



2018 Economic Analysis of the Devou Park Backcountry Trail System

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Executive Summary



The key findings of this report are twofold:

- The Economic and Impact Analysis of the Devou Park Backcountry Trail System (DPBTS) reveals this facility is generating positive economic output.
- An analysis of outdoor recreation and specifically biking trends shows that across almost all demographics the sport is timely and is experiencing strong national and regional growth.

To better understand specific attributes of users of the trail, an online survey of trail users was conducted. Three hundred and thirty (330) total responses were received and analyzed, most showing positive interest in the DPBTS. Most survey responses indicated a very dedicated group of users almost split evenly between Cincinnati, OH and Northern KY residents with a few outlying visitors from as far away as Michigan, Florida, and Washington DC. With the most

common answer for frequency of trail usage at more than 30 times per year, survey responders demonstrated an avid interest in the trail system.

Economic impact was calculated based on a range of current annual visitors of 35,236, and projected annual visitors of 50,000 and 75,000. Economic impact variables included spending for a local trip with no lodging, an overnight trip with lodging, and spending on hard goods such as bikes and clothing. The current and potential economic impact is encouraging.

A conclusion follows that discusses strengths and weaknesses of the analysis.

Introduction

The purpose of this economic and impact analysis is to examine the economic impact to the local and surrounding community of the Devou Park Backcountry Trail System (DPBTS) located in Devou Park within the City of Covington, KY. This report is intended to guide the discussion about the economic value specific to this trail system. This report does not address, but is still part of, a much larger picture of the value and impact of current and potential trail systems in Greater Cincinnati.

This analysis includes the direct economic impact currently and projected to be derived from the DPBTS. The research was provided by Devou Good Project. The Rails-to-Trails Conservancy Northeast Regional Field Office Trail User Survey Workbook was used in development of the study. <https://www.railstotrails.org/resourcehandler.ashx?id=3543>

While we feel overall that the data presented in this report is conservative, our projections are based in part on data from the Outdoor Foundation which presents data at the national level. We have used partial year counts of users from infrared counters installed by the Cincinnati Off-road Alliance (CORA) on two of the main trails in the DPBTS. We have adjusted for inclement weather in our area where appropriate.

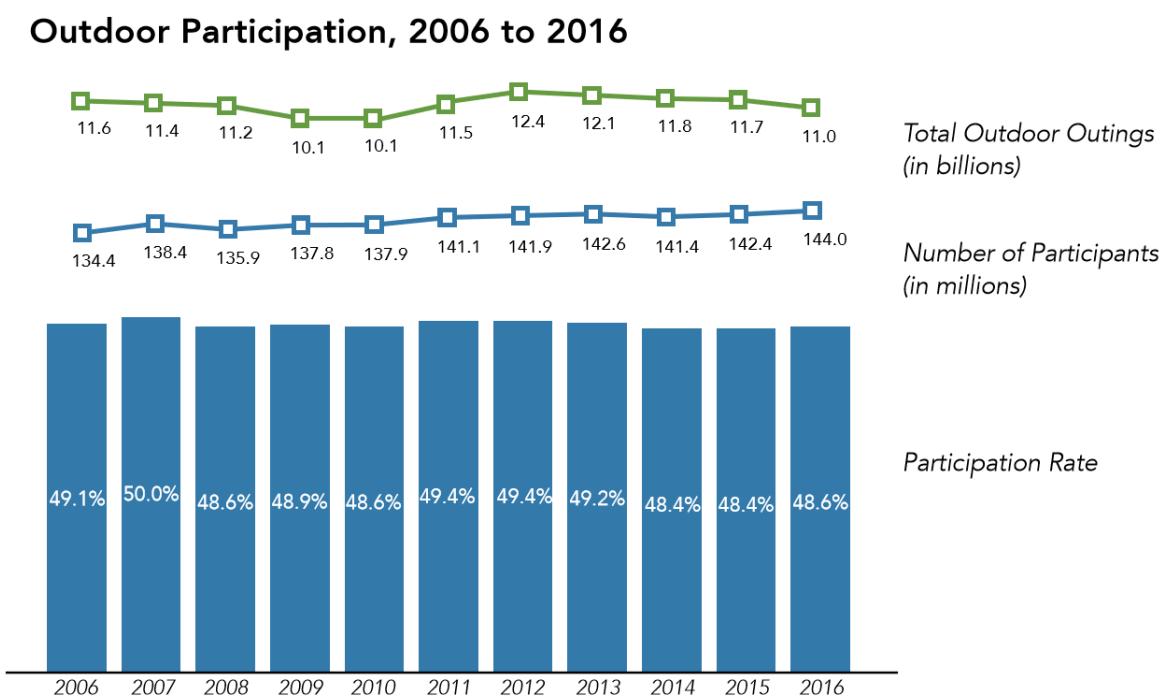
A financial analysis is provided as a basis for the economic impact model. A survey was disseminated to individuals on the email list of the Devou Backcountry Trail Collective and on the Facebook pages of Cincinnati Off-Road Alliance, Covington Parks and Recreation, and the Devou Good Project. Survey invites were also posted at the trailheads within Devou Park.

Survey responses from 330 individuals are tallied and economic relationships are presented and discussed.

Finally, a conclusion for the study is supported by the financial analysis as well as expected future trends for the industry and the facility specifically.

Trends in Outdoor Recreation

According to the Outdoor Foundation Participation Report, trends in outdoor participation have remained between 48% - 50% over the last ten years for Americans age six and older. In 2016 144 million Americans, ages 6 and over, participated in outdoor recreation, an increase of 1.6 million participants since the year before.

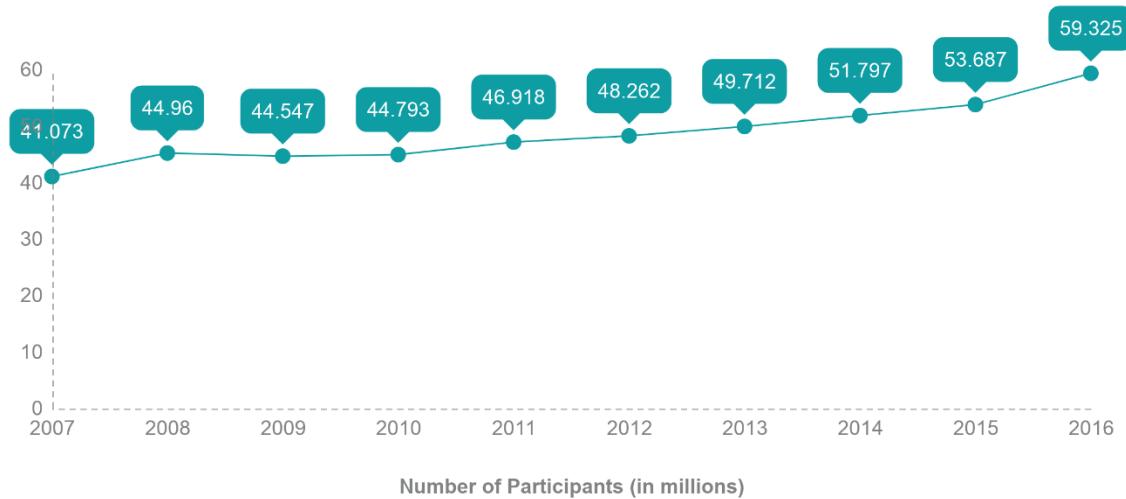


Source: The Outdoor Foundation

Running, jogging, and trail running remain the most popular outdoor activity with 18% or 52.3 million Americans participating. Fishing is second with 16% participation rate or 47.2 million participants. Road Biking, Mountain Biking, and BMX are third with 15% participation rate or 45.8 million. Hiking is fourth with 14% or 42.1 million participants. For youth aged 6 to 17 years, bicycling and running are the two most popular outdoor activities. In 2016, 25% of youth participated in bicycling and 21% in running. For young adults aged 18 to 24 years, running, hiking, camping, and biking are the top four outdoor activities. In 2016, 31% of American young adults participated in running, 18% participated in hiking, and 14% in bicycling.

Specifically looking at mountain biking for all ages, the participation rate has grown from 2.5% in 2007 to 2.9% in 2016. The number of people participating has grown from 6,892,000 to 8,615,000. This represents a 25% increase in ten years. Hiking has grown from 10.8% to 14.2% in the same time-period. The number of people participating in hiking has grown from 29,965,000 to 42,128,000. This represents a 40% increase. Trail running has also grown significantly from 1.5% to 2.9% of the population. An increase from 4,216,000 to 8,582,000 or a 103% increase in ten years.

Hiking, Mountain Biking and Trail Running Participation



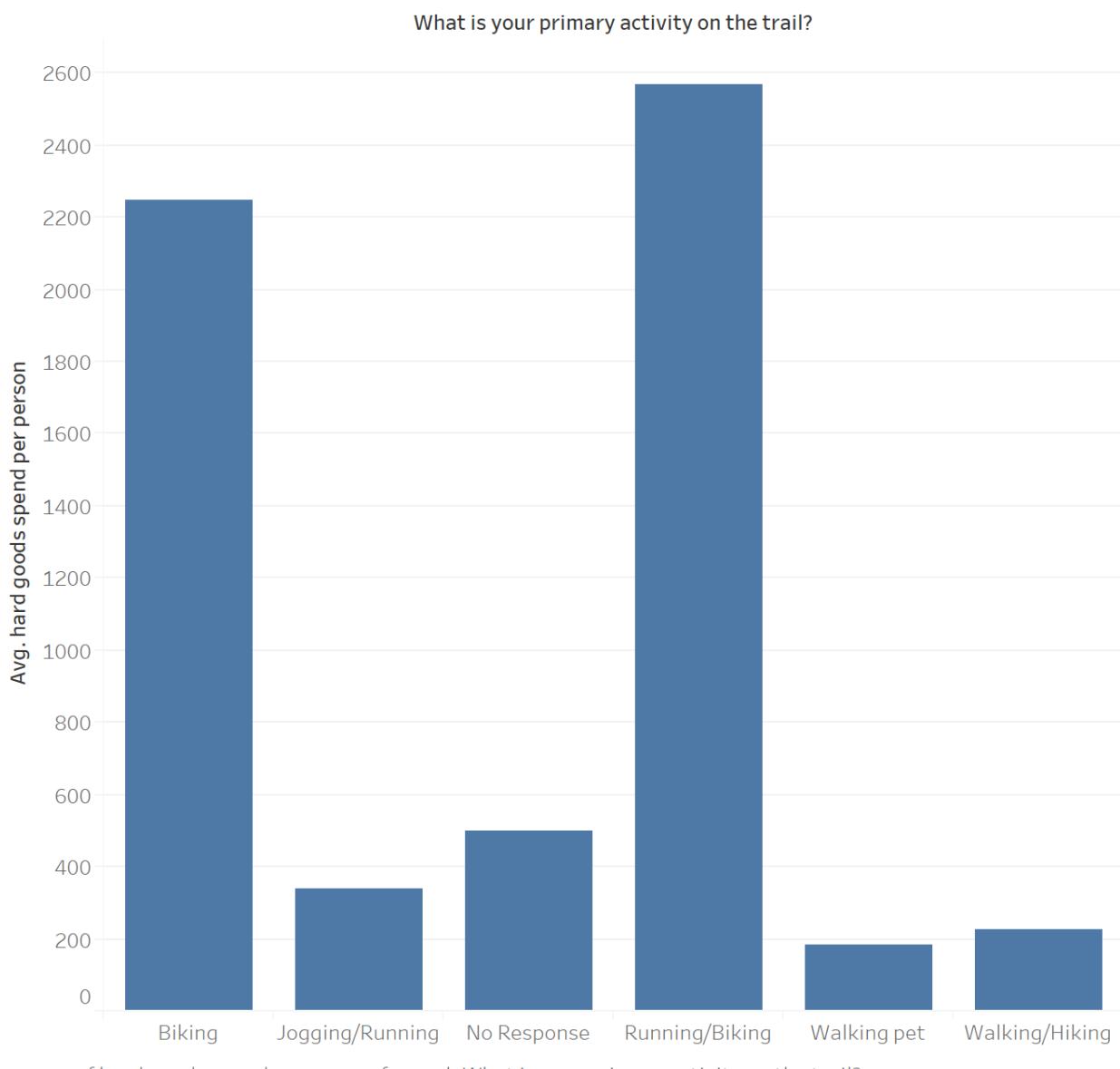
Source: The Outdoor Foundation

Mountain biking, trail running, and hiking represent the three main uses of the Devou Park Backcountry Trail System. In total they appeal to 20% of the US population or 59,325,000 people ages 6+. In comparison, golf participation rates have dropped from 10.7% or 29,528,000 in 2007 to 8.0% or 23,815,000 in 2016.

Market and Spending Potential

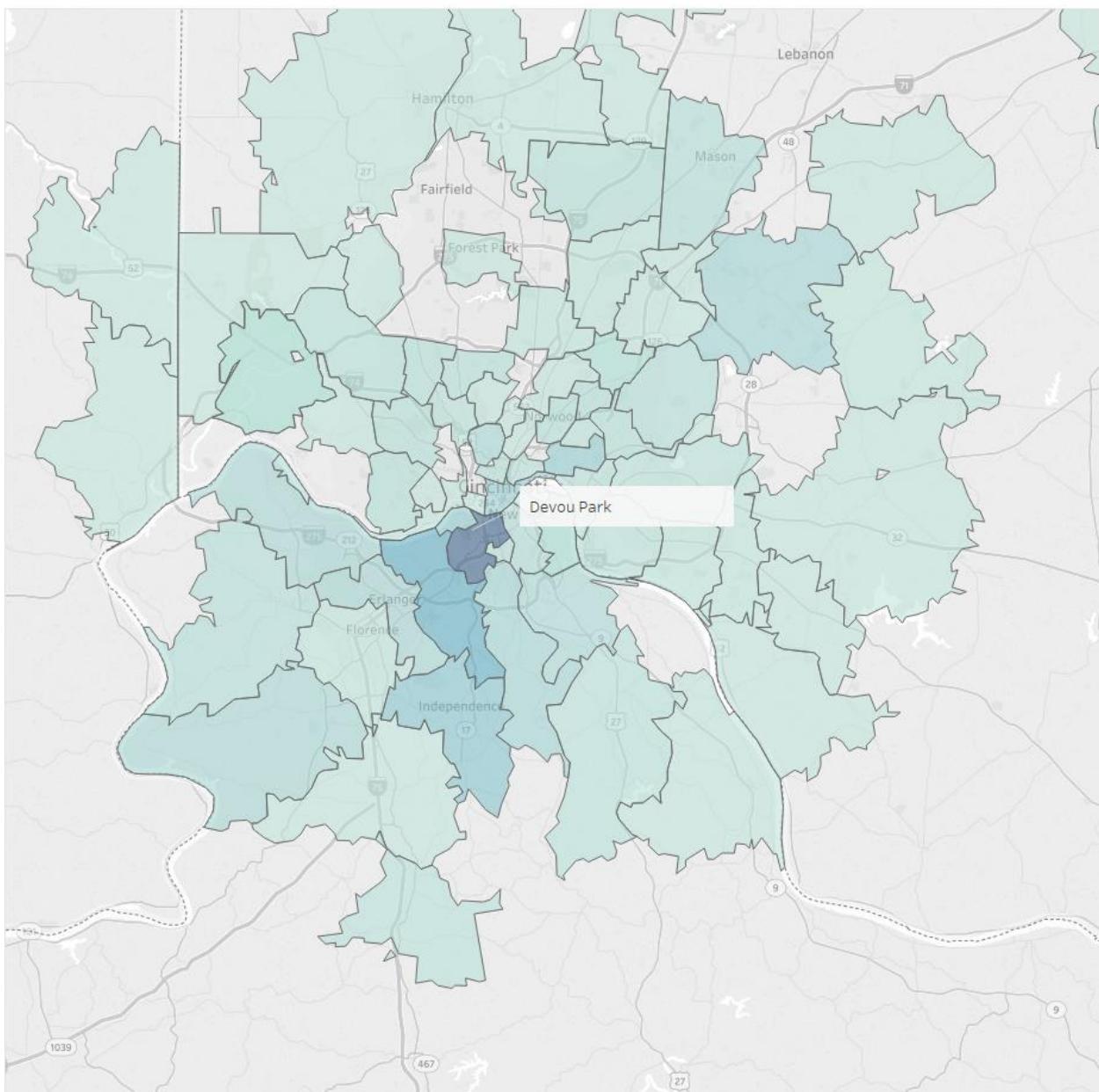
Based on the influence of the DPBTS, users who both ran and biked, or who exclusively biked, spent \$2,567 and \$2,248 per person over the last 12 months. Users that did not bike spent significantly less with trail runners spending \$340 and those that claimed hiking as the primary use spending \$228.

DPBTS Hard Goods Avg Spend by Trail Activity



Based on the zip code data from the user survey that was conducted, the Cincinnati MSA represents the target audience. Trail users came from across the region with the highest concentration coming from the 41011-zip code where the DPBTS is located. These users were 14% of the total. The 2nd highest concentration of 6% came from the 41017-zip code.

DPBTS Trail User's by Zip Code



Map based on Longitude (generated) and Latitude (generated). Color shows sum of Number of Records. Details are shown for ZIP/Postal Code.

In 2016, the population of the Cincinnati MSA was 2,165,139.

(<https://www.bea.gov/regional/bearfacts/pdf.cfm?fips=17140&areatype=MSA&geotype=4>)

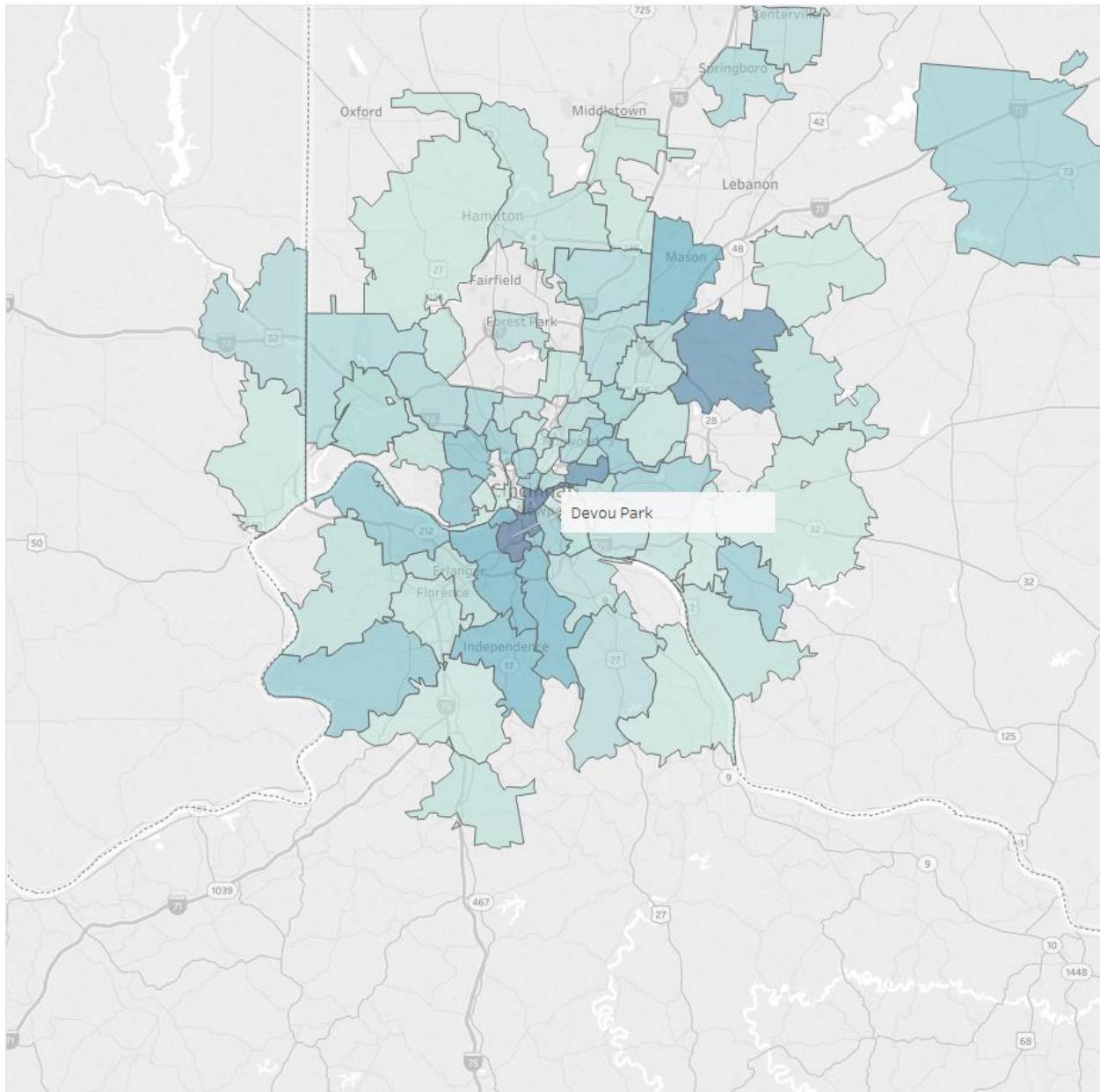
In keeping with the estimates for the total US population ages 6+, 92% of the MSA is the market potential. This leaves 1,991,800 in the MSA eligible to participate. The total potential for mountain biking based on national averages is 2.9% or 57,762 people in the Cincinnati MSA.

The Outdoor Foundation reported that the average number of outings per cyclist was 54 in 2016. Our own research shows that our users average 39 trips per year. This could be accounted for the freeze-thaw cycles in winter which cause the trails to be frequently closed, as well as use of other facilities. Based on the data collected by the Outdoor Foundation and our own survey data, the Cincinnati MSA has the potential of 2,252,718 trail visits (57,762 mountain bikers * 39 trips). Our actual visits in 2017 are 35,236. We have conservatively projected visits of 50,000 and 75,000 to illustrate future economic impact.

Because of the extreme winter weather and high likelihood that freeze-thaw conditions occur in January and February, only March through December were used for calculation purposes. The peak trail facility usage is May through October.

The average user spent \$13.01 on soft goods per visit. This includes meals, snacks, beverages, ice cream, and lodging (hotels or AirBNB). The total annual spend on soft goods was \$458,281. This spend came from a cross section of all users. The highest spend per visit occurred from those outside of the Cincinnati MSA. These are users that typically incurred expenses related to overnight accommodations. The largest concentration of soft good dollars came from users in 41011 (5%) and 45202 (5%) zip codes. These zip codes represent the area the home zip code of the DPBTS and the main city of Cincinnati, OH.

DPBTS Trail User's Soft Goods Spend by User's Zip Code

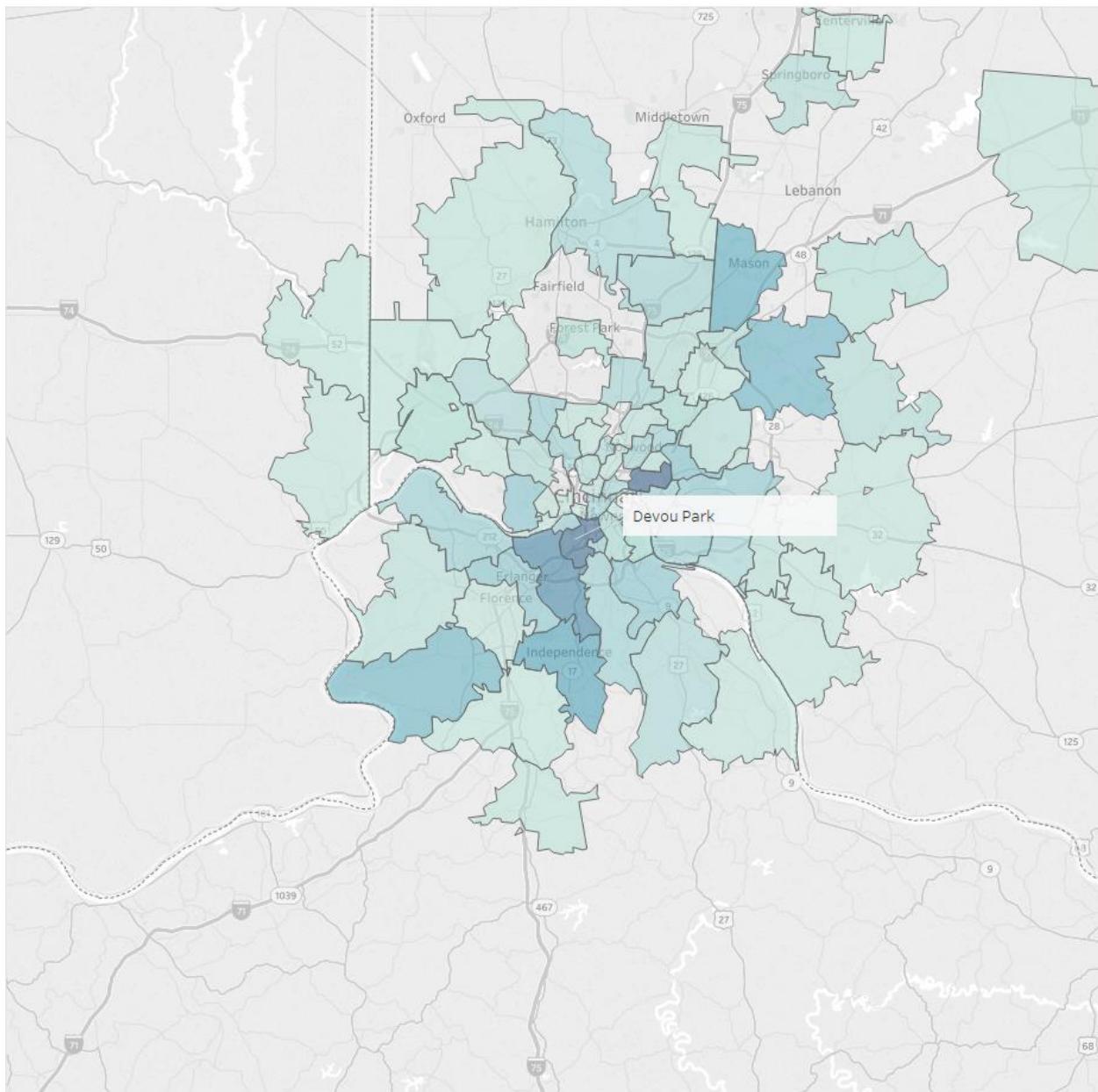


Map based on Longitude (generated) and Latitude (generated). Color shows sum of soft goods spend. Details are shown for ZIP/Postal Code.

The trail facility had a total of 904 unique users which spent on average \$1,478.95 on hard goods in the last twelve months based on the specific influence of the DPBTS. Hard goods include bicycles, bike accessories, auto accessories, and foot wear. Of these users, 24% spent zero on hard goods in the past twelve months, 30% spent \$1,000 to \$4,999 and 10% spent \$5,000 or more. The largest concentration of hard goods spend (9%) came from users in the

45208-zip code which corresponds with Hyde Park, an affluent neighborhood located in Cincinnati, OH. The second largest concentration (8%) came from the 41011-home zip code for the trail system.

DPBTS Trail User's Hard Goods Spend by User's Zip Code



Map based on Longitude (generated) and Latitude (generated). Color shows sum of hard goods spend. Details are shown for ZIP/Postal Code.

The total direct economic impact for 2017 was \$1,795,980. The actual private dollars invested in the trail system through 2017 is \$225,000. This represents a one-year return on investment of almost 8 times.

The estimated annual soft goods spend projected at 50,000 visits is \$650,303 and at 75,000 visits \$975,455. While hard goods by their nature have a longer lifespan, we believe from our experience that equipment tends to be upgraded quicker than it wears out. To test this, we will conduct an additional survey 12 months after the first survey. We will then be able to more accurately project the annual expenditure on hard goods.

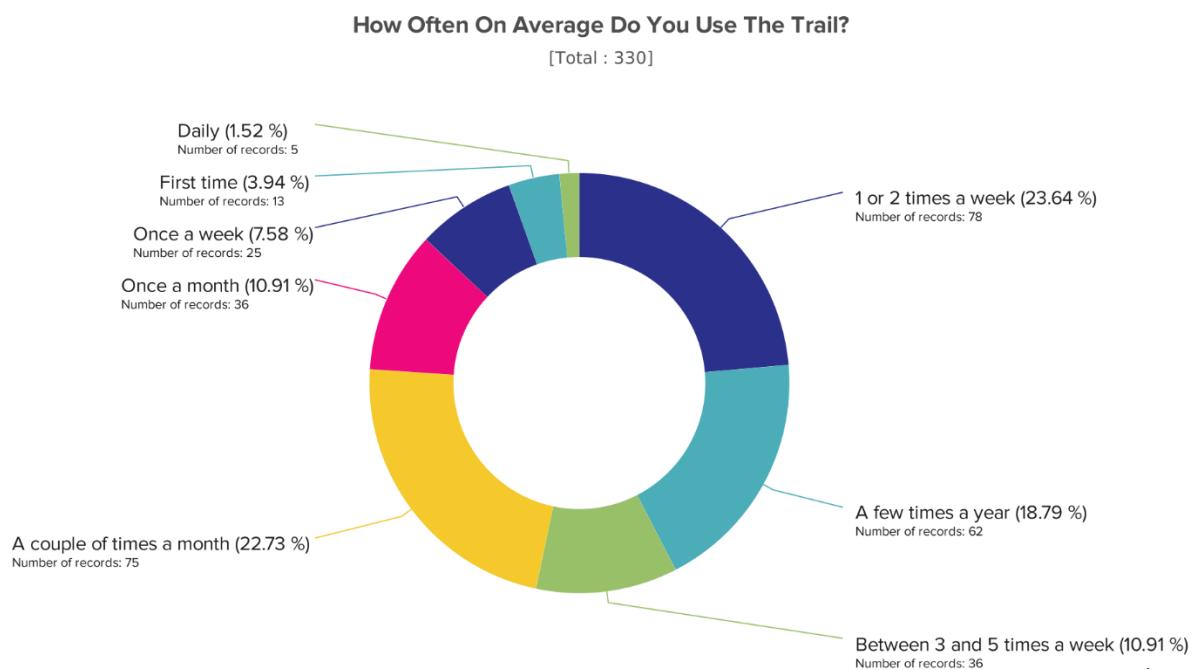
2017 Economic Impact Analysis

Category	Avg. \$	# of unique users (May - Oct)	Mar - Dec User Visits	Projected	Projected
			35,236	50,000	75,000
Soft Goods	\$13.01		\$458,281	\$650,303	\$975,455
Hard Goods	\$1,478.95	904	\$1,337,699		

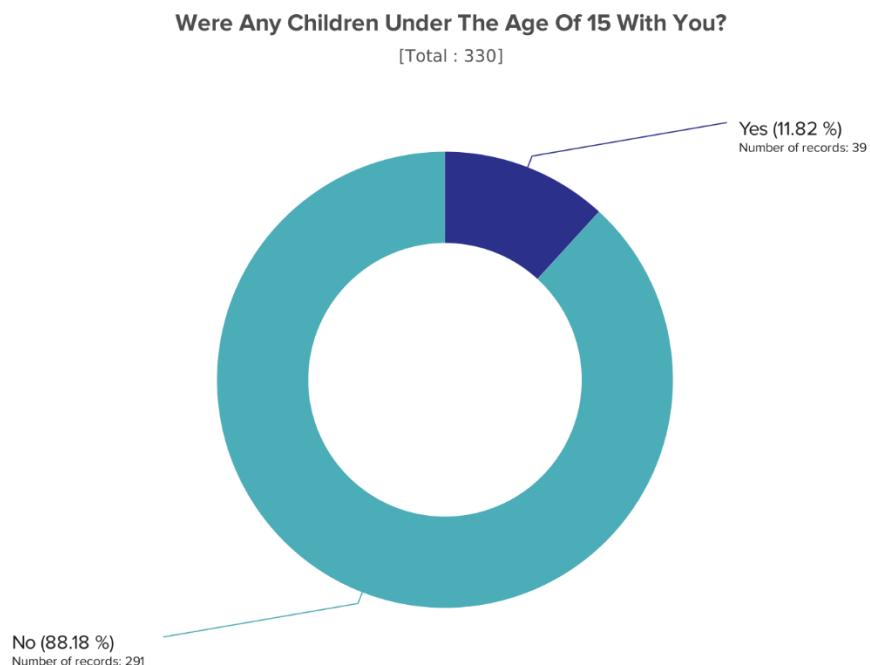
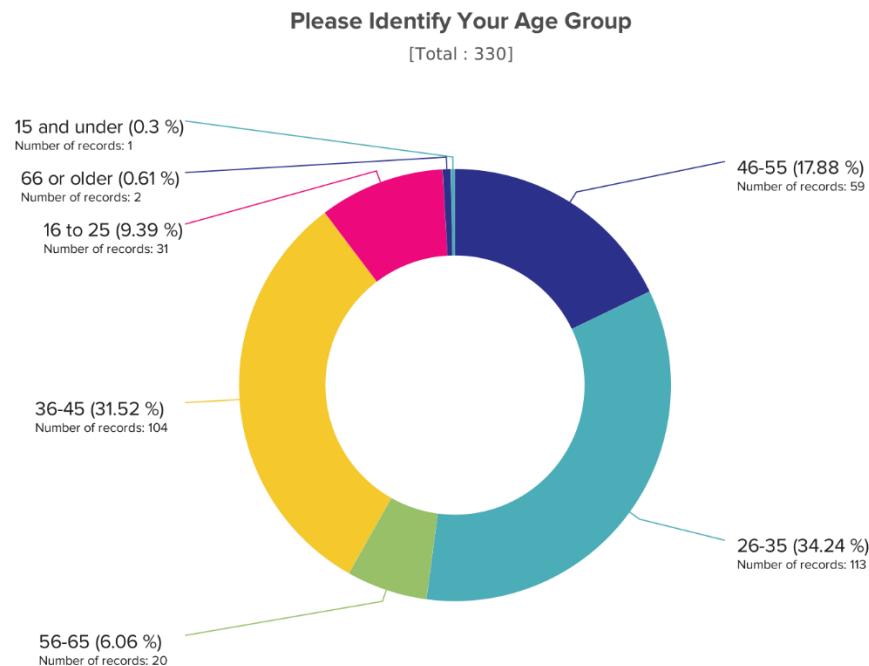
Devou Park Backcountry Trail Survey

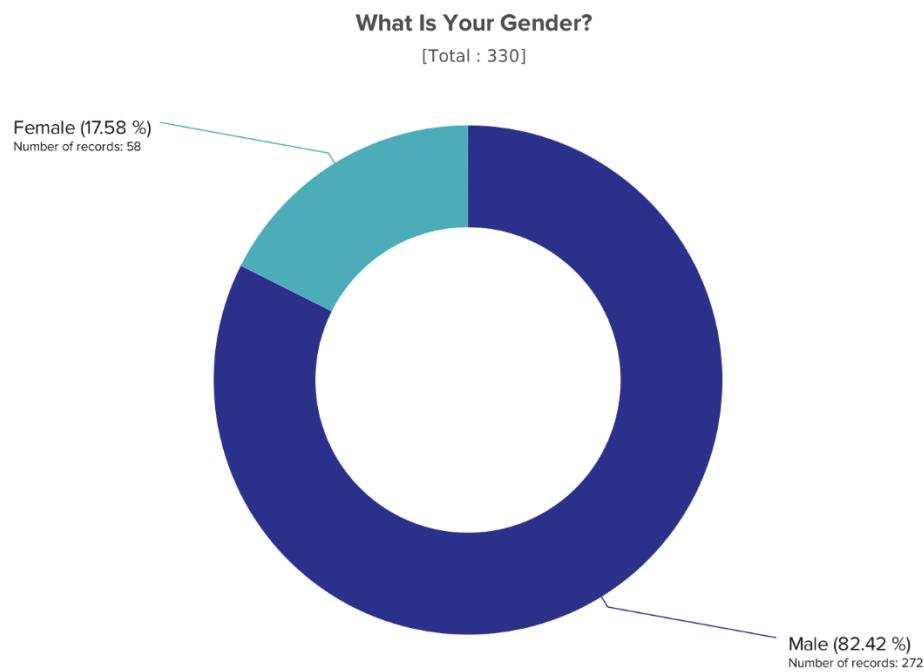
A survey was developed and distributed to users on the DPBTS and through the Cincinnati Off-Road Alliance (CORA) Facebook page. The survey was open from 7/8/2017 – 8/15/2017. To encourage participation, all completed surveys were entered into a drawing for a \$200 Reser Bicycle Gift Card. A total of 330 surveys were completed. See Appendix A for the complete survey instrument.

The trail facility has a significant number of dedicated users. 36% of the respondents reported they use the trail system at least once per week. 23% reported this was either their first-time or they only used the trails a few times per year.

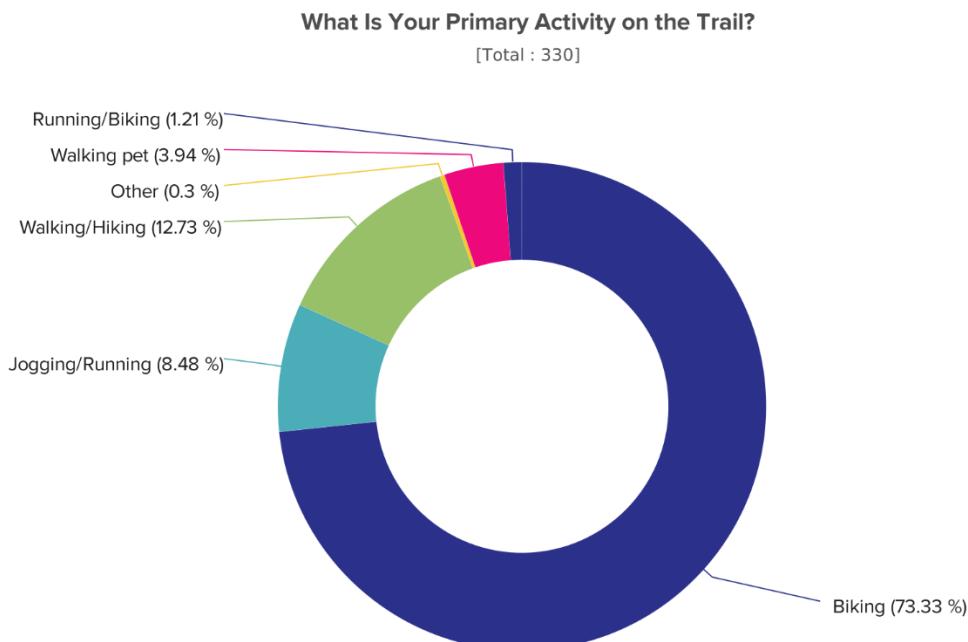


Most survey respondents were men ages in the 26-35 and 36-45 age ranges. 12% of respondents reported bringing someone 15 years of age or younger with them on their visit.

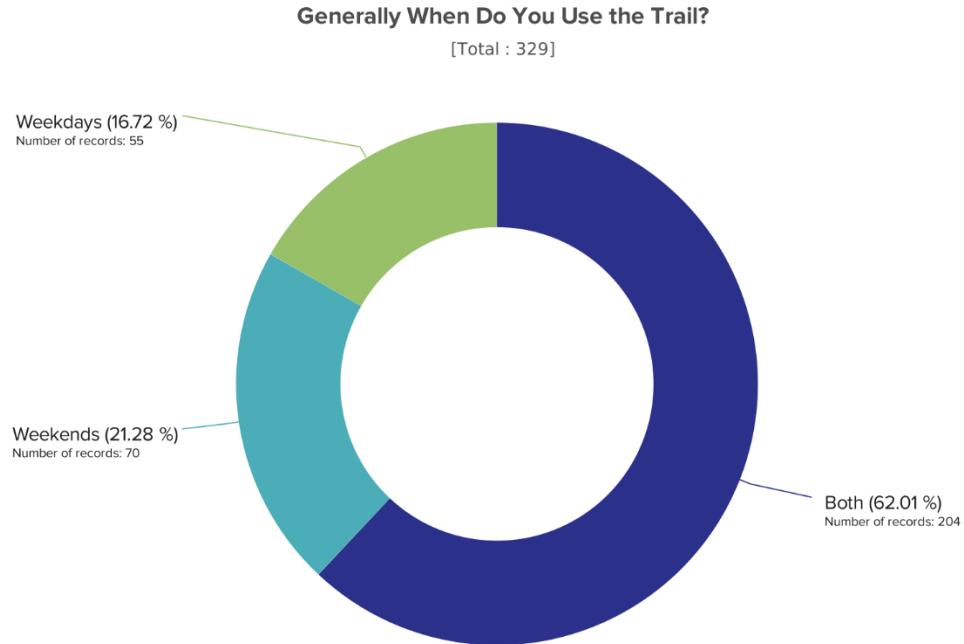




Respondents who biked represented 72% of the activity on the trail. While the trail system is heavily promoted within the mountain biking community, with additional signage and trail maps the potential for hiking/trail running should increase.



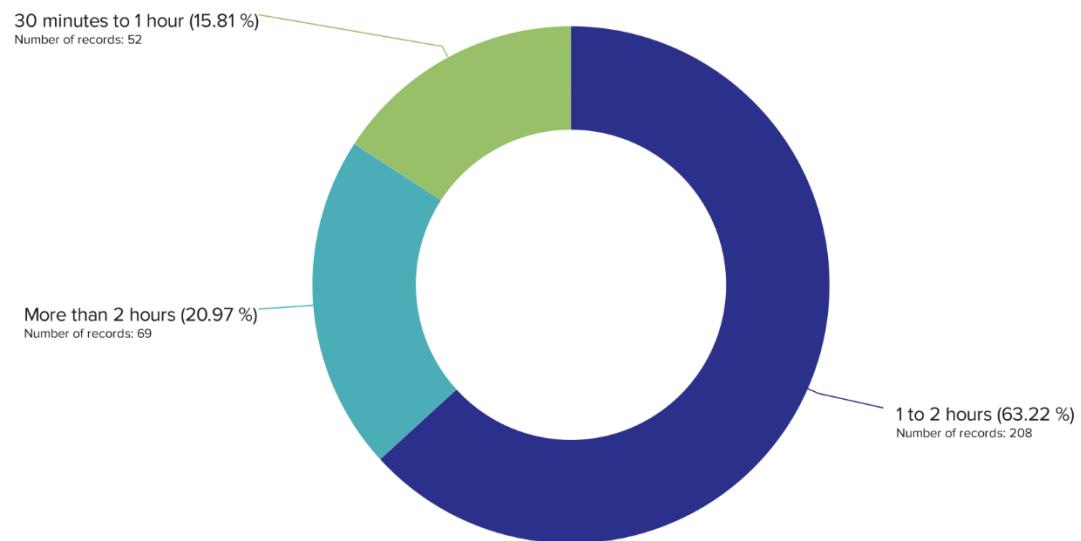
Survey respondents overwhelmingly reported using the DPBTS on both weekends and weekdays. A casual observer will note the increase in cars parked at trailheads on almost any dry sunny day. Like surfing, the trails are utilized when the weather and ground conditions are ideal.



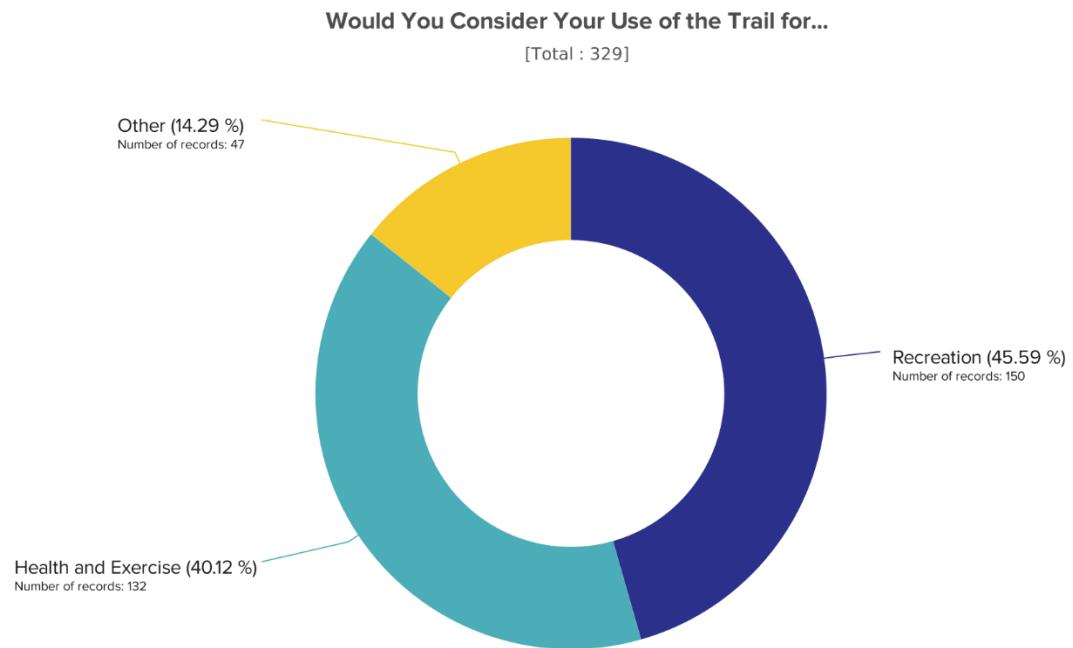
84% of respondents reported using the trails for at least one hour per visit. Most visits were between one and two hours in length. Opportunities exist to extend the amount of time using the trails by adding more trails, adding connectors to existing trails, and promoting other park amenities such as the Welcome Center Bar and Grill.

How Much Time Do You Generally Spend on the Trail Each Visit?

[Total : 330]

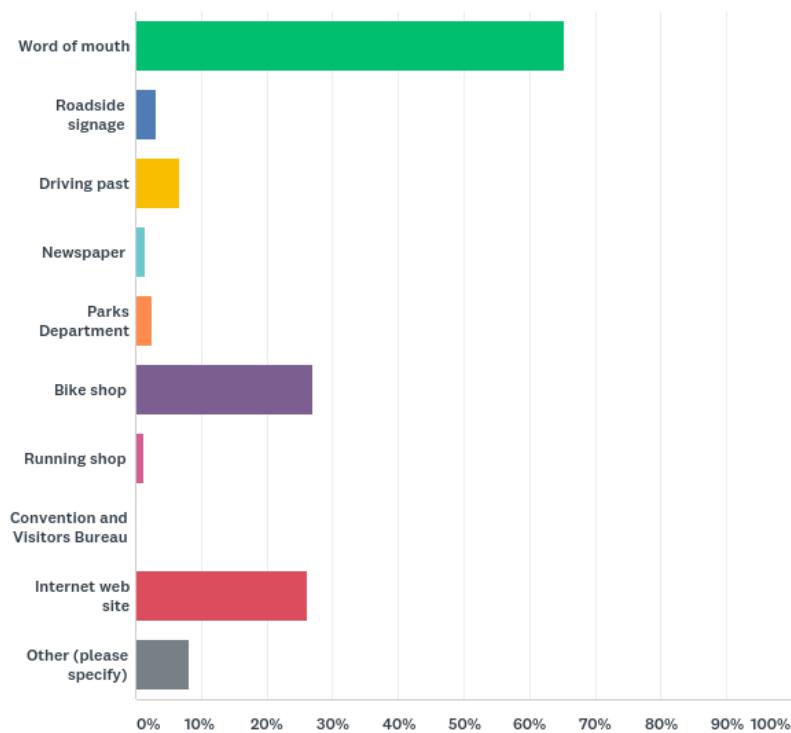


Usage of the trail was mostly for recreation or health and exercise. Respondents could type in their own response and most of those reported using the system for recreation, fitness training, AND health and exercise. One respondent used the trail for commuting.



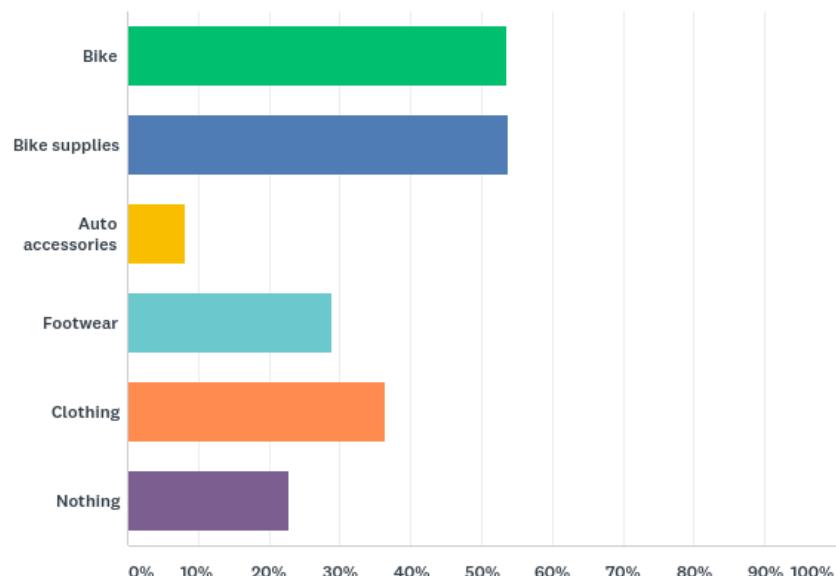
Awareness of the trail is mainly through word of mouth. This is extremely encouraging as it shows that the trails are positively perceived. Word of mouth marketing is essentially free. Opportunities exist to promote the trails through other outlets including running shops and printed maps distributed to bike shops and perhaps some highly targeted digital marketing campaigns such as Facebook Groups or Google AdWords Keyword Targeting.

Q9 How did you find out about the trail?



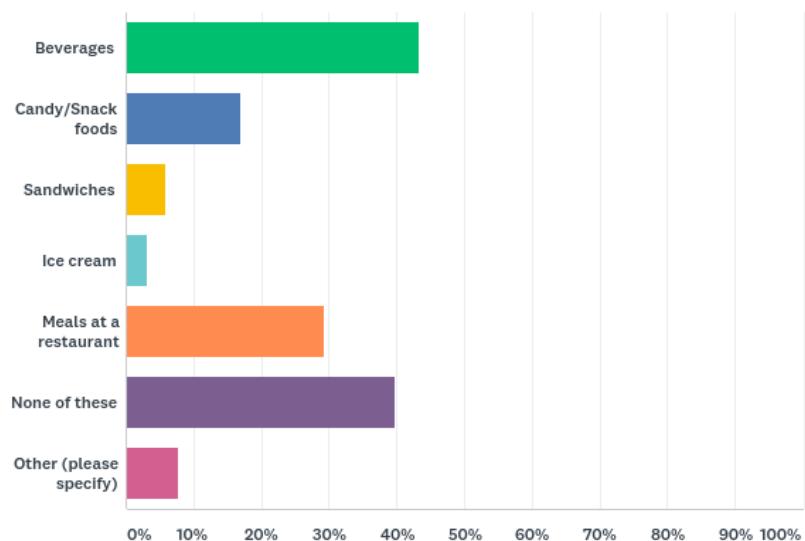
More than 50% of trail users reported purchasing bikes and an equal amount responded to buying bike supplies because of the trail system. The average expenditure per person in the last twelve months on these type of items is \$1,478.95. This average includes the 24% who said they spent nothing.

Q10 Has your use of the trail influenced your purchase of:



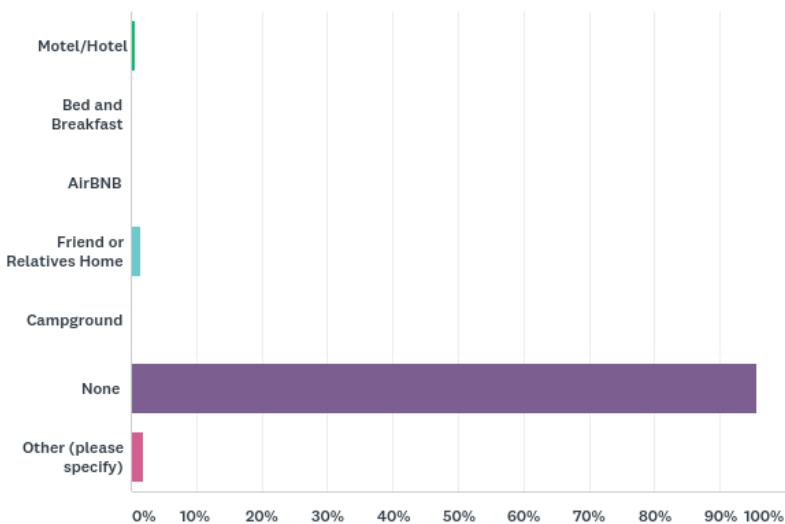
Soft goods spending was reported to be \$13.01 per person per visit. This average includes the 40% that said they spent zero per trail visit. This spending represents an opportunity for the Welcome Center Grill to capture additional revenue. A bicycle rack and repair stand have been installed at the Welcome Center to attract more bicyclists. The possibility exists to create a trail access point directly at the Welcome Center.

Q12 In conjunction with your most recent trip to the trail, did you purchase any of the following?



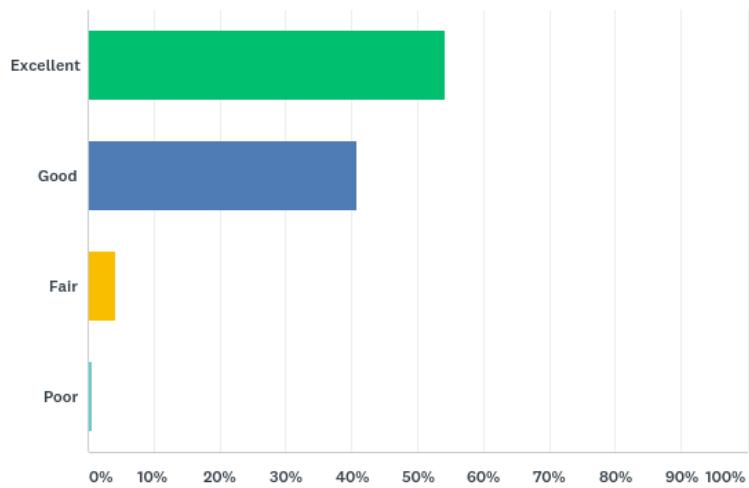
There were very few trail users that reported a paid overnight stay because of the trail system. The opportunity exists to bring in more users from outside the Cincinnati MSA. However, this is largely dependent on more trails being developed within Devou Park and at other locations in the MSA. Because of the terrain, location, and professionally built trails, DPBTS is well positioned to be the regional leader in the MSA.

Q14 Did your visit to the trail involve an overnight stay in one of the following types of accommodations?

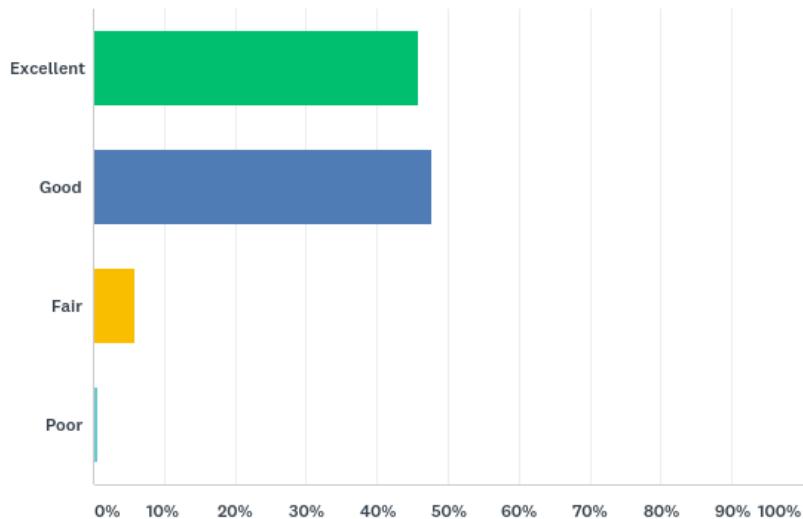


Overall, respondents reported the trail maintenance, cleanliness, and safety to be either good or excellent. This is largely due to the build quality of the trails and the volunteer groups that maintain the trails. Because the trails are built in a mature forest, a significant amount of labor is involved in clearing downed trees especially after storms, as well as eradicating invasive plant species.

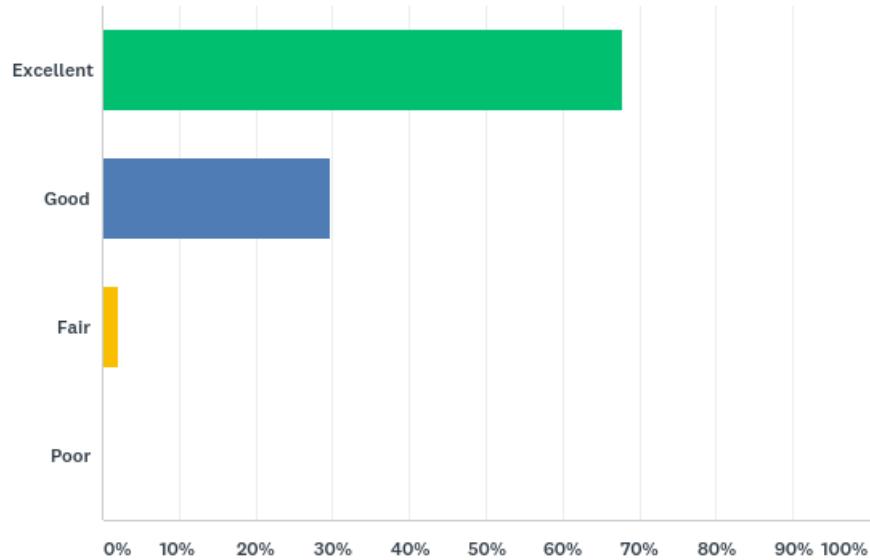
Q17 In your opinion, the maintenance of the trail is



Q18 In your opinion, the safety and security along the trail is

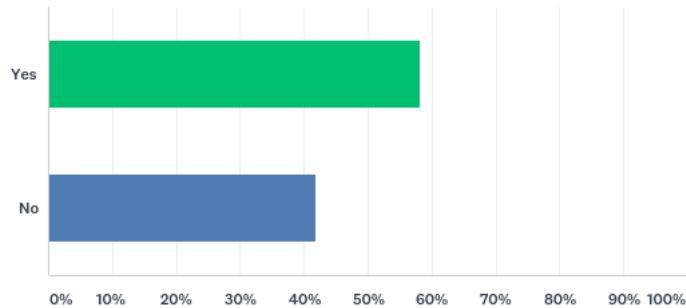


Q19 In your opinion, the cleanliness of the trail is



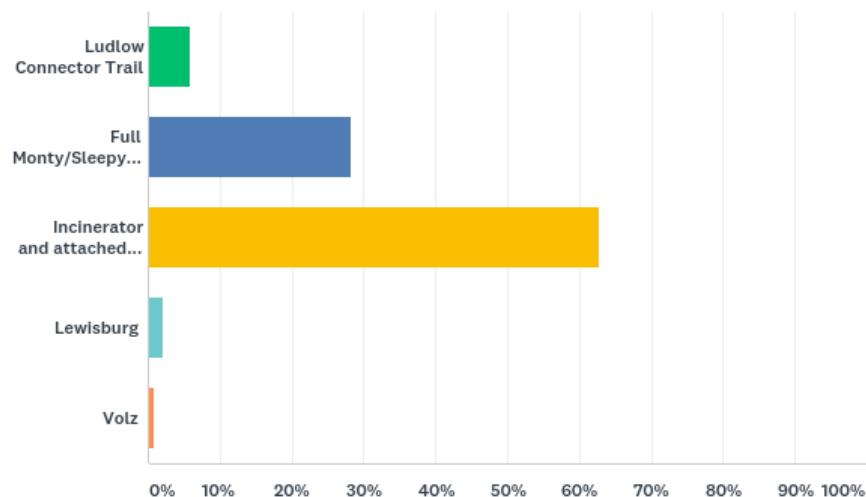
58% of respondents reported that they would be willing to pay a usage fee to help maintain the trails. There are several trail systems in use around the country that defray some of the cost by charging usage fees. Typically, either annual memberships or day passes are sold to adult users. Usage fees are charged in Devou Park for use of the golf course, picnic shelters, and events venues.

Q20 Would you be willing to pay an annual usage fee to help maintain the trail?



63% of the respondents reported that they used the Incinerator trails most often. These are trails situated west of Sleepy Hollow Road in a part of the park that is largely forested hillside. In the last two years an additional connector was built from the developed east side of the park to the west side. There are now two connectors to the west side. However, both require crossing of the busy roadway to access the trails.

Q21 What portion of the trail do you use most often?



Conclusion and Recommendations

Based on industry trends, outdoor trail sports are growing and becoming increasingly popular. Survey results indicate strong support from a core group of individuals in the Cincinnati MSA. Respondents are excited about the trails and view them in a positive light. Spending, especially related to Mountain Biking activities, is significant.

As the trail system grows both in popularity and length, we expect to see further growth in its economic and social impact. Additional trails being built in the Cincinnati MSA such as Mt. Airy Park should further the usage of the DPBTS. The new trails will likely bring more individuals to the sport both from within the MSA and from outside of it. It will be key for the DPBTS to maintain and improve the facility to remain the top destination for mountain biking in the MSA.

Devou Park and the trail facility have numerous restaurants, hotels, and stores within a few miles of the trailheads. Additionally, the City of Covington opened a new Welcome Center Bar and Grill located within the park itself. The Welcome Center has a rack for ten bikes as well as a bike fix-it stand. In addition, bicycle rental is planned at this facility which will bring more users to the trail system. All of this is conducive for usage by destination mountain bikers from outside the MSA. As the other phases are completed, area merchants should begin to see increased traffic from trail users.

With over 35,000 visits in 2017, the DPBTS is the top participatory activity in Devou Park. Funding for additional trails and trail amenities should come from a mix of sources. Funds should be raised from trail users by soliciting donations via Android Pay, Apple Pay, or text to donate at the trailheads. Users should also be given the opportunity to sign up for volunteer days and subscribe to an email newsletter when donating. Touch points for solicitation should be integrated into a downloadable trail map and paper maps located at the trail heads.

This report shows the value of the DPBTS to the park. As such, Devou Park Advisory Committee, provider of oversight for the maintenance of the physical structures of Devou Park, is admitting an individual to represent the trails at committee meetings. This is a significant first step. Both the Committee and Devou Properties Board should also invest in the trails through capital funding of trail expansion and maintenance. The creation of a Park Director position who would report to Devou Properties would further accelerate the DPBTS expansion as well as oversee all park activities with a focus on park programming.

Further synergies with the DPBTS, Devou Park, the City of Covington, and surrounding areas exist through the implementation of DevouCycle, a bicycle rental program to be implemented in 2018. The Park and DPBTS should be promoted through local hotels and social media such as Yelp and Trip Advisor. Further options for promotion include mountain bike magazines, trail rankings websites, and events.

Weaknesses that we identify are small areas of concern. Outside of some city provisions, the trails are largely built and maintained by a core group of volunteers. These volunteers are self-organized and do not have an operating structure. The Devou Park Advisory Committee has recognized the trails and will be admitting a volunteer leader to represent the trails on the committee soon. Signage on the trails and within the park are inadequate. Plans are in the works to test vandal proof signs as well as provide printed maps at the trailheads and within the park. Parking is adequate, although bathroom and water facilities are lacking on the west side of the trails. Additionally, some of the parking for the western trails might be impacted by development at the Ludlow ball fields.

The data presented in this report shows clearly the economic value of the DPBTS to the City of Covington, Northern KY, and the Cincinnati MSA. Our hope is that it can provide a basis for growing collaborations between public and private entities in enabling both the growth of the DPBTS and the creation of new, complimentary trail systems in the Cincinnati MSA.

References

Outdoor Participation Report 2017 by The Outdoor Foundation - https://outdoorindustry.org/wp-content/uploads/2017/05/2017-Outdoor-Recreation-Participation-Report_FINAL.pdf

Trails Count! - A Report by the BAY AREA TRAILS COLLABORATIVE -
<https://www.railstotrails.org/resourcehandler.ashx?id=7669>

Trail User Survey Workbook by Rails-to-Trails Conservancy -
http://www.docs.dcnr.pa.gov/cs/groups/public/documents/document/dcnr_002308.pdf

Appendix A

How often, on average, do you use the trail?

- Daily
- Between 3 and 5 times a week
- 1 or 2 times a week
- Once a week
- A couple of times a month
- Once a month
- A few times a year
- First time

Please identify your age group.

- 15 and under
- 16 to 25
- 26-35
- 36-45
- 46-55
- 56-65
- 66 or older

Were any children under the age of 15 with you on your trail experience today?

- Yes
- No

What is your gender?

Male

Female

What is your primary activity on the trail?

Walking/Hiking

Biking

Jogging/Running

Walking pet

Other (please specify)

Generally, when do you use the trail?

Weekdays

Weekends

Both

How much time do you generally spend on the trail each visit?

Less than 30 minutes

30 minutes to 1 hour

1 to 2 hours

More than 2 hours

Would you consider your use of the trail to be for...

Recreation

Health and Exercise

Fitness Training (marathon, triathlon)

Other (please specify)

How did you find out about the trail?

- Word of mouth
- Roadside signage
- Driving past
- Newspaper
- Parks Department
- Bike shop
- Running shop
- Convention and Visitors Bureau
- Internet web site
- Other (please specify)

Has your use of the trail influenced your purchase of:

- Bike
- Bike supplies
- Auto accessories
- Footwear
- Clothing
- Nothing

Approximately how much did you spend on the items above in the past year?

In conjunction with your most recent trip to the trail, did you purchase any of the following?

- Beverages
- Candy/Snack foods
- Sandwiches
- Ice cream
- Meals at a restaurant
- None of these
- Other (please specify)

Approximately how much did you spend, per person, on the items above on your most recent visit? (round to the nearest dollar)

Did your visit to the trail involve an overnight stay in one of the following types of accommodations?

- Motel/Hotel
- Bed and Breakfast
- AirBNB
- Friend or Relatives Home
- Campground
- None
- Other (please specify)

How many nights did you stay in conjunction with your visit to this trail?

Approximately how much did you spend on over night accommodations per night?(round to the nearest dollar)

In your opinion, the maintenance of the trail is

- Excellent
- Good
- Fair
- Poor

In your opinion, the safety and security along the trail is

- Excellent
- Good
- Fair
- Poor

In your opinion, the cleanliness of the trail is

- Excellent
- Good
- Fair
- Poor

Would you be willing to pay an annual usage fee to help maintain the trail?

- Yes
- No

What portion of the trail do you use most often?

- Ludlow Connector Trail
- Full Monty/Sleepy Hollow/Goat Path
- Incinerator and attached trails
- Lewisburg
- Volz

What is your city, state, and ZIP Code?

City/Town

State/Province

ZIP/Postal Code

Please enter your email address so that you will be entered into the drawing.

Email Address