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Minnesota Motorized Trails Coalition and the Coalition of Recreational Trail Users

Testimony on "Opportunities for Outdoor Recreation on Public Lands" on June 22, 2011

In Minnesota, there are 3 types of Off-Highway Vehicles (OHV). They are an All Terrain Vehicle (ATV), an Off-Highway Motorcycle (OHM), an Off-Road Vehicle (ORV, which are 4-wheel drive vehicles). Snowmobiles are also in the state, but are listed in a separate category of vehicle. There is a state association for each type of OHV plus the snowmobiler association. The Minnesota Motorized Trails Coalition (MMTC) is made up of members from each of the state associations. The Coalition of Recreational Trails Users (CRTU) is a separate, educational coalition with 3 board members from each of the 4 state associations.

Off-Highway Vehicles are an important part of life in Minnesota. They are used for assistance in agriculture and hobby farms, as a means to access hunting and trapping areas, as a means to access areas for berry picking or other forest uses, as a form of transportation in place of automobiles in parts of the state, and as a form of recreation. They are an important part of the lifestyle, culture, and tourism within the state. They are also part of a large economic engine that helps drive the state's economy forward.

The state of Minnesota houses the headquarters of both Polaris and Arctic Cat. Both companies make snowmobiles and ATVs. They employ thousands of people directly in their home offices and manufacturing plants, as well as indirectly, including smaller companies that make parts such as drive trains and axels, for the company.

A large portion of the economic engine of OHVs is the recreational use. There were over 360,000 OHVs registered for recreational use in MN in 2010. This figure does not include the thousands of other ATVs that are registered for use as agricultural implements, which must remain on private property.

In 2006, the University of Minnesota completed an economic impact study of ATV use in Minnesota. The highlights of this study are:

Direct ATV-Related expenditures: \$641.9 million

Of the total travel expenditures: \$260.3 million spent at the destination

\$311.8 million spent at home and en route

Economic impact of expenditures: 8,756 jobs

\$224.6 million wages and salaries: \$491.2 million contributed to GSP

\$48.9 million tax revenue

ATV related retail activity: 1,477 jobs

\$39.2 million wages and salaries: \$79.3 million contributed to GSP

\$6.9 million tax revenue

ATV manufacturing activity: 4,216 jobs

\$165.6 million wages and salaries: \$349.2 million contributed to GSP

\$30.4 million tax revenue

Totals: 14,449 jobs

\$429.4 million wages and salaries: \$919.7 million contributed to GSP

\$86.2 million tax revenue

Combined total including expenditures: \$2.08 billion

While ATVs are the largest sector of OHV riders in Minnesota, the number above would be higher if OHMs and ORVs were included in the report. The report also does not calculate the indirect impacts such as the companies which manufacture parts that are used by the ATV manufactures, marketing, government agencies that administer or regulate the trails, etc. The report also does not calculate the impact of non-resident recreational riding in Minnesota.

All of this impact is generated on 858 miles of recreational trails plus 2,379 miles of System Forest Roads and Minimum Maintenance roads. In addition, there are 143 miles of OHM-only trails.

In 2009, the Minnesota Recreational Trail Users Association (MRTUA) worked with the University of Minnesota to discover the trail user's economic impact for both motorized and non-motorized terrestrial trail use (although there are over 4,000 water trails in Minnesota, their use was not included). Motorized recreationalists contribute more money to the economy during their use of the trails, then non-motorized recreationalist. The chart below indicates the amount of money spent per day directly related to trail activities of longer than 30 minutes:

Runners	\$26
In-line Skaters	\$26
Walkers/Hikers	\$39
Horseback Riders	\$43
Bicycle Riders	\$44
ATV Riders	\$46

Snowmobile Riders	\$49
Cross-Country Skiers	\$54
OHM Riders	\$63
ORV Riders	\$69

The positive economic impact of the recreational trail use is only one of the ways that recreational OHV use creates a positive economic impact for Minnesota. For example, there are 8 motocross promoters in the state whose living is based on OHM recreation. Spring Creek Motocross Track is the largest of the motocross tracks in Minnesota. It holds several amateur events and 2 professional events each season. The Rochester Post Bulletin newspaper did an article on one of the 2 professional races, estimating that one event pulls over \$4 million into the local economy. For the track itself, about 20,000 people attend the event, it has about 150 event staff, 50 security personnel, hire about 25 local sheriffs and other police officers, several EMT personnel, a dozen local food vendors and a dozen local accessories vendors. They also hire the local 4-H club to pick up the grounds after the event and to assist with parking the cars. Then there are the local hotels, restaurants, gas stations, parts shops, etc. that derive income from this one event. The article states that the gas station in near-by Zumbro Falls sets its summer staffing according to the Spring Creek track event schedule.

To help accentuate the full impact of the statistics and studies, let me share with you some real examples of the impacts of the recreational use of OHVs in Minnesota:

1) The Iron Range OHV Recreation Area. This park was the first OHV riding park in the state of Minnesota. As you may expect, the Iron Range area of Minnesota is the location of the mining industry in Minnesota. The Quad Cities of the Iron Range are Eveleth, Gilbert, Mountain Iron, and Virginia. Gilbert was known as the red light district of the Iron Range and was working hard to reverse that image. The rest of the Quad Cities were also working to improve their economy since taconite and taconite mining were no longer as valuable. During the planning process for the OHV Recreation Area, only the city of Gilbert was willing to put an entrance to the park in its city due to the fears from the misconceptions of the types of people who ride OHVs.

Prior to the park opening in October of 2002, the All Terrain Vehicle Association of Minnesota held its spring convention at the park. To help the community get a more realistic idea of who an OHV rider is, ATVAM members used \$2 bills to pay for their services in the area. This act made a tremendous impression with the local community. The iron range resources tourism board estimated that the economic input to the local area from that one convention was over \$125,000.

Since the opening of the park, Gilbert is the only town on the iron range that is expanding the amount of businesses in town and the businesses are directly related to the OHV park, such as parts stores, camping areas, OHV wash areas, etc. The nearby cities of Eveleth and Virginia have requested access to the park directly from their towns and the City of Virginia is working with the DNR and user groups to open an expansion of the park, more than doubling its size.

2) The City of Appleton had a city park that was not getting used due to flood damage. Because of the cost to continue to repair the paved walkways, the city started to explore other uses of the area. One of the ideas was to turn the area into an OHV park. The Swift County Board of Commissioners did its research and got behind the idea. The park was built and first opened in 2004. Since that time, the city has opened 2 additional expansions and plans to continue to open other expansions as land and funding for acquisition becomes available.

The City of Appleton also houses a 1400 bed private prison. This prison was closed by the owners because of the decreasing use of the prison by the state governments, which moved to house as many inmates in state and county prisons as possible. However, the city has not seen an over-all economic decline from the closure of the prison due to the positive economic of the OHV riding area.

3) The City and County of Houston are working on bringing tourism to their town in the Southeastern corner of the state. They have already put in a trailhead for a walking/bike path and have a fly-fishing trout steam running through their area. They still need additional tourism income to help the city to prosper. They are turning to OHV recreation. They have started the planning and acquisition process to purchase private land for an OHV trail system. As part of the planning process, national experts were brought in to hold an OHV Management Workshop in the City of Houston. Although it is still years before the OHV trail system will be open, the Mayor already feels like the plan has had a positive economic impact since the workshop brought the first catering contract to the local deli and the city's accommodations were all filled for the first time since the largest hotel opened in 2005.

Without the trail systems that currently exist in Minnesota, there would be little opportunity for the positive economic impact in the state from the recreational use of OHVs. And yet, the potential for a greater impact is still there. During the recession, the registrations for OHVs dipped, but there are signs that in a few years the number of registrations will again be on the rise. With over 360,000 registered vehicles, and only 1,001 state trail miles, there is a lot of room for improvement of these economic numbers.