Business Analysis Report

Impacts of the Pere Marquette Rail-Trail on the Economy and Business Community of Midland and Isabella Counties, Michigan

By

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The Pere Marquette Rail to Trail History

The Pere Marquette railroad corridor began as an industrial asset to transport raw materials and finished goods across the state of Michigan. Today the corridor remains a significant transportation asset providing transit, exercise and recreation experiences to residents and tourists.
Transportation and Community Redevelopment

Linear-trails symbolize redevelopment efforts. In Coleman Michigan, the abandoned railroad corridor and downtown area were transformed into positive community assets and exercise/recreation facilities.

Old Coleman Depot (1990)

Yesterday’s Depot Restaurant (2001)
Linear-Trails Connect Communities and Business
Linkages between Linear-Trails and the *Economy*

- Investment in infrastructure
- Expenditures by trail users
  - Sporting equipment and accessories
  - Restaurant and convenience goods
  - Accommodations for overnight stays
- New development of residential areas along the linear-trail and existing homes retaining or gaining value
- Out-of-county visitors use and participate in special events
- Agricultural industry participates with farmers’ markets and trail users experience farm life and landscape
Linkages between Linear-Trails and the *Business Community*

- Theme for businesses to position their product
- Favorable image and sense of community
- Product line extensions by current businesses
- New business development
- Added transportation option, exercise and recreation facility, and positive community image for employer recruiting, particularly out-of-state professionals
- Healthier and happier employees can lead to less absenteeism
- Tourism promoters distributes attraction and lodging information which highlights trail experiences
Linkages between Linear-Trails and Financial Support

- Project attracts a variety of state and federal funds
- Investments by local and regional foundations to improve quality-of-life
- Local volunteer group or “Friends” organizations assist with fund raising and maintenance efforts

Special Thanks
Thanks to all who made the Pere Marquette Rail-Trail happen: The many individuals, service clubs, foundations, businesses, organizations, and governmental units of Clare, Isabella and Midland Counties; the Saginaw-Chippewa Indian Tribe; and the Michigan Departments of Natural Resources and Transportation.
Cooperating to improve the lives of all...
Linear-Trails and the Economy

Investment in Infrastructure

- Financial assistance in the construction of the Pere Marquette Rail-Trail came from many partners including DNR, MDOT, foundations, townships, tribal funds and in-kind services.
- In 1993, Midland County received $4.3 million to construct the rail-trail.
- In 2001, Isabella County received $1.6 million to construct the rail-trail extension.
- In 2001, Midland County received an additional $0.2 million to enhance and connect to the rail-trail extension.
- In each construction project, local construction firms were used resulting in more money spent locally.

Construction of the Pere Marquette Rail-Trail extension in Isabella County
A local bike store doubled their business with the construction of the rail-trail.

The 1999 Midwest Tandem Rally held in Midland County generated $260,000 of local spending. Event participants spent on average $566 per travel party.

The 1999 Michigander Bike held in mid-Michigan and southwest Michigan generated $207,000 of local spending. Event participants spent on average $233 per travel party.

1999 Tandem Rally cyclists who visited Midland County as special event participants reported spending $2,500 per year on cycling; Michigander participants reported spending $748 per year on cycling. These individuals were exposed to the many trail-related businesses in Midland County during their visit.
Developers are considering future residential developments adjacent to or linking with the rail-trail.

Midland and Isabella County adjacent residents have maintained or gained home marketability with the rail-trail.

Senior housing projects are located along the rail-trail providing seniors access and visibility in the community. Younger retirees also stay in a community for recreation amenities like rail-trails.
Linear-Trails and the Economy

Trail Tourism

- In the past few years, hundreds of individuals have requested rail-trail information from the local convention and visitors bureau. Eight out of 10 visited Midland County, and 3 out of 10 used the rail-trail.

- Two of every 10 rail-trail users lives outside the county area. Seven out of 10 nonresident rail-trail users are repeat users.

- Rail-trail users who are tourists spend money in restaurants and retail stores. Many also stay overnight. Eight out of ten visited a restaurant business along the trail.
Linear-Trails and the Economy

Agricultural Ties

- During the summer and fall seasons, rail-trail users ride to downtown Midland to shop at the Farmers Market located at the trailhead.

- Residents of the Riverside Senior Housing also rely on the market for groceries and the rail-trail for socializing and exercise.

- Near Coleman, rail-trail users enjoy the farmscape and are reminded of the presence of the agricultural industry in mid-Michigan.
Linear-Trails & the Business Community

Positioning Businesses

- Coleman’s new visitor guide features the Pere Marquette Rail-Trail and local businesses side-by-side.

- Businesses have the opportunity to market and align their products and services along the rail-trail theme.
Linear-Trails & the Business Community

*Image & sense of community*

- A community visioning process sponsored by the Midland Foundation and a county recreation needs assessment by Michigan State University, both show residents’ view the Pere Marquette Rail-Trail as a top community asset.
Linear-Trails & the Business Community

Product Extensions by Current Businesses

- Successful businesses have become even more successful by adding trail-related products and services to their product mix.

Coleman Auto and Bike Shop

Alex’s in Sanford
Linear-Trails & the Business Community

New Businesses

- The newly opened Buttonville Inn of North Bradley is adjacent to the Pere Marquette Rail-Trail and markets their hospitality to trail users for unique overnight experiences.
Almost all businesses located within a quarter-mile of the Pere Marquette Rail-Trail reported (96%) their employees use the trail.

Rail-trail usage by employees occurs throughout the day.
Linear-Trails & the Business Community

Healthy Community Leads to Better Workforce

• 48% of Midland County households used the Pere Marquette Rail-Trail in the past 12 months and reported improved health conditions.

• Users’ experiences:
  – “the rail-trail was good after my heart surgery”
  – “helps keep my blood pressure down”
  – “lost 57 lbs. over 2 years walking on the rail-trail and Weight Watchers”
  – “great continuous exercise, unlike sidewalks and streets”
The rail-trail was the primary purpose in visiting Midland County for 75% of the intercepted non-resident rail-trail users.

Destination marketing brochures feature the rail-trail as a main attraction.

Hotel advertisements offer trail-related services like bike and inline skate rentals.
Linear-Trails and Financial Support

Accesses State Funds and Grants

- Midland County Parks and Recreation Department was successful bringing in $2.0 million of state and federal grants to build the rail-trail.
- Isabella County Parks and Recreation Department secured $0.7 million.
Linear-Trails and Financial Support

Foundation Investments in Community Assets

• The Midland County Community Foundation was the catalyst fund raising organization which worked with other local, private and corporate sponsors to assure the development of the Pere Marquette Rail-Trail.

Sculpture representing local community philanthropists
Linear-Trails and Financial Support

Friends Organizations Fund Raising

- The Friends of the Pere Marquette Rail-Trail have provided over $50,000 since 1995 for the construction, enhancement, and maintenance of the trail.
Ways to Achieve Additional Economic Benefits from Rail-Trails

• Further involve local chamber organizations and convention and visitor bureaus in marketing and supporting rail-trails as community attractions.

• Use the rail-trail as a key benefit to help in locating a business in a county--employers and employees consider quality-of-life, transportation, and health as a key factor in relocation.

  – Ruby Tuesday’s restaurant headquarters recently moved to downtown Knoxville for its location on the beautiful greenbelt and trail system.—Sandy Beal, Chairman & CEO, Ruby Tuesday, Inc.
More Ways to Achieve Additional Economic Benefits from Rail-Trails

- Link rail-trails to retail corridors (downtown, shopping malls), residential areas, schools, and employers (hospitals, corporate facilities, government buildings).

- Attract special events that utilize rail-trails and link community events (festivals, fairs, etc.) with a trail-related activity/feature.

- Ask rail-trail users, particularly those from out-of-town, what additional services or provisions they would use and pay for.
More Ways to Achieve Additional Economic Benefits from Rail-Trails

- Link rail-trails to various lodging options, from campgrounds to bed & breakfasts and motels together. In Isabella County steps are being made to link the county’s campground and day use area to the rail-trail.

- Consider incorporating new trail users, e.g. equestrian, mountain biking, snowshoe, etc. and marketing the rail-trail to other recreation user groups e.g. bird watchers, anglers, etc.
For More Information on the Economic Benefits of Rail-Trails

• Contact:
  – Department of Park, Recreation and Tourism Resources, Michigan State University
  – 517-353-5190
  – http://www.prr.msu.edu/trails/pere_marquette_rail.htm
• See this website for additional references of trail related contacts and websites.