

Re Item 4.1, Future Guelph Strategic Plan 2024-2027

To Guelph Committee of the Whole,

The City-owned Guelph Junction Railway Right-of-Way provides an unparalleled opportunity to capitalize on the development of rails-with-trails; doing so would yield economic benefits that rival or surpass those of GJR's commercial activities. As Council considers the new Strategic Plan, and soon the four-year budget, I urge you to become more proactive about this incredible asset.

Based on an extensive literature review of the economic impacts of rail trails and rails-with-trails, I have completed and am attaching a brief economic impact analysis of the benefits Guelph would receive from completing the #1 Priority Project in the Guelph Trail Master Plan, the G2G—Guelph Trailway, connecting Guelph to the G2G Rail Trail and the TCT (Great Trail) spur connection.

Thank you,

Meg Thorburn  
Chair, Guelph Trail User-Groups Coalition, GTUC

(GTUC is comprised of Guelph Coalition for Active Transportation, Guelph Cycling Club, Guelph Off-Road Bicycling Association, Guelph Trails Hiking Club and Guelph Victors, with membership of over 2,000 Guelph residents)

# **The Economic Argument for Completing the G2G-Guelph Trailway**

Dr. Meg Thorburn, on behalf of the Guelph Trail User-Groups Coalition

## **Executive Summary**

The 2021 Guelph Trail Master Plan identified completion of the gap in the Trans Canada Trail (also known as the G2G-Guelph Trailway, “Trailway”) as the Number 1 City Building Priority Project. It also received a high priority in the previous GTMP. However, no progress has been made on this project.

After reviewing the vast body of literature regarding the economic benefits of rail and other through trails, we are confident that completion of the Trailway will yield more economic and other benefits per dollar spent than any other recreational or tourist projects being considered by the City.

Although dollar value amounts vary depending on trail length and attractiveness, population density, etc., all trail economic studies have found substantial net benefits. Studies quantify several of the following tangible economic benefits:

1. Increased revenue for local restaurants, hotels, gas stations, grocers, bicycle stores, sporting good stores, etc.
2. Increased property values
3. Helps struggling businesses stay in operation
4. Opening of new businesses
5. Job creation
6. Increased tax revenue at the federal (HST, income tax), provincial (HST, income tax) and municipal (MAT, property tax) levels
7. Economic stimulus from construction

**For the first item alone, using published data on spending and trail use from similar trail systems, completion of the G2G-Guelph Trailway would initially generate a total annual increase in revenue to local businesses of \$1,432,200, an amount that will further increase over time.** We have not estimated the economic impact of the other six items, but there are myriad examples in the literature showing they provide impressive net benefits.

Our calculations and estimates for revenue generation are shown below, followed by two Sections summarizing the studies from which we derived our estimates: “Studies Used in the Economic Impact of the G2G-Guelph Trailway”, and “Addendum”. Please refer to these Sections for more details and source data.

To quote a planner from Winter Garden, FL, a town that credits its rail trail with a miraculous economic revival, **building an economic plan around rail trails has “become a proven strategy to revive places and make towns stronger”<sup>1</sup>.**

## Increased Revenue Calculations

### **Average daily spending by rail trail users:**

#### Nondurable items (food, drinks, hotel, etc)

Local daily users: \$18

Nonlocal day users: \$30

Overnight visitors: \$240

#### Durable goods (bicycle supplies, clothing, etc)

All users: \$72

(This is calculated on the life of durable good costs divided across the total number of trips)

### **Annual increase in number of users starting and/or finishing the G2G in Guelph with completed G2G/TCT connector:**

Local day users: 2,100 (10/day, April-October)

Nonlocal day users: 5,600 (200/wk, April-October)

Overnight visits: 2,800

### **Total annual increase in revenue generated in Guelph with completed G2G/TCT connector:** (calculated by multiplying user numbers by user spending)

Nondurable items: \$877,800

Durable retail goods: \$554,400

**Total: \$1,432,200**

## Studies used in the Economic Impact Analysis of the G2G-Guelph Trailway

### *The Great Trail (formerly Trans Canada Trail) in Ontario*

The Guelph Trailway will connect to the Kissing Bridge Trail as part of the Guelph-to-Goderich Trail and as part of a spur trail to the Great Trail (TCT).

Price Waterhouse Cooper published an [Economic Impact Analysis of the TCT Trail in Ontario](#)<sup>2</sup> in 2004. At that time, 2,250 km of the total 4,061 of planned TCT in ON was completed.

The following overview of the economic impact of the TCT in Ontario is taken from their Executive Summary:

Results of the economic impact analysis indicate that Ontario and its 12 Travel Regions are shown to derive significant and real economic impacts from a completed trail. The outcome of the economic impact study indicates that all users' recurrent non-durable good and durable good expenditures, as well as trail maintenance expenditures on an annual basis will result in the following impacts:

- Over **42,000 Ontarians** can attribute their jobs to the Trans Canada Trail in Ontario's recurrent expenditures;
- A total of about **\$2.4 billion** will be generated annually in value added income in the Province of Ontario. Of that, a total of **\$152.8 million** will be sustained by non-local user expenditures (representing "new money" into the economy).
- Total recurrent tax collections will add to about **\$1.04 billion** annually for all levels of government, of which nearly \$140.7 million per year will remain with local governments in Ontario.

Construction of the currently undeveloped portions of the TCT-ON will generate an additional **\$247.5 million** in new income to the province, which supports **3,688 person years** of total provincial employment and combined tax impacts for all three levels of government in the amount of **\$92 million**.

One of the major challenges facing the Trans Canada Trail in Ontario at present is a lack of funds to complete the currently undeveloped sections of Trail. It is interesting to note **that the cost of constructing the currently undeveloped sections of Trail could be recovered in just four years worth of total tax revenue from all three levels of government from the non-local users' non-durable expenditures alone.**

## **Studies of the Economic Impact of Rail and Similar Trails**

Published economic impact studies of trails generally incorporate any or all of the following elements:

1. Construction costs as an economic stimulus
2. Tourism spending at trail-oriented and trail-adjacent businesses
  - a. Hard good purchases (bicycle and hiking equipment and clothing, etc), soft good purchases (food and drink, etc), overnight stays
  - b. Jobs created
  - c. Federal and state/provincial taxes
3. Health savings from increased fitness
4. Intangible benefits from improved mental, physical and psychological well-being
- 5.

We present some summary data and case studies that primarily focus on tourism spending. We attach an Addendum with more detailed notes and additional examples; more can be provided if requested.

### **Overall estimates, U.S.A.**

[\*Rails-to-Trails Conservancy \(RTC\)\*](#)<sup>3</sup> has pioneered the use of trail user visitation and spending surveys to accurately assess the value of the U.S. trails tourism economy along destination rail-trails. Using their 15-years-plus dataset of localized trail-spending studies, RTC found **average direct spending at trail-oriented and trail-adjacent businesses of \$5 million to \$7 million and an economic impact of between \$10 million and \$40 million dollars a year**, depending on the length of the trail and number of commercial operations nearby, much of it coming through lodging and food expenditure. Specifically, in 2019, RTC calculated that **the total local spending impact of the nation's (U.S.A.) 2,218 rail-trails is U.S.\$10.6 billion annually (an average of \$4.8 million per trail)**, which could grow to as much as \$21 billion annually.

### **Case Studies, U.S.A.**

#### **O&E Canal Towpath Trail, Ohio**

**Source:** The Ohio & Erie Canal Towpath Trail: Trail User Spending Impact Study

**Year of study:** 2017

**Length of trail:** 101 miles

**Key findings:** Highlights from the study included an estimated 222,005 annual users spending: a) \$3.7 million on “hard goods”; b) \$3 million on lodging; and c) \$159,000 on “soft goods. Based on the Trail User Spending Impact Study, **a cumulative \$6.9 million** was spent by trail users annually.

#### **Katy Trail, Missouri**

**Source:** Katy Trail Economic Impact Report, commissioned by Missouri State Parks

**Year of study:** 2012

**Length of trail:** 240 miles

**Key findings:** The Katy Trail attracts 400,000 visitors annually and generates a **total economic impact of over \$18 million**, supporting 367 jobs.

For every dollar spent by Missouri State Parks to operate Katy Trail State Park, Missouri's economy saw an **\$18 return on investment**.

### **Great Alleghany Passage, Pittsburgh PA to Cumberland, MD**

**Source:** Funded by The Progress Fund's Trail Town Program, Laurel Highlands Visitors Bureau and the Allegheny Trail Alliance

**Year of study:** 2008

**Length of trail:** 132 miles

**Key findings:** Trail attributed revenue was over \$40 million and it was projected that businesses distributed \$7.5 million in wages.

### **Erie Canal Trail, NY**

**Source:** *The Economic Impact of the Erie Canalway Trail (2014)*

**Year of study:** 2012

**Length of trail:** 277 miles

**Key findings:** Overall (including direct and secondary effects), ECT **visitor spending generates approximately \$253 million in sales**, 3,440 jobs, \$78 million in labor income and \$28.5 million in taxes in the local economy each year.

### **Oil Heritage Region Trail network, PA**

**Source:** Funded by the Oil Region Alliance for Business, Industry & Tourism and Alleghany Valley Trails Assoc.

**Year of study:** 2006

**Length of trail:** 60 miles

**Key findings:** Approximately 160,792 users frequented the trail system, creating **an estimated overall economic impact of \$4.3 million.**

### **Missisquoi Valley Rail Trail, VT**

**Source:** SE Group "MVRT Trail Economic Impact Analysis"

**Year of study:** 2019

**Length of trail:** 26.1 miles

**Key findings:** Trail users generate **\$1,991,000 in sales, 32 jobs and \$20,000 in federal, state and local taxes**

1. <https://www.strongtowns.org/journal/2023/4/21/this-florida-town-rode-a-rail-trail-to-an-economic-revival>
2. <https://cdn2.assets-servd.host/material-civet/production/images/documents/TransCanadaEcon.pdf>
3. <https://www.railstotrails.org/resource-library/results/?collection=Benefits+of+Trails>

# ADDENDUM

## *Economic Impact of rail and similar trails*

### **O&E Canal Towpath Trail, Ohio**

The Ohio & Erie Canal Towpath Trail is a 101-mile trail in Ohio that is part of a historic corridor designated as a National Heritage Area by Congress in 1996. The Ohio & Erie Canal Towpath Trail: Trail User Spending Impact Study identified the trail as an important economic asset in the region and a critical link in the C2P corridor, part of the Industrial Heartland Trails Coalition's (IHTC) 1,500-miles-plus regional trail network vision. The study looked at a snapshot of use and users along the trail at a single location within Cuyahoga Valley National Park in Peninsula, Ohio.

Highlights from the study included an estimated 222,005 annual users spending: a) \$3.7 million on "hard goods" (including bikes, clothing, etc.); b) \$3 million on lodging; and c) \$159,000 on "soft goods" (including food, beverages, etc.). Based on the Trail User Spending Impact Study, a cumulative \$6.9 million was spent by trail users annually along the Ohio & Erie Canal Towpath Trail—which is just one of many segments along the C2P corridor.

### **Katy Trail, Missouri**

The 240-mile-long Katy Trail, according to a 2012 Missouri State Parks report, attracts 400,000 visitors annually and generates a total economic impact of over \$18 million, supporting 367 jobs.

**For every dollar spent by Missouri State Parks to operate Katy Trail State Park, Missouri's economy saw an \$18 return on investment.**

From the report

[https://mostateparks.com/sites/mostateparks/files/Katy\\_Trail\\_Economic\\_Impact\\_Report\\_Final.pdf](https://mostateparks.com/sites/mostateparks/files/Katy_Trail_Economic_Impact_Report_Final.pdf)

According to analysis using Money Generation Model Version 2 (MGM2) economic impact software, the 400,000 annual visitors to Katy Trail State Park have a total economic impact of \$18,491,000 a year, which supports 367 jobs with a total payroll of \$5,128,000. The total value added to the local community from visitor spending is \$8,204,000.

Visitors to the Katy Trail spent, on average, \$45 per person per day/night of their trip. They also spent, on average, \$56.82 per person per day/night of their trip on Katy Trail-related expenses such as bicycles clothing and other trail-related expenses during the past year.

The average party of 3.21 visitors spent \$182.50 total during their visit and \$147.14 per party day. Although nearly three-fourths of Katy Trail visitors were day users, one in four spent the night on or near the trail. On average, visitors traveled 83 miles to reach the Katy Trail – from an average of nine miles for local visitors and 32 miles for nonlocal day visitors to 272 miles for bed and breakfast, hotel and motel visitors.

Day visitors spent an average two hours and 49 minutes in and around the Katy Trail while overnight visitors stayed an average two and a half nights.

Local day user parties (2.07 people per party) spent an average \$18 per trip and \$309 in the past year on bicycles, bicycle supplies, clothing, shoes, and other trail-related expenses. Nonlocal day user parties (2.82 people) spent an average \$56 per trip and \$355 in annual trail-related expenses.

Overnight hotel, motel and B&B visitor parties (3.90 people) spent an average \$700 per trip and \$504 in annual trail-related expenses. Overnight campground visitor parties (7.85 people) spent an average \$231 per trip and \$376 in annual trail-related expenses.

## **Wisconsin**

A state-based analysis of RTC's report, *Active Transportation Transforms America*, found that the net economic impact of trails and active transportation annually in Wisconsin is as much as \$1.5 billion, including direct trail user spending of \$686 million and health costs avoided of \$833 million. This analysis reveals Wisconsin's role in contributing to a national trail and active transportation economy of \$34.1 billion. RTC's report also found that as infrastructure connectivity improves, in part through trail and active-transportation network development like the work underway with the Route of the Badger, the economic contribution of active transportation infrastructure nationwide has the potential to be more than \$138.5 billion each year.

## **Great Allegheny Passage, Pittsburgh PA to Cumberland, MD**

This 150-mile trail runs through nine former industrial towns from Pittsburgh, Pennsylvania, to Cumberland, Maryland, many of which have a population of just a few thousand people. The trail receives an estimated 940,000 visits per year.

A 2008 study of the Great Allegheny Passage estimated \$40 million in trail-attributed revenue and \$7.5 million in wages distributed by trail-facing businesses. The average day guest spends \$18 and the average overnight guest spends \$124. From 2007 to 2015, trail towns along the Great Allegheny Passage saw a net gain of 65 new businesses, leading to more than 270 jobs created. In 2014, the most recent year for which data is available, an estimated 40% of sales were related to trail traffic.

## **Whitefish Trail, MT**

The 42-mile Whitefish Trail in Whitefish, Montana (pop. 6,357), generates significant economic revenue for the small town and its surrounding area. The trail sees more than 73,000 visitors each year, with about 70% being locals. Locals who visited the trail spent, on average, twice as much as locals who did not visit the trail in the previous year of the study. All told, the trail generates nearly \$3.6 million in spending on accommodations, restaurants, groceries, retail, gas, transportation, licenses and entrance fees, outfitters/guides and farmers markets, in that order, from 22,000 visitors. This revenue supports 68 jobs and generates \$1.9 million in total economic impact.

## **Erie Canal Trail, NY**

2014, *The Economic Impact of the Erie Canalway Trail* (2012)

The 277-mile Erie Canalway Trail in upstate New York sees more than 1.6 million visits each year. Overall (including direct and secondary effects), ECT visitor spending generates approximately \$253 million in sales, 3,440 jobs, \$78 million in labor income and \$28.5 million in taxes in the local economy each year.

## **Razorback Regional Greenway, AK**

An extensive trail system centered around the 36-mile Razorback Regional Greenway. As a result, the impact of bicycling on the economy is estimated at \$137 million annually through local spending, visitor spending and health benefits. Of that amount, \$27 million is attributed to visitor spending through tourism.

## **Salmonberry Trail, OR**

The health-care savings, which - with the increases in exercise brought on by the trail - could amount to an estimated \$400,000 annually, equaling about \$700 per person for residents.

## **Oregon, Scenic bikeways**

The Economic Significance of Cycling on Oregon Scenic Bikeways study was conducted in 2014 and measured a \$12.4 million economic impact from bicycling on Oregon's 14 official Scenic Bikeways. This spending directly supported over 150 jobs with earnings of approximately \$3.4 million.

### **Southwest Trail, AK**

#### Feasibility study

The experience of other, similar trails suggests that about 1,000 out-of-town users per mile per year is a conservative estimate for usage. This represents about 65,000 new visitors. Conservatively estimating \$58 of spending per out-of-town visitor,[10] this translates into an annual \$3 million injection of spending into the local economy, and it is estimated to result in a total economic impact of about \$4.8 million within Garland, Saline, and Pulaski Counties as a result of increased tourism spending, supporting an additional 68 jobs.

Other considerations:

Economic stimulus from construction

Increase in property value leads to increase in property tax revenue

Health Care cost reduction

### **Virginia Creeper Trail, SW VA, 2004**

34 miles. Very rural

\$2.5 million total spending

\$1.2 Million spent directly by nonlocal visitors in the two local counties of Wahington and Grayson, generating \$1.6 million in economic impacts and 28 jobs

### **Swamp Rabbit Trail, SC (Greenville CO)**

\$6.7 Million boost to local economy

### **Silver Comet Trail, GA**

A 2013 study called the Silver Comet Trail Economic Impact Analysis and Planning Study found that in its current form, the Silver Comet Trail (61.5 mi) generates about \$120 million in total expenditures throughout the state each year, supporting about 1,300 jobs and about \$37 million in earnings.

### **Empire State Trail, NY**

Feasibility Study

According to the state's Empire State Trail Plan, a \$1 investment in trails will yield \$3 in medical benefits.

Current trail spending for the adjoining Hudson Valley Greenway and Erie Canalway Trail (365 miles) is valued at \$21 million per year and \$253 million per year, and those numbers are expected to increase as more connections are create

### **Three Rivers Heritage Trail in Pittsburgh**

A 2014 study of the 24-mile **Three Rivers Heritage Trail in Pittsburgh** recorded more than 600,000 visits by trail users and total user spending in excess of \$8.2 million.

### **Ghost Town Trail, PA**

36 miles, \$1.7 million economic impact in 2009 (very rural). 75,600 visitors

[https://conservationtools.org/library\\_items/1082-Ghost-Town-Trail-2009-User-Survey-and-Economic-Impact-Analysis](https://conservationtools.org/library_items/1082-Ghost-Town-Trail-2009-User-Survey-and-Economic-Impact-Analysis)

### **Oil Heritage Region Trails, PA**

>60 miles (2013)

160,000 trails users, overall economic impact of \$7.48 million (\$6.93 directly into local economy)

### **Ohio's Little Miami Scenic Trail**

150,000 trail users/yr

Soft goods: \$13.54/visitor

Hard goods: \$277/user/yr

### **Northern Central Rail Trail, MD**

20 miles (2004)

For 300,000 users, \$3,825,142 spent on hard and soft goods and overnight accommodations. Short trails, so minimal overnight stays and minimal food purchase

### **Washington & Old Dominion Trail, VA:**

45 miles (2004)

\$7 million spent directly in northern VA

### **Pine Creek Rail Trail, PA**

62.6 miles (2006)

Hard goods: 82% spent an average of \$354

Soft goods: 86% spent an average of \$30

Overnight: 57%

### **Heritage Rail Trail, PA**

21 miles (2007)

Hard goods: 85% spent an average of \$367

Soft goods: 72% spent an average of \$13

### **Schuylkill River Trail**

Eventually 125 miles, noncompleted (2009)

Economic impact just from purchases of hard and soft goods: \$7.3 million

Hard goods: 78% spent an average of \$406

Soft goods: 50% spent an average of \$9

### **La Route Verte, QC**

A 5,300 km network of bicycle designated roads, lanes and multiuse trails

A study found that La Route Verte cyclists spent a total of \$95.4 million in 2000 and estimates brought the impact total to \$134 million by 2006, which corresponds to over \$38 million in government revenues and helps support 2,861 jobs

### **Lower Rio Grande Valley**

#### Proposal

The total construction cost for the six high-priority catalyst projects, including 75 miles of multiuse trails, paddling trails, and bicycle routes, is estimated at \$36.4 million.

#### **Construction Phase: Economic Impact**

During the course of construction of the six catalyst projects, the projects are anticipated to generate \$14 million in labor income and \$5.3 million in local, state and federal taxes, and have an economic impact of \$56 million. Each dollar invested in trail construction will be offset by the economic impact of construction alone, yielding \$1.53 in economic activity within Cameron County.

#### **Construction Phase: Job Creation**

It is estimated that the trail construction portion of this project will lead to 453 Cameron County jobs (and \$14.3 million in labor income). In the 10th year after the trail network opening, it is estimated that non-local visitors will create 554 Cameron County jobs (and \$16.8 million in labor income).

### **First 10 Years After Completion: Economic Impact**

In the first 10 years, out-of-town visitors associated with the catalyst projects are projected to spend nearly \$367 million in Cameron County. By the 10th year following construction of the six catalyst projects, it is estimated that non-local visitors will spend \$39.6 million in Cameron County, generate \$17 million in labor income, have a total annual economic impact of \$57 million and provide more than \$9 million in local, state and federal taxes.

### **First 10 Years After Completion: Health Savings**

In addition to economic impact, the projected yearly medical cost savings to residents are estimated to be between \$3,108,653.20 and \$6,492,040.44

## **Economic Impact of bicycle tourism**

### **U.S.**

The Outdoor Industry Association released a study in 2017, The Outdoor Recreation Economy, which found that bicycling participants spend \$83 billion on 'trip-related' sales (bicycle tourism), and generate \$97 billion in retail spending. Bicycle recreation spending also contributes to the creation of 848,000 jobs.

2012: Outdoor Recreation Economy Report shows that bicycling participants spend \$71 billion per year on "trip related sales," which is the category that best encompasses bicycle tourism. Overall spending for bicycling participants, which includes direct and indirect economic impacts, totals \$198.7 billion, the second highest spending for any outdoor activity.

### **AK**

The Walton Family Foundation, in collaboration with PeopleForBikes, commissioned BBC Research & Consulting (BBC) to conduct a study, Economic and Health Benefits of Bicycling in Northwest Arkansas, released in March 2018. Key results from the study include:

- Bicycling in Northwest Arkansas provides \$137 million in benefits to the economy annually.

- Bike tourism is a significant economic driver with tourists spending \$27 million at local businesses each year.

- Investment in soft-surface mountain bike trails is a key driver of tourism with at least 55% of mountain bikers traveling to Northwest Arkansas from outside the region.

- Bicycling in Northwest Arkansas generates \$85 million annually in health related benefits.

- Residents of Northwest Arkansas spend more than \$20 million on bicycling annually.

- Houses within .25 miles of the Razorback Greenway sell for an average of nearly \$15,000 more than those two miles from the trail.

### **CO**

A study published in October 2016, Economic and Health Benefits of Bicycling and Walking in Colorado, revealed that the overall health and economic benefits from bicycling contribute \$1.6 billion to the state. Of that \$1.6 billion, the study attributed \$448 million to non-resident tourism spending, and \$74 million to resident tourism spending, with an overall estimated bicycle tourism economic impact of \$522 million.

### **Pikes Peak Region**

The Economic Impact of Cycling in the Pikes Peak Region is a 2015 study commissioned by the Pikes Peak Area Council of Governments and shows that 1) bicycling contributes \$28 million per year and 2) bicycle tourism contributes \$23 million per year in direct economic impact to the Pikes Peak region. For each dollar invested in cycling, the Pikes Peak region can yield \$1.80 to \$2.70 in direct economic benefits to the community.

### **FL**

Between 2010-11, an economic impact survey performed on three trails in Orange County Florida estimated 1.7 million people use the trails each year, providing \$32.556 million in economic impact for the county's economy.

### **QC**

A 2014 study by UQAM's Transat Chair in Tourism in Quebec Province shows cycle tourists spend an average \$214 per day.

### **Additional Reading:**

<https://conservationtools.org/conservation-benefits/140-Economic-Benefits-of-Trails>

<https://www.railstotrails.org/resourcehandler.ashx?id=4618>

[https://cdn2.assets-servd.host/material-civet/production/images/documents/Copy-of-Why-Trails\\_-1.pdf](https://cdn2.assets-servd.host/material-civet/production/images/documents/Copy-of-Why-Trails_-1.pdf)

[https://tctrail.ca/wp-content/uploads/2020/09/Issue-Briefing\\_Trekking-Our-Trails\\_English.pdf](https://tctrail.ca/wp-content/uploads/2020/09/Issue-Briefing_Trekking-Our-Trails_English.pdf)

[https://www.railstotrails.org/media/847675/activetransport\\_2019-report\\_finalreduced.pdf](https://www.railstotrails.org/media/847675/activetransport_2019-report_finalreduced.pdf)

<https://brucefreemanrailtrail.org/rail-trail-resources/rail-trail-studies/>