the NETT asset.
2. The right-of-way is contiguous for 130 miles.
3. The rail banked NETT is protected by Federal Law (16USC1247, Section 8 (d)).
4. The value of the right-of-way is nearly equal to the amount of funds required for construction of the entire 130 mile trail system.
5. Cumulatively, this creates a unique competitive advantage to complete redevelopment of the entire 130 mile corridor, significantly impacting 19 severely disadvantaged rural communities.

Clearly, the railway corridor can (*and should*) be redeveloped into an asset and an economic driver for the 19 communities along the route. These communities range in population from 190 (Pecan Gap) to almost 25,000 (Paris). The average population of the 19 communities is 2,505 – small, rural towns by all counts. (See Table 1)

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The impact of the NETT will be significant for the communities it touches. Upon completion, the NETT will be the 4th longest trail system in the Nation. Five of the seven counties along the Trail's route meet the criteria of economically distressed areas based on wage and unemployment data.

This report provides basic economic and demographic data for the 7 counties along the NETT including:

- ✓ Population, Race & Ethnicity and Age
- ✓ Income, Poverty and Education
- ✓ Wages and Unemployment
- ✓ Property Taxes, Infrastructure Spending and County Road Miles
- ✓ Average Demographic and Economic Comparisons

The NETT touches 19 small, rural communities whose economic prospects are negligible. This benefit-cost analysis (BCA) will demonstrate the tremendous economic opportunity to these communities, and most importantly, to the citizens and families who live along the corridor, by redeveloping the rail banked railway into the 130 mile NETT system.

To overcome significant barriers, every effort must be made to leverage the following 10 Key Advantages of the NETT System.

Table 1

| Trail Communities | Population |
|---|---|
| 1. Farmersville | 3,395 |
| 2. Merit | Unincorporated |
| 3. Celeste | 821 |
| 4. Wolfe City | 1,401 |
| 5. Ladonia | 605 |
| 6. Pecan Gap | 190 |
| 7. Ben Franklin | Unincorporated |
| 8. Roxton | 644 |
| 9. Paris | 24,912 |
| 10. Reno | 3,234 |
| 11. Blossom | 1,541 |
| 12. Detroit | 711 |
| 13. Bagwell | Unincorporated |
| 14. Clarksville | 3,179 |
| 15. Annona | 304 |
| 16. Avery | 463 |
| 17. DeKalb | 1,658 |
| 18. Malta | Unincorporated |
| 19. New Boston | 4,546 |
| **Total Population** | **47,604** |

## NORTHEAST TEXAS TRAIL SYSTEM 10 KEY ADVANTAGES

1. **Trails are proven. They are not risky investments**. Over the past 30 years, hundreds of abandoned rail corridors, totaling over 20,000 miles, have been converted into trails and are successfully used for public enjoyment all over the United States.
2. **People love trails**. Trails are ideal for many active recreational uses, including walking, hiking, biking, jogging, horseback riding, in-line skating and even provide wheel chair accessibility. Trails are safe places and they are proven to reduce crime.

> *"The benefits of trails extend well beyond fitness and leisure pastimes. Trails hold tremendous potential for economic and community development."*
> - Iowa Department of Transportation

3. **Trails promote community improvement and healthy lifestyles, benefiting local residents**. National studies show that trails provide social environments that promote a unique, livable community atmosphere, and provide citizens and visitors a place that is safe, convenient, interesting, inviting and family friendly. Trails are free to use, open to the public, safe and perfect for promoting outdoor activities that improve everyone's quality of life.
4. **Trails are good for the economy – especially in rural communities**. Trails provide rural economic revitalization through creating jobs, stimulating local economies, and sustaining property values. The economic impact starts with construction and continues well into the future, growing over time.
5. **The NETT will increase tourism and visitors into our towns**. The Trail will bring visitors from not only Texas, Oklahoma, Arkansas, and Louisiana, but from across the United States and worldwide. Within a 60-mile radius (1 hour drive) of the Trail there are 10,500,000 potential trail users. *The longer a trail is, the farther people will travel to use it, stay longer and spend more money*.
6. **130 mile Trail puts Northeast Texas on the map**. It will roll through 19 Northeast Texas towns and 7 counties. According to the US Census Bureau, five of these counties are economically distressed areas with higher unemployment and per-capita income well below the State and National averages.

### Reasons Tourists Want to Get Out of Town

- ✓In a commercialized world of prefabricated fun, visitors are looking for unique and authentic experiences.
- ✓They want to get away from the rat race and traffic they experience every day.
- ✓They want to see the stars in the open skies.
- ✓They want to view the wildlife that still roams freely in rural areas.

7. **Maintenance costs are nominal and offset by volunteers and increased sales tax revenues**. The economic impact of "rails-to-trails" is proven to increase tourism and promote the retention and expansion of local businesses that provide jobs and family-sustaining incomes. Trail towns can welcome trail users to spend money in town by meeting their needs and promoting the character and unique features of the community. Just as the railroads originally helped build towns, today, trails can do the same to revitalize our struggling communities.
8. **The Trail will conserve our environment, promote nature and preserve Texas heritage**. The Trail offers open space, conservation, preserves historic Texas railway corridors and bridges, and serves as a wildlife conservation corridor.
9. **We all want to follow the law**. By Federal law, rail banked, abandoned railway corridor must be used only for non-motorized transportation. Motorized vehicles (four-wheelers) are not allowed on the Trail. Trail supporters understand the importance of good roads and highways and want to cooperate and co-exist in a non-confrontational environment that is offered by the Trail.
10. **A vibrant partnership is alive and well in Northeast Texas**. The citizens of 7 counties and 19 small communities in Northeast Texas deserve public officials who have a vision for the future that includes the health, welfare and economic prosperity for their constituents, all of which is offered by the Northeast Texas Trail System.

## Variety of Economic Impacts

*There are many ways that trails and greenways affect local, state and national economies:*

- ✓ *Tourism*
- ✓ *Events*
- ✓ *Urban Redevelopment*
- ✓ *Community Improvement*
- ✓ *Property Value*
- ✓ *Health Care Savings*
- ✓ *Jobs and Investment*
- ✓ *General Consumer Spending*

## Demographic and Economic Profile of the 7 County Region
(Collin, Hunt, Fannin, Delta, Lamar, Red River, Bowie)

7 Counties, 19 Communities, 47,604 People, Across 131 Miles of Trail

| County | Trail Communities | Population | Trail Segment (Miles) |
|---|---|---|---|
| 1. Collin | 1. Farmersville | 3,395 | 6 |
| 2. Hunt | 2. Merit | Unincorporated | 8 |
| | 3. Celeste | 821 | 9 |
| | 4. Wolfe City | 1,401 | 9 |
| 3. Fannin | 5. Ladonia | 605 | 6 |
| 4. Delta | 6. Pecan Gap | 190 | 5 |
| | 7. Ben Franklin | Unincorporated | 6 |
| 5. Lamar | 8. Roxton | 644 | 14 |
| | 9. Paris | 24,912 | 5 |
| | 10. Reno | 3,234 | 5 |
| | 11. Blossom | 1,541 | 7 |
| 6. Red River | 12. Detroit | 711 | 6 |
| | 13. Bagwell | Unincorporated | 7 |
| | 14. Clarksville | 3,179 | 8 |
| | 15. Annona | 304 | 8 |
| | 16. Avery | 463 | 10 |
| 7. Bowie | 17. DeKalb | 1,658 | 6 |
| | 18. Malta | Unincorporated | 6 |
| | 19. New Boston | 4,546 | Termination Point |
| **7** | **19** | **47,604** | **131** |
| Source: http://txcip.org | | | |

Population, Race & Ethnicity and Age

| County | Population ('10 Census) | Race & Ethnicity ('13 Census) | | | | | Age ('13 Census) | | |
|---|---|---|---|---|---|---|---|---|---|
| | | White | Black | Hispanic | Asian | Other | 17< | 65> | Median |
| Collin | 782,341 | 75.0% | 9.4% | 15.0% | 12.3% | 3.2% | 26.3% | 9.3% | 36.0 |
| Hunt | 86,129 | 87.1% | 8.4% | 14.6% | 1.2% | 3.3% | 24.6% | 15.2% | 38.8 |
| Fannin | 33,915 | 89.0% | 7.0% | 10.1% | 0.6% | 3.4% | 22.3% | 18.2% | 41.9 |
| Delta | 5,231 | 87.2% | 7.5% | 6.9% | 0.8% | 4.6% | 22.6% | 21.8% | 44.6 |
| Lamar | 49,793 | 81.5% | 13.5% | 7.1% | 0.7% | 4.2% | 24.5% | 18.1% | 40.5 |
| Red River | 12,860 | 79.2% | 17.4% | 7.0% | 0.3% | 3.2% | 22.0% | 22.6% | 46.0 |
| Bowie | 92,565 | 71.4% | 24.5% | 7.2% | 0.9% | 3.2% | 24.0% | 15.1% | 37.7 |
| **Total** | 1,062,834 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Average** | 151,833 | 81.5% | 12.5% | 9.7% | 2.4% | 3.6% | 23.8% | 17.2% | 40.8 |
| Sources: http://txcip.org; US Census Bureau | | | | | | | | | |

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## Population Characteristics

- ✓ Collin County's population is 782,341 while Farmerville's is only 3,395 (.43% or less than ½ of 1% of the total county population).
- ✓ Similarly, Hunt County's population is 86,129 while Celeste (821) and Wolfe City (1,401) represent only 2.6% of the County's population or 2,222 people.
- ✓ Bowie County's population is skewed by Texarkana's population of 37,442 making up 40% of the County's people, while the NETT communities of DeKalb, Malta and New Boston total 6,204 people or only 6.7% of Bowie County's population.
- ✓ Lamar and Red River County's NETT communities make up a much more significant percentage of their County's population. Lamar County's NETT communities represent 61% of the population or 30,361 people. Red River County's NETT communities' population totals 4,657 making up 36% of the County's entire population.

## Age Characteristics

- ✓ Collin County has a significantly younger population and fewer people age 65 and over. This is reflected in the County's median age of 36.0 years.
- ✓ Red River County is significantly older with a median age of 46.0 years.

## Race Characteristics

- ✓ Closer to the DFW Metroplex the population is greater Hispanic and Asian (Collin, Hunt and Fannin Counties).
- ✓ Lamar, Red River and Bowie Counties have a greater Black population.
- ✓ Delta, Fannin and Hunt Counties are nearly 90% White.

## Income, Poverty and Education

| County | Income ('12 BEA and Census) | | Poverty ('12 Census) | | Education Attainment ('12 Census) | |
|---|---|---|---|---|---|---|
| | Per Capita | Median HH | % Pop. In | % <18 In | 25>, % HS Grad > | 25>, % Bach Deg > |
| Collin | $ 56,117 | $ 81,992 | 7.8% | 9.3% | 93.1% | 49.0% |
| Hunt | $ 33,340 | $ 42,821 | 19.5% | 26.6% | 81.6% | 17.3% |
| Fannin | $ 31,371 | $ 43,183 | 17.7% | 23.7% | 80.7% | 15.3% |
| Delta | $ 31,536 | $ 37,515 | 19.0% | 30.3% | 85.6% | 15.7% |
| Lamar | $ 35,140 | $ 37,943 | 23.0% | 33.1% | 82.9% | 15.8% |
| Red River | $ 31,889 | $ 33,153 | 20.8% | 32.6% | 75.7% | 12.3% |
| Bowie | $ 35,813 | $ 40,574 | 20.3% | 27.3% | 85.8% | 18.5% |
| **Total** | N/A | N/A | N/A | N/A | N/A | N/A |
| **Average** | $ 36,458 | $ 45,312 | 18.3% | 26.1% | 83.6% | 20.6% |
| Sources: http://txcip.org; US Census Bureau; Bureau of Economic Analysis | | | | | | |

## Wages and Unemployment

| County | Wages ('12 BEA) | Unemployment Rate (TWC) | |
|---|---|---|---|
| | Avg Wages/Job | 2012 | 2013 |
| Collin | $ 57,801 | 6.2% | 5.7% |
| Hunt | $ 42,692 | 8.0% | 6.6% |
| Fannin | $ 34,529 | 8.5% | 8.5% |
| Delta | $ 20,760 | 7.6% | 7.2% |
| Lamar | $ 36,928 | 9.0% | 7.9% |
| Red River | $ 29,271 | 10.4% | 9.8% |
| Bowie | $ 37,681 | 6.8% | 7.2% |
| **Total** | N/A | N/A | N/A |
| **Average** | $ 37,095 | 8.1% | 7.6% |

Sources: http://txcip.org; Bureau of Economic Analysis; Texas Workforce Commission

## Income, Poverty and Educational Attainment Characteristics

- ✓ Collin County is significantly higher in terms of income and average wages per job, as well as higher educational attainment.
- ✓ Collin County also enjoys lower poverty rates and the lowest unemployment rate among all NETT communities.
- ✓ Lamar County has the highest per capita income among all counties except Collin. This is reflective of Lamar County's significant number of food and consumer goods manufacturing jobs and presence of Fortune 500 companies.
- ✓ Shockingly, over 33% (1/3rd) of children age 18 and under live in poverty in Lamar County.
- ✓ Red River County is not far behind, as 32.6% of children age 18 and under live in poverty.
- ✓ Red River County is lowest in educational attainment for people age 25 and older, including high school diploma and above, as well as for Bachelor's Degree and above.
- ✓ Delta County has the lowest average wages per job at $20,760 per year.
- ✓ Red River County's average wages per job are $29,271 per year.
- ✓ Fannin County showed a flat unemployment rate from 2012 to 2013 at 8.5%.
- ✓ All other County unemployment rates dropped from 2012 to 2013 except Bowie County, whose unemployment rate increased slightly due to the Army Depot's downsizing.

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## Property Taxes, Infrastructure Spending and County Road Miles

| County | Property Taxes ('13 TX Comptroller) | | | Infrastructure Spending ('12 TX Comptroller) | County Roads ('13 TXDOT) |
|---|---|---|---|---|---|
| | Tot. Mkt. Value | Tot. Actual Levy | County Sales Tax | Total Road and Bridges Expenditures | Total Lane Miles |
| Collin | $ 90,306,686,328 | $ 188,130,008 | $ N/A | $ 18,317,734 | 1,373 |
| Hunt | $ 5,470,770,427 | $ 22,819,045 | $ 3,378,913 | $ 6,297,467 | 1,339 |
| Fannin | $ 2,485,841,437 | $ 8,886,329 | $ 795,119 | $ 2,409,326 | 987 |
| Delta | $ 391,048,666 | $ 1,803,054 | $ 63,957 | $ 30,250 | 353 |
| Lamar | $ 3,967,427,638 | $ 12,629,212 | $ 3,033,154 | $ 3,056,132 | 999 |
| Red River | $ 1,297,902,040 | $ 3,285,809 | $ 229,262 | $ 1,113,445 | 750 |
| Bowie | $ 5,557,169,811 | $ 15,446,475 | $ 5,651,122 | $ 3,110,364 | 1,209 |
| **Total** | $109,476,846,347 | $ 252,999,932 | $ 13,151,527 | $ 34,334,718 | 7,010 |
| **Average** | $ 15,639,549,478 | $ 36,142,847 | $ 2,191,921 | $ 4,904,960 | 1,001 |
| Sources: http://txcip.org; Texas Comptroller of Public Accounts; Texas Department of Transportation | | | | | |

## Real Estate Value, Tax Levies and Road Expenditures

- ✓ Collin County's total market value, taxes levied and road expenditures are significantly higher than all other counties, which is reflective of the County's urban growth especially on the West side of the County. Farmersville is in the far East side of the County.
- ✓ Delta and Red River Counties are significantly lower across the board in these categories. Clearly there is a major economic difference is these rural, poor counties.

## *Average* Demographic and Economic Comparisons

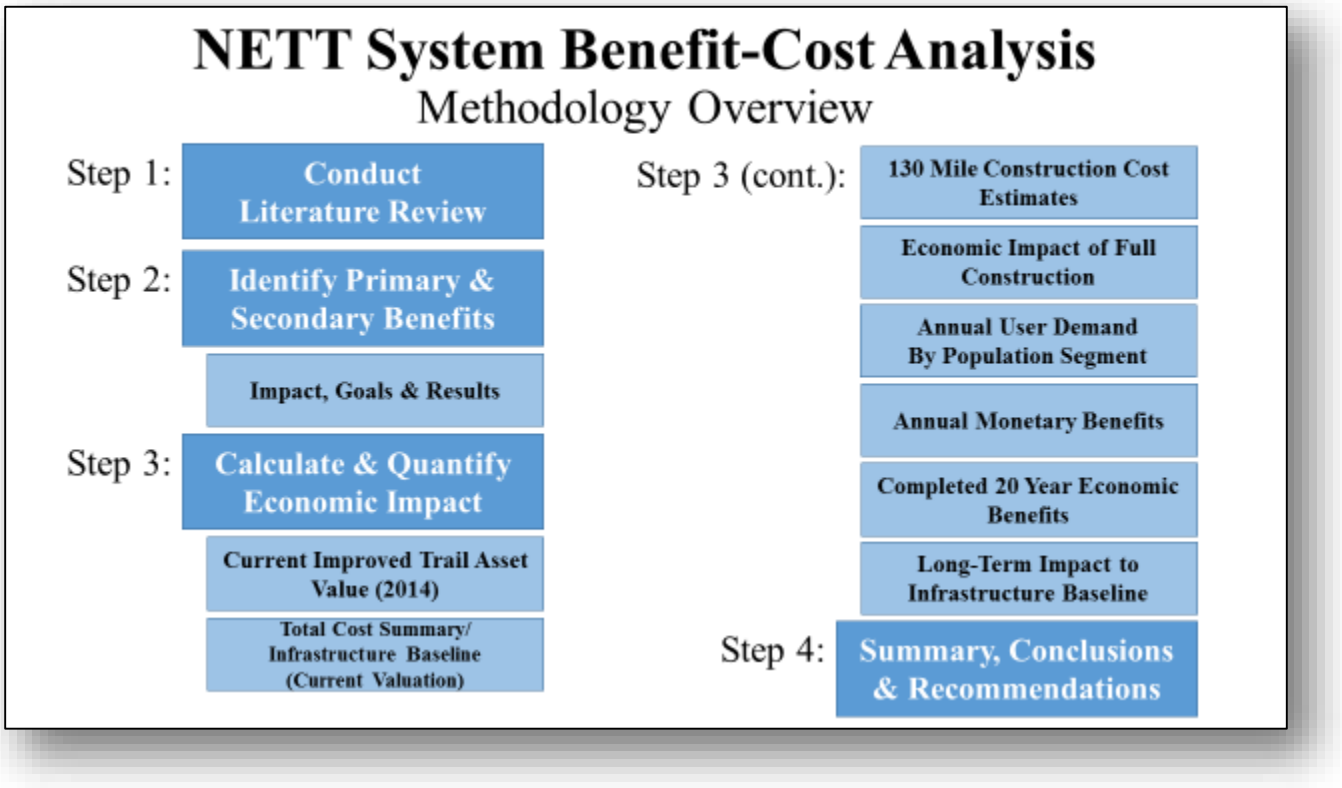
| ***Average*** **Demographic & Economic Data** | **All Counties** | **Excluding Collin** | **Difference w/o Collin** |
|---|---|---|---|
| County Population | 151,833 | 46,749 | (105,085) |
| Minority Population | 7.1% | 6.6% | -0.5% |
| Median Age | 40.8 | 41.6 | 0.8 |
| Per Capita Income | $ 36,458 | $ 33,182 | $ (3,277) |
| Median Household Income | $ 45,312 | $ 39,198 | $ (6,113) |
| % Population in Poverty | 18.3% | 20.1% | 1.8% |
| % Population Under 18 in Poverty | 26.1% | 28.9% | 2.8% |
| % HS Grad. or Higher, Age 25 and Over | 83.6% | 82.1% | -1.6% |
| % w Bach. Degree or Higher, Age 25 and Over | 20.6% | 15.8% | -4.7% |
| Wages Per Job | $ 37,095 | $ 33,644 | $ (3,451) |
| Unemployment Rate 2012 | 8.1% | 8.4% | 0.3% |
| Unemployment Rate 2013 | 7.6% | 7.9% | 0.3% |
| Property Market Value | $ 15,639,549,478 | $ 3,195,026,670 | $ (12,444,522,808) |
| Property Tax Levy | $ 36,142,847 | $ 10,811,654 | $ (25,331,193) |
| County Sales Tax | N/A | $ 2,191,921 | N/A |
| Road and Bridge Expenditures | $ 4,904,960 | $ 2,669,497 | $ (2,235,462) |
| Lane Miles | 1,001 | 939 | (62) |

## Average Comparisons Among Counties

- ✓ Collin County's population is 782,341 while Farmerville's is only 3,395 (.43% or less than ½ of 1%) therefore, it makes sense to exclude Collin County from the average comparisons in the chart above.
- ✓ While Hunt and Bowie Counties are included in the average comparisons, a case could be made that these counties skew the data due to their significantly more urbanized areas.

## NETT Economic Benefit-Cost Analysis (BCA)

### Methodology Overview




### Literature Review

The following sources were reviewed and referenced to conduct this BCA:

1. The calculator tool found at www.bicyclinginfo.org/bikecost.
2. Guidelines for Analyzing the Benefits and Costs of Bicycle Facilities by Krizek, Poindexter, Barnes and Mogush (2009).
3. SR 520 TIGER Discretionary Grant Application, Appendix B, Washington State Department of Transportation (2009).
4. Benefit-Cost Analysis for Gene Autry Way (West) Highway/I-5 HOV Interchange Project, by System Metrics under contract with the Southern California Association of Governments (2009).
5. Rails to Trails Feasibility Study, Kingland to Riceboro, Costal Georgia Regional Development Center (2007).
6. The Atlantic-Seaboard Coast Line Trail Concept Plan, Rails-to-Trails Conservancy.
7. Economic Benefits of Trails and Greenways, Rails-to-Trails Conservancy.
8. Trails and Economic Development, Rails-to-Trails Conservancy (2007).

## Primary and Secondary Benefits

The references cited in the literature review document numerous societal benefits derived from investments in trails. These benefits are realized at all levels – local, regional, state and national. The benefits of investment in the NETT are both primary and secondary as described by the US Department of Transportation:

| **Benefits of NETT Investment** | |
|---|---|
| **Primary Benefits** | **Secondary Benefits** |
| Direct investments in building out the entire 130 miles of trail infrastructure will have a direct and significant impact on the economies of the nation, a metropolitan area, a region and local community. | Capture the ancillary benefits of new and/or innovative approaches to achieving full construction of the NETT System. |
| ✓ Long-term Outcomes: State of Good Repair; Economic Competitiveness; Livability; Environmental Sustainability; Safety.<br>✓ Job Creation & Economic Stimulus. | ✓ Innovative Approaches.<br>✓ Partnerships. |

There are numerous positive economic benefits projected for the State of Texas, as well as county and city governments upon completion of the entire 130 mile NETT system. Local businesses, families and individuals will see steady economic and numerous other benefits realized as the NETT system is completed incrementally, section-by-section and town-by-town.

Based on the studies and reports referenced in the literature review, the NETT's economic benefits include the following seven broad categories:

1. Safety and Security
2. Recreation
3. Educational
4. Cost Management and Effectiveness
5. Transportation
6. Economic Stimulus
7. Environmental

The two page chart below provides details on a wide range of both primary and secondary economic benefits, including specific and detailed **Impacts, Goals and Results from the Northeast Texas Trail System**, both.

| Northeast Texas Trail System: Impact, Goals and Results | | |
|---|---|---|
| **Impact** | **Goals** | **Results** |
| **Safety and Security** | Provide a continuous, well-marked trail that is able to be policed by public authorities, and able to be visually monitored by trail users. | • Improved livability of communities across the United States.<br>• Reduced number, rate and consequences of surface transportation-related crashes, injuries and fatalities.<br>• Promote the health, safety and welfare of trail users, motorists, and/or maintenance personnel.<br>• Mitigate conflicts between trail users and motorized vehicles.<br>• Improve emergency preparedness and response.<br>• Minimize user damage potential to public facilities.<br>• Minimize conflicts between trail users and other recreational users.<br>• Provide a trail that is easy to police.<br>• Minimize public liability.<br>• Enhance safety on the federal, state or local highway systems. |
| **Recreation** | Provide a continuous and quality trail recreation experience for non-motorized uses including hiking, walking, jogging, bicycling, skating, and naturalists that maximizes the geographic and local opportunities of the area, and is accessible to the physically challenged. | • Enhance the statewide, regional and local greenways and trails system.<br>• Utilize and enhance, or provide linkage to existing recreational facilities where possible.<br>• Conform to ADA accessibility guidelines to accommodate physically challenged users.<br>• Accommodate multiple user groups with minimal conflicts.<br>• Promote intergovernmental and private trail recreation development.<br>• Promote expansion of trail system beyond limits of projects into neighboring communities. |
| **Educational** | Provide educational opportunities interpreting historical, archeological, meteorological, jurisdictional, economic, water management, environmental, transportation and scenic aspects of the trail via signage, interpretive stations and/or museum facilities at trailhead parks and/or along the trail. | • Provide opportunities for historical and archeological interpretation.<br>• Provide opportunities for environmental, wildlife and scenic interpretation.<br>• Provide opportunities for meteorological interpretation.<br>• Provide opportunities for transportation systems interpretation.<br>• Provide opportunities for jurisdictional or economic interpretation. |
| **Cost Management & Effectiveness** | Provide a cost effective trail enhancement through the selection and programming of quality and long lasting trail improvements with reasonable construction, operation, and maintenance costs, and utilizing volunteer or local efforts when possible. | • Greater collaboration with state and local governments, other public entities, private entities, nonprofit entities, or other non-traditional partners.<br>• Implement lowest cost quality alternative.<br>• Implement shared cost alternatives with other governmental entities.<br>• Utilize and renovate existing rail bridges where possible.<br>• Minimize management responsibilities, operational, and management costs.<br>• Minimize land acquisition costs.<br>• Utilize citizens' volunteer groups and public labor and development programs. |

| Northeast Texas Trail System: Impact, Goals and Results | | |
|---|---|---|
| **Results** | **Goals** | **Results** |
| **Transportation** | Provide a safe multi-modal, non-motorized trail experience for recreation, commuting, shopping, and social trips responding to local transportation needs and priorities, accessible to the physically challenged, while sustaining environmental quality. | • Improved condition of existing transportation facilities and systems.<br>• Greater use of innovative technology and innovative approaches to transportation funding and project delivery.<br>• Enhance multi-modal connections (automobile, bus, bicycle, and aircraft) to the trail.<br>• Provide accommodation for buses or public transportation and parking for private automobiles at trailhead park areas.<br>• Increase public transportation ridership and reduce energy consumption.<br>• Enhance trail connections between and into communities.<br>• Enhance multiple user group capacity.<br>• Enhance multi-modal connections to the federal, state and local highway systems.<br>• Expand public and specialized transportation programs to meet the needs of the transportation disadvantaged. |
| **Economic Stimulus** | Provide a local and visitor-oriented trail that enhances regional economic development, broadens the tax base, increases employment, attracts new business, supports the retention and expansion of businesses already in the area, and promote public/private partnerships. | • Long-term growth in employment, production or other high-value economic activity.<br>• Enhance the local economies of the individual communities that the trail passes through.<br>• Enhance tourism and related economic development.<br>• Enhance trail connections to communities.<br>• Provide primary trailheads in or near communities.<br>• Promote intergovernmental and local economic partnerships.<br>• Promote public/private economic partnerships. |
| **Environmental** | Develop a trail corridor incorporating low maintenance indigenous vegetation with an emphasis on shade trees, which maintain and restore native plant communities and wildlife habitats including threatened and endangered species. | • Improved energy efficiency, reduced dependence on oil and reduced greenhouse gas emissions.<br>• Reduced adverse impacts of transportation on the natural environment.<br>• Provide environmental conservation and restoration, where feasible and appropriate, within the trail corridor.<br>• Mitigate adverse impact on ecosystems and wildlife, including threatened and endangered species.<br>• Minimize impacts of transportation facilities and services on the environment.<br>• Promote energy conservation and the use of recycled materials, native vegetation, and wildflowers. |

## Economic Impact

*Current Improved Trail Asset Value (2014)*
The 130 mile NETT has a significant asset value based on asset acquisition cost per linear mile at current market value. In other words, ***if you purchased the right-of-way for the entire linear miles, what would it cost?***

Many sections of the NETT are improved and are significant community assets. Numerous NETT advocates have spent untold hours raising funds and writing grants to benefit the trail and their communities. Typically, for competitive grant funds secured for the NETT, the grantor requires cash and in-kind matching contributions. Over the years, funding sources have included foundations, family trusts, non-profit, community-based organizations, banks, private corporations, and federal, state and local (city and county) government agencies.

NETT advocates will continue to pursue and secure matching and in-kind contributions to complete the entire 130 mile NETT system. Together, the asset value of the right-of-way and the improvements to date total over $45,000,000 as follows:

| Current Improved Trail Asset Value (2014) | Amount |
|---|---|
| 1. Land/Right-of-Way (ROW) | $39,000,000 |
| 2. Existing Improved Trail and Bridge Assets | 6,370,956 |
| **Total Current Asset Value** | **$45,370,956** |

The following information was used to calculate the NETT current asset value.

1. Land in-kind contribution provided to the NETT project by local communities and railroad land bank entities, based on Texas Department of Transportation's ROW acquisition costs.

| | |
|---|---|
| Total linear miles of ROW | 130 |
| Acquisition costs per linear mile | $300,000 |
| **Total In-kind Land Value** | **$39,000,000** |

2. Existing NETT investment/contribution value is based on the actual development costs of the currently improved assets summarized as follows. Details are provided below.

| Project/Segment | Trail Investments |
|---|---|
| Trail de Paris | $4,049,050 |
| Clarksville (Red River County) Gateway to Texas | 192,000 |
| Chaparral Trail, Farmersville to Merit | 1,579,906 |
| New Boston, Bowie County | 550,000 |
| **Grand Total Value of Improvements To-Date** | **$6,370,956** |

The following information documents the $6,370,956 investment in the NETT to-date:

**Trail de Paris Projects to Date**

The following is a compilation of all the funds raised for the successful Trail de Paris Projects to date. These projects have been a local collabration that involved writing federal, state and local government, local foundations, industrial/corporate contributions, civic and community-based organization grants, as well as private sector cash contributions and in-kind goods and services.

| Trail de Paris Construction Projects to Date | Amount | Funding Sources |
|---|---|---|
| Original Trail de Paris | $ 800,000 | Leadership Lamar County 2003/04 Class Project |
| East Extension to Old Clarksville Road Crossing | 200,000 | TPWD & Cash Match |
| West Extension from 12th SE to 8th SE | 150,000 | TPWD & Cash Match |
| South Extension from Trail to Sports Complex | 100,000 | 5 Local Banks, Kimberly Clark, Paris Jr. College, Lamar County Chamber |
| Paris/Reno Trail from Old Clarksville Rd. to Airport Rd. | 400,000 | Foundations & Private Sector |
| Reno East Extension | 110,000 | TPWD & Local Foundations Cash Match |
| Justiss and Crockett Schools and Trail Link | 500,000 | TXDOT & Paris ISD SRTS Grant |
| Lamar County - Prairiland Trail | 400,000 | TPWD and Local Foundations Cash and In-Kind Match |
| Central Paris from 8th SE to 4th SW | 300,000 | TPWD and Local Foundations Cash and In-Kind Match |
| Blossom Extension | 300,000 | TPWD and Local Foundations Cash and In-Kind Match |
| West Paris Trail | 700,000 | TXDOT and Local Foundations Cash and In-Kind Match |
| **Total Construction Funding Raised** | **$ 3,960,000** | |

| Trail de Paris Amenities Projects To Date | Amount | Funding Sources |
|---|---|---|
| Trail Benches | $ 17,250 | Friends of the Trail - 23 @ $750 each |
| Trail Head Kiosks | 6,800 | TNT - Friends of the Trail Grant - 4 @ $1700 each |
| Prairiland Trail - Engineering Professional Services | 15,000 | TNT Grant |
| Paris/Reno Sign | 500 | TNT - Friends of the Trail Grant |
| Trail Head Counters | 4,500 | TNT - Friends of the Trail Grant - 5 @ $900 each |
| City of Paris Parks and Recreation Master Plan | 35,000 | TNT Funding |
| Trail de Paris "Way of Life" Video and Commercials | 10,000 | TNT Funding |
| **Total Amenities Funding Raised** | **$ 89,050** | |
| **Grand Total 2003 to Date (10-Years)** | **$ 4,049,050** | |
| **Per Year (10-Years)** | **$ 404,905** | |

| **Clarksville (Red River County) Gateway to Texas Trail Project (May 2012)** | |
|---|---|
| Texas Parks and Wildlife Commission, National Recreational Trail Funds | |
| Federal Funds Requested (80% or less of above figure) | $ 128,000 |
| Local Match Required* (At least 20%) | 32,000 |
| **Total Itemized Project** | **$ 160,000** |
| | |
| **Local Match* | |
| Martha, David and Bagby Lennox Foundation | $ 20,000 |
| City Parks Budget | 2,000 |
| In Kind- B Bray construction | 10,000 |
| **Total Local Match** | **$ 32,000** |

| Chaparral Trail Project Description* Farmersville to Merit (6-Miles) | Total Project Cost | Grant Funds | Matching Funds |
|---|---|---|---|
| Purchased Land in 2005 | $ 10 | $ - | $ 10 |
| Part I - 2003 Open Space Grant | 103,250 | 39,300 | 63,950 |
| Part II - 2003 Open Space Grant | 179,960 | 33,510 | 146,450 |
| Part III - 2005 Open Space Grant | 185,036 | 87,500 | 97,536 |
| Part IV - 2006 Open Space Grant | 261,650 | 100,000 | 161,650 |
| Part V - 2013 Texas Parks & Wildlife Grant (Phase I) | 250,000 | 200,000 | 50,000 |
| Part VI - 2013 Open Space Grant (Phase II) | 300,000 | 150,000 | 150,000 |
| Part VII - 2014 Open Space Grant (Phase III) | 300,000 | 150,000 | 150,000 |
| **Total** | **$1,579,906** | **$760,310** | **$819,596** |

Similar to the Trail de Paris segment, the Chaparral Trail Project detailed above is an excellent example of broad-based matching contributions. *Projects include the following: clearing, grubbing, tree trimming, installation of concrete, asphalt and decomposed granite trail surface, drainage, fencing, signage, bridge repair, etc. The following chart shows the source of matching funds

| Chaparral Trail Project Matching Funds Source | | | |
|---|---|---|---|
| 4B Match | Chamber of Commerce | City Costs (Cash, Labor & Equip.) | City Man Hours |
| $ - | $ - | $ 10 | 88 |
| - | - | 63,950 | 408 |
| - | - | 146,450 | 684 |
| - | - | 97,536 | 1,408 |
| - | - | 161,650 | 656 |
| 50,000 | - | - | 264 |
| 50,000 | - | 100,000 | 40 |
| 134,000 | 1,000 | 15,000 | NA |
| **$ 234,000** | **$ 1,000** | **$ 584,596** | **3,548** |

| New Boston, Bowie County | Amount | Funding Sources |
|---|---|---|
| Trail Improvements - Center of Town to West City Limits | $190,000 | |
| Extend Trail from Existing Terminal Point to TX Hwy. 98 | 360,000 | In 2015 budget, requires County to deed their interest from I-30 to Hwy 98. |
| **Total** | **$550,000** | |

The following community improvements have been provided as in-kind contributions and are in addition to the documented financial investments above. While they are of significant monetary value, no value is calculated at this time.

| Other Community-Based Improvements (2014) | Trails | Bridges |
|---|---|---|
| Ladonia | 15 miles cleared, original base | 5 existing/repaired |
| Avery | 3 miles cleared, original base | - |
| DeKalb | 14 miles cleared, original base | 3 existing |

*NETT Total Project Cost Summary/Infrastructure Baseline (Current Valuation)*
Total construction cost estimates for redevelopment of the entire 130 mile NETT System including Federal, State, and local funding sources are shown in the following chart. Also included is the current ROW value of local in-kind land contributions and the total local investment in existing improved assets. The NETT is an asset valued at over $45M.

| Total Project Cost Summary/Infrastructure Baseline (2014) | |
|---|---|
| **Funding Source** | **Amount** |
| Total Construction Cost Estimates to Complete 130 mi. | $ 39,346,736 |
| Local In-Kind Land Contribution | 39,000,000 |
| Local Investment in Existing Improved Assets | 6,370,956 |
| **Total Project Infrastructure Baseline** | **$ 45,370,956** |

The following section details the cost estimates to complete construction of the entire 130 mile NETT. NETT advocates will continue to pursue grant funds and the required cash and in-kind contributions to realize the full economic impact of the completed NETT.

*130 Mile NETT Construction Cost Estimates*
Based on engineering cost estimates, the following construction costs are provided. We assume that construction will begin in 2015 and continue for a 24-month period.

**130 Mile Northeast Texas Trail System (NETT)** *Source: Hayter Engineering, 2014*

| Line Item Budget Description | Overall Project Architect, Engineering and Other Costs | | | Total Costs |
|---|---|---|---|---|
| Handicap Accessibility Review | $ 17,025 | | | $ 17,025 |
| PS&E Fee | 1,362,000 | | | 1,362,000 |
| Resource Surveys, Assessments, Environmental, etc. | 177,060 | | | 177,060 |
| Construction Engineering | 454,000 | | | 454,000 |
| Topographical Surveying | 198,625 | | | 198,625 |
| Sub-Total | $ 2,208,710 | | | $ 2,208,710 |
| **Line Item Budget Description** | | **2014 Construction Cost Estimates** | | **Total Costs** |
| | | **Paris to Farmersville** | **Reno to New Boston** | |
| SW3P | | $ 2,500 | $ 2,500 | $ 5,000 |
| Fill Material (Select Fill) | | 639,483 | 639,483 | 1,278,965 |
| Fill Material with Delivery (Railroad Bed) 135#/cf | | 790,509 | 790,509 | 1,581,017 |
| Cross Walk Stripers (1' Wide) | | 112,723 | 112,723 | 225,446 |
| Crushed Granite (12' Wide) | | 12,310,191 | 12,310,191 | 24,620,382 |
| Chad Rock (12' Wide) | | - | - | - |
| ROW Prep/Tree Gurbbing/Removal | | 880,521 | 880,521 | 1,761,043 |
| Safety Bollards | | 42,275 | 42,275 | 84,550 |
| Grading of Fill Material | | 1,315,802 | 1,315,802 | 2,631,604 |
| Bridge Replacement | | 1,185,600 | 1,185,600 | 2,371,200 |
| Bridge Rehabilitation | | 1,005,000 | 1,005,000 | 2,010,000 |
| Miscelaneous Culverts (20 LF each) | | 52,633 | 52,633 | 105,266 |
| Trail Sign at Road Crossings | | 86,903 | 86,903 | 173,806 |
| Safety Signage at Road Crossings | | 36,668 | 36,668 | 73,336 |
| Solar Powered Flashing "Ped X-ing" Signs | | 9,205 | 9,205 | 18,411 |
| 60" Dia. Culvert at Creek Crossing (Incl. fill, rip-rap) | | 49,000 | 49,000 | 98,000 |
| Center Line Striping | | - | - | - |
| Gravel Parking Lots | | 50,000 | 50,000 | 100,000 |
| Sub-Total | | $ 18,569,013 | $ 18,569,013 | $ 37,138,026 |
| **Total NETT Construction Cost Estimates** | | | | **$ 39,346,736** |

*Economic Impact of Full Construction of the 130 mile NETT*
If the full construction of the NETT is not achieved, major segments of the 130 miles of rail banked railroad right-of-way will continue to deteriorate and sit fallow as a missed opportunity for nearly 20 small towns in 7 rural, economically challenged counties in Northeast Texas.

As previously stated, portions of the existing unused railway has been abandoned for years. Significant segments are currently being used for junk disposal, and illegal motorized four-wheelers, which creates deep ruts and crevices through the corridor. This inappropriate use has caused erosion and flooding on the corridor and on adjacent property. Along some stretches, trees and shrubs have encroached on the entire corridor making it almost impassable.

Full redevelopment of the entire 130 mile NETT is such a large and ambitious undertaking that without highly leveraged private and public sector funding, it will realistically never happen. There is not a local alternative financing plan for such a large, ambitious project. The projected $39.3M capital investment

will have an unprecedented, immeasurable economic impact on the Northeast Texas Region for years to come.

Building out all segments of the NETT is very much a grass roots effort. The robust NETT Coalition and local NETT advocates work tirelessly to promote the trail and to raise funds for its completion. To create a valid methodology to quantify the economic benefits, several resources were used as a guide. Primary references include: 1) The calculator tool found at www.bicyclinginfo.org/bikecost and 2) The publication entitled, Guidelines for Analyzing the Benefits and Costs of Bicycle Facilities.

*Annual User Demand by Population Segment*
The first step to determine a basis for monetizing project benefits is using the calculator tool to document demand for users of the NETT by population segment.

The chart below shows in a one and a half mile (2,400 m) radius around the NETT the following *annual demand* is established. This information is used in the 20 year economic benefit calculation.

| Annual Demand By Population Segment | Low Estimate | Mid Estimate | High Estimate |
|---|---|---|---|
| Residents | 21,293 | 21,293 | 21,293 |
| Existing Commuters | 12 | 12 | 12 |
| New Commuters | 3 | 3 | 3 |
| Total Existing Cyclists | 225 | 3,634 | 5,359 |
| Total New Cyclists | 69 | 1,055 | 1,554 |

*Annual Monetary Benefits*
Using the annual demand by population segment, the following annual monetary benefits are calculated. This information is also used in the 20 year economic benefit calculation.

| Annual Monetary Benefits | Low Estimate | Mid Estimate | High Estimate |
|---|---|---|---|
| Recreation | $237,458 | $3,837,821 | $5,659,409 |
| Health | $8,769 | $135,028 | $198,909 |
| | **Per Trip** | **Daily** | **Annually** |
| Mobility (Off-street Bicycle Trail) | $4.08 | $63 | $14,741 |
| | **Urban** | **Suburban** | **Rural** |
| Decreased Auto Use | $17 | $10 | $1 |

*Completed Trail 20-Year Economic Benefits*
Assumptions used for the following benefits are a 3% annual increase in users and all values are annual, high-range estimates. See Tables 1 and 2 below.

# NORTHEAST TEXAS TRAIL
# ECONOMIC IMPACT ASSESSMENT
November 2014

Table 1: 20-Year Project Benefit

| 20-Year Benefit-Cost Analysis | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Project Year | Project Benefits | | | | | | | | | |
| | Residential Users | Existing Commuters | New Commuters | Existing Cyclists | New Cyclists | Recreation Value | Health Value | Mobility Value | Decreased Auto Use | Total Value |
| 2015 | - | - | - | - | - | $ - | $ - | $ - | $ - | $ - |
| 2016 | - | - | - | - | - | - | - | - | - | - |
| 2017 | 21,293 | 12 | 3 | 3,634 | 1,055 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2018 | 21,932 | 12 | 3 | 3,743 | 1,087 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2019 | 22,590 | 13 | 3 | 3,855 | 1,119 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2020 | 23,267 | 13 | 3 | 3,971 | 1,153 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2021 | 23,965 | 14 | 3 | 4,090 | 1,187 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2022 | 24,684 | 14 | 3 | 4,213 | 1,223 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2023 | 25,425 | 14 | 4 | 4,339 | 1,260 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2024 | 26,188 | 15 | 4 | 4,469 | 1,298 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2025 | 26,973 | 15 | 4 | 4,603 | 1,336 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2026 | 27,783 | 16 | 4 | 4,742 | 1,377 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2027 | 28,616 | 16 | 4 | 4,884 | 1,418 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2028 | 29,474 | 17 | 4 | 5,030 | 1,460 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2029 | 30,359 | 17 | 4 | 5,181 | 1,504 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2030 | 31,269 | 18 | 4 | 5,337 | 1,549 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2031 | 32,208 | 18 | 5 | 5,497 | 1,596 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2032 | 33,174 | 19 | 5 | 5,662 | 1,644 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2033 | 34,169 | 19 | 5 | 5,832 | 1,693 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| 2034 | 35,194 | 20 | 5 | 6,006 | 1,744 | 5,659,409 | 198,909 | 14,741 | 1 | 5,873,060 |
| **Totals** | **498,564** | **281** | **70** | **85,088** | **24,702** | **$ 101,869,362** | **$ 3,580,362** | **$ 265,338** | **$ 18** | **$ 105,715,080** |

Assumptions: 3% Annual Increase in Users; All Estimates Annual, High-Range.

Table 2: 20-Year Project Cost

| 20-Year Benefit-Cost Analysis | | | | | |
|---|---|---|---|---|---|
| Project Year | Project Costs | | | | |
| | Initial Costs ($2014) | O&M Costs ($2011) $1,500/Mi. | Undiscounted Net Benefits | 3% Discount | 7% Discount |
| 2015 | $ 45,370,956 | $ - | $ 45,370,956 | 44,009,827 | 42,194,989 |
| 2016 | - | - | - | - | - |
| 2017 | - | - | 5,873,060 | 5,696,868 | 5,461,946 |
| 2018 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2019 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2020 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2021 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2022 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2023 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2024 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2025 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2026 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2027 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2028 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2029 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2030 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2031 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2032 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2033 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| 2034 | - | 195,000 | 5,678,060 | 5,507,718 | 5,280,596 |
| **Totals** | **$ 45,370,956** | **$ 3,315,000** | **$ 102,400,080** | **$ 99,328,078** | **$ 95,232,074** |

*Long-term Impact to Infrastructure Baseline*
**The NETT has a long-term benefit of $105,715,080**. The table below compares this benefit to the long-term costs, undiscounted and with a 3% and 7% discount.

| | | | |
|---|---|---|---|
| Long-Term Benefit | $ 105,715,080 | $105,715,080 | $ 105,715,080 |
| Long-Term Costs | Undiscounted | 3% Discount | 7% Discount |
| | 102,400,080 | 99,328,078 | 95,232,074 |
| Net Long-Term Benefit | $ 3,315,000 | $ 6,387,002 | $ 10,483,006 |

## Summary, Conclusions and Recommendations

Based on this benefit-cost analysis, the following summary conclusions are:

| | |
|---|---|
| **Long-term Benefit** | **$105,715,080** |
| Long-term Costs at 7% Discount | 95,232,074 |
| **Net-Positive Economic Benefit Over 20 Years** | **$10,483,006** |
| **2014 Current Asset Value** | |
| Current Right-of-Way Asset Value | $39,000,000 |
| Investments for Improvements To-Date | 6,370,956 |
| **Total 2014 Current Asset Value** | **$45,370,956** |
| **Investment to complete the entire 130-mile NETT** | **$39,346,736** |

- The 130-mile NETT project is feasible.
- Economic benefits outweigh the costs, both for initial capital investment and on-going operations and maintenance for the projected 20-year period.
- The cost to complete the entire 130-mile NETT is currently less than the cash and in-kind contributions that have been made to-date.
- This report details numerous compelling economic impacts to, not only the NETT communities, but also to the counties where they are located.
- Residents and local businesses stand to gain from the NETT.
- Visitors and tourists will increase as more of the NETT is completed, positioning it as a world-class attraction in rural Northeast Texas.
- The following sections of this report provide:
  - Evidence and numerous examples of the economic benefits of trails.
  - How to leverage the NETT: Ideas for community action planning.
- Recommendations:
  - Philanthropists, government agencies at all levels and the private sector must invest in local community planning and mobilization required to realize these economic and community benefits.
  - Efforts should accelerate to raise the necessary funds to complete the construction of the entire 130-mile NETT.

## ECONOMIC BENEFITS OF TRAILS – THE EVIDENCE

Source: American Trails Magazine, Stuart Macdonald, Editor (Summer 2011)

What does "economic benefit" really mean in the context of trails, tourism, and communities and what does the evidence say?

### Americans Spend a Great Deal on Active Outdoor Recreation

Active recreation is defined as bicycling, trail activities, paddling, snow sports, camping, fishing, hunting, and wildlife viewing. A 2006 Outdoor Industry Foundation study found that "Active Outdoor Recreation" contributes:

- ✓ $730 billion annually to the U.S. economy.
- ✓ Supports 6.5 million jobs.
- ✓ Generates $88 billion in annual state and national tax revenue.

### Trail Visitor Income and Educational Attainment Demographics

Many of the people traveling to a trail and spending a night or more in the area are more affluent with significant discretionary income.

- ✓ On the Great Allegheny Passage, over a third of overnight trail users reported household incomes of $100K or more.
- ✓ "Almost half of surveyed bicyclists earn more than $100,000 annually and 87% earn more than $50,000. 40% have a Masters or Doctoral degree and an additional 38% reported completion of a college degree." - Economic Impact: A Case Study of North Carolina's Northern Outer Banks (2004)

### Spending on Trail Equipment

The purchase and maintenance of equipment used on trails is also a major economic factor.

- ✓ In the horseback riding activity, purchases of new equipment and horses, boarding of horses, feeds, veterinary fees, and other maintenance costs reached $551 million, or 59% of all equipment spending in the state.
- ✓ Spending on new snowmobile equipment was second highest at $105 million, followed by ATV at $75 million, bicycle riding at $54 million, and running at $37 million.

*- Economic Impact of Recreational Trail Use in Different Regions of Minnesota (2009)*

### Trail Tourism = Rural Economic Development

While money spent on a trail trip is money not spent elsewhere, the real benefit is that it is money spent in rural towns and in more economically disadvantaged areas.

- ✓ "Although the trails are small income generators compared to manufacturing, health services, and other large sectors of the local economy, their impacts are concentrated in communities dependent on trail activity, and spread to other businesses in population centers and commercial hubs of the region." - Economic Impact of Recreational Trail Use in Different Regions of Minnesota (2009)

- ✓ Trail tourism is one way of creating opportunities for people to vacation in the U.S. and especially places that are not standard tourist destinations.
  - Rather than spending money in Las Vegas, at Disney World, or on cruise ships, they are traveling to rural areas across America.
  - "Fruita, Colorado has earned a reputation as a world-class mountain biking destination that pumps $1.5 million a year into the local economy, according to the BLM.
  - Fruita's sales tax revenues have increased by 51% in the last 5 years, including an 80% increase in sales tax *revenues* from restaurants." - Outdoor Industry Foundation (2006)

## Local Civic Engagement and Small Business Benefits

Communities adjacent to public lands benefit from trails on those lands.

- ✓ Much of the investment in maintaining and creating trail systems comes from volunteers and donations from businesses.
- ✓ Many towns have been successful at identifying the recreation resources, creating systems of trails, and making them more available through maps, signs, marketing, events, and tours.
- ✓ An estimated 800,000 trips are taken annually on *the Great Allegheny Passage, a 141-mile system of biking and hiking trails* from Cumberland, MD to Homestead, PA:
  - Annual direct spending attributed to trail users was $40.8 million in 2008, up from $7.26 million in 2002.
  - Total annual wages attributed to trail user spending: $7.5 million.
  - Since 2007, 93 new trail-related businesses opened in the Trail towns while 19 businesses closed, for a net gain of 47 new businesses.
  - 77% of businesses opened since 2007 remain in operation.
  - Business owners attribute 25% of revenues to their proximity to the trail.

  - *Great Allegheny Passage Economic Impact Study (2007–2008)*

- ✓ "The West Orange, Little Econ, and Cady Way trails in Orange County supported 516 jobs and an estimated economic impact of $42.6 million in 2010."

  - *East Central Florida Regional Planning Council (2011)*

- ✓ The Teton County trail system generated an estimated $18 million in economic activity in 2010, with $1.1 million spent by local trail users and $17 million by non-local trail users:
  1. Employment and wages relating to the trail system in Teton County totaled $3.6 million.
  2. Approximately 213 workers were employed in the summer and fall of 2010.

  - *Jackson Hole Trails Project Economic Impact Study (2011)*

## Trails are Good Public and Private Investments

In pointing out the benefits of trails and greenways, it is important to remember that this value reflects an investment of public tax revenue. The question, according to the Center for Urban Policy and the Environment is: "Are these investments worth the burden to taxpayers? We need more data about the costs of greenways to answer this question fully. However, consider the following:

- ✓ It is clear that homes in greenway corridors on average sell for higher prices. The premium to private property owners in greenway trail and conservation corridors across Marion County likely exceeds $140 million."

  *- Public Choices and Property Values (2003)*

- ✓ "Investment in bicycle facilities improves the safety of the transportation system for all users and also benefits health and fitness, quality of life, and the environment."

  - Economic Impact: A Case Study of North Carolina's Northern Outer Banks (2004)

- ✓ The Walkway Over the Hudson is a 19th Century railroad bridge that has been renovated as a mile-long trail high over the river at Poughkeepsie, NY.
  - Over a million visitors have come since the bridge was opened in 2009.
  - "The Park's success has inspired officials in both Poughkeepsie and Lloyd to enact or speed up zoning changes that will allow for tourist-friendly businesses in areas currently zoned only for housing, as they strive to build on the Walkway's momentum to revitalize their communities."

  *- "Walkway Over Hudson Invigorates Businesses," Wall Street Journal, Sept. 20, 2010*

## Health Care Savings

Another way people benefit from trail facilities is increased public health. Studies are beginning to look at the link between trail use and health benefits.

*Lincoln, Nebraska*

- ✓ Per capita annual cost of using the trails was $209 ($59 construction and maintenance, $150 equipment and travel).
- ✓ Per capita annual direct medical benefit of using the trails was $564.
- ✓ The cost-benefit ratio was 2.94, which means that every $1 investment in trails for physical activity led to $2.94 in direct medical benefit.

*- Cost-Benefit Analysis of Physical Activity Using Bike/Pedestrian Trails (Wang, 2004)*

*Miami, Florida*

- ✓ Development of Ludlam Trail will save the community between $1.68 million and $2.25 million annually in direct medical costs related to lack of physical exercise.
- ✓ It will lead to approximately 4,931 to 6,579 area residents becoming new exercisers.
- ✓ Residents within the Ludlam Trail Study Area can expect to lose or keep off between 32,664 and 109,939 pounds of weight annually by burning between 2.19 million and 7.39 million calories (kilocalories) per week while exercising on Ludlam Trail.

*- Trail Benefits Study: Ludlam Trail Case Study (2011)*

## The U.S. Department of the Interior's Economic Contributions (2011)

Looking at our public lands, a recent study shows the importance of national parks and Bureau of Land Management area to the economy:

- ✓ "The 437 million recreational visits to Interior-managed lands in 2010 supported more than 388,000 jobs nationwide and contributed over $44 billion in economic activity. Many of those

jobs were in rural communities, including 15,000 jobs in Utah, 14,000 jobs in Wyoming, 9,000 in Colorado, and 8,000 in Arizona."

## Statewide Impacts of Trails

Another type of statistic cited in economic studies is the general level of expenditure associated with a particular trail activity. Typical examples are statewide studies of off-highway vehicle recreation expenditures or the economic value of horses. These studies include household spending for equipment, storage, repair and maintenance, and related costs.

- ✓ Bicycle recreation currently supports more than $924 million in tourism and resident spending each year, of which nearly $533 million is direct impact occurring annually, such as travel, equipment sales, and restaurant expenditures.
  - *The Economic Impact of Bicycling in Wisconsin (2001)*

- ✓ "Bicycle tourism brings $66.8 million to the Maine economy."
  - *Bicycle Tourism in Maine: Economic Impacts & Marketing Recommendations (2001)*

- ✓ An Arizona State University economic study of recreational off-highway vehicle use in Arizona found, the total economic impact (direct and indirect) to Arizona from recreational OHV use is more than $4 billion annually.
- ✓ OHV recreation activities provide an economic contribution to the State and its 15 counties mainly through direct expenditures for motorized vehicles, tow trailers, related equipment, accessories, insurance, and maintenance costs.
  - *Arizona State Parks, Statewide Motorized and Non-motorized Trails Plan (2004)*

## Community Benefits Are Numerous

Benefits of trail systems to cities and towns include:

- ✓ More attractive communities.
- ✓ Safer routes for bicyclists, pedestrians, and children going to school.
- ✓ Higher property values and taxes.
- ✓ Businesses want to locate in the same kinds of communities that home buyers want to live in - places perceived as safe and attractive, with opportunities for walking and trail activities.
- ✓ Trails consistently remain the number one community amenity sought by prospective homeowners. - *National Association of Homebuilders (2008)*

## HOW TO LEVERAGE THE NORTHEAST TEXAS TRAIL: IDEAS FOR COMMUNITY ACTION PLANNING

*Source: Implementing Trial-based Economic Development Programs Handbook, Iowa Department of Transportation*

Visit the Northeast Texas Trail Coalition at www.northeasttexastrail.org

Guiding Principles

No two communities will approach trail-based economic development in the same way. Successful trail communities approach the process from many angles, but all began with clear visions of how they wanted the trail system to help their communities. The national experience suggests keeping these principles in mind to guide the planning process:

1. Understand Community Capacity and Desires.
2. Identify Target Markets Based on Trail Characteristics.
3. Determine Community's Relationship to the Trail System.
4. Choose Trailhead Sites Based on Desired User Markets and Impacts.
5. Locate Trailheads Within Town Boundaries to Concentrate Economic Impacts.
6. Build Off Existing Markets.
7. Cultivate Partnerships.

5 Steps to Capitalize on Trail Recreation

Trail communities must be proactive and follow a process to take advantage of the trail, to capitalize on recreation opportunities that will positively impact their local economy.

Step 1: Enlist Citizen Involvement.

Step 2: Build a Community Identity.

Step 3: Develop a Marketing Plan.

Step 4: Choose and Approach to Economic Development:

- ✓ *Regional Economic Development* - Package trails as a quality of life enhancement to retain or recruit businesses and residents.
- ✓ *Tourism Development* - Use trails as a way to attract hotels, restaurants and other tourism-related businesses.
- ✓ *Main Street Revitalization* - Link trails with historic business districts in order to channel demand retail shops, restaurants, and services.

Step 5: Organize for Implementation.

## Top 10 Lessons from Case Studies

Reviewing case studies provides many insights to communities. The following list summarizes the top-10 considerations, in no particular order:

1. **Trails are just one element of a larger visitor experience,** and providing other opportunities (both recreational and non-recreational) draws a more diverse group of visitors. In turn, this allows for a greater variety of businesses.
2. Establishing a community as a viable trail destination mandates that **individual businesses must take individual risks as entrepreneurs** while simultaneously working together with other businesses to build critical mass.
3. **Trail users pass along knowledge to others by word of mouth,** as well as learning about destinations from travel articles, on the Internet, etc. To ensure outstanding peer recommendations, towns and businesses must provide a quality visitor experience to each individual trail user.
4. **Year-round activity is crucial** to the survival of many trail-related businesses. Even if recreational trail use is seasonal, communities can provide off-season attractions that provide different experiences.
5. **Trail planning in urban areas requires cooperation and coordination** not only from different political jurisdictions, but also among various public and private entities within each jurisdiction.
6. Slogans and marketing themes are meaningless unless the entire community buys into them. **Building a true community identity requires the support of political leaders, businesspeople, and the public.**
7. **Recreation alone will not induce visitors to stay overnight.** Communities must provide quality lodging, and dining activities to supplement the draw of recreation.
8. **Different types of trail users behave differently.** For example, snowmobilers are more likely to travel in larger parties, stay longer, and spend more money than bicyclists. As a result, the types of users on a given trail will go a long way toward determining the character of a trail community.
9. A festival only creates economic impacts for a few days each year. To be effective economic development tools, **festivals must become points-of-entry for year-round experiences.**
10. In the global economy, companies can locate just about anywhere and many will make location decisions based on quality of life. **A community with ample opportunities for trail recreation can leverage this advantage for economic development purposes.**

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## Appendix A: NETT and Its Segments