

Jeffrey Todd Lusk
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Hatfield McCoy Regional Recreation Authority

Madam Chairman, Ranking Member Manchin, members of the committee.

Thank you for the opportunity to be here today and to speak to your committee about recreational opportunities and access.

My name is Jeffrey Lusk, I am the Executive Director of the Hatfield McCoy Regional Recreation Authority "Authority", the Authority is a quasi-governmental agency created by the West Virginia Legislature for the purpose of building, maintaining and policing recreational trails in fourteen Southern West Virginia counties. The Authority was created by state statute in 1996 and opened its first trails to the public in October of 2000. Since its inception the concept has always been to provide recreational trails for public use as an economic development tool. The Authority currently manages 730 miles of all-terrain vehicle (ATV) trails on 250,000 acres of privately owned property in Southern West Virginia. The project is unique in that it utilizes land owned by coal, timber, natural gas and land holding companies to provide public recreation for no monetary consideration. There is to my knowledge no instance where such a vast resource of private property is being provided to the public sector for no fee nor monetary consideration. The relationship is one in which we provide indemnity, law enforcement, insurance and management services in exchange for a fee free license to cross the property with recreational trails.

The Authority has successfully negotiated and entered into over 90 of these types of agreements, covering over 250,000 acres, since its inception and has only had one agreement cancelled in it's over 20 years of operations. The agreements allow for recreational trails to be developed and connected to cities and towns throughout Southern West Virginia. Currently eleven incorporated municipalities are connected to the trail system. The Authorities primary goal is to create a culture of entrepreneurship utilizing public recreation as an economic development tool. The Authority provides the base infrastructure in the form of recreational trails, while allowing entrepreneurs to provide the for profit business services to the riders.

The project area is referred to as the Hatfield McCoy Trail System, the trail system contains over 700 miles of all-terrain vehicle (ATV), utility terrain vehicle (UTV) and off road motorcycle (Dirt Bike) trails. In calendar year 2018 the Hatfield McCoy Trail System hosted over 50,000 annual riders. These riders were made up of individuals from throughout the United States and from several foreign countries. Over 87% of these riders were non-West Virginia Residents and all were required to purchase an annual permit to ride the trails. The importance of this permit is that it provides needed supplemental revenue to support the trails. West Virginia residents pay \$26.50 per year for a permit and non-residents pay \$50.00 per year for their permit. This annual fee generated over \$2,000,000 towards the maintenance and upkeep of the trails. It's important because we often fail in the public sector to adequately provide for the long term sustainability of public recreation assets; fees, permits and access charges are one way to ensure the financial viability of a public recreation asset, especially one like the Hatfield McCoy Trail System that

requires constant maintenance and upkeep to ensure public safety. The fee does not cover the total operational cost of the Authority, but does significantly reduce the amount of public sector support required, making the entire project more sustainable over time.

As I mentioned in my opening remarks, our project is an economic development tool. This aspect is one that is often overlooked when considering access to public recreation areas. Our project was conceived as a way to diversify the coalfields of Southern West Virginia. As a lifelong resident of Southern West Virginia I have witnessed firsthand what has happened to the economies of our communities. Southern West Virginia, my home, is an area that has seen a slow and steady downturn and mechanization of its primary industry (coal mining), it's an area that has been severely impacted by the national opioid epidemic and has experienced an outward migration of its population. The Hatfield McCoy Trail system is one of a multitude of efforts to try to reinvent our communities and diversify our economy. Our project serves as a primary infrastructure for entrepreneurs whom wish to stay and open a business in our area.

By providing a network of ATV, UTV and Dirt Bike trails the Hatfield McCoy Trail System creates an opportunity for entrepreneurship. Local and outside entrepreneurs have opened over 50 new businesses in the communities surrounding the trail system. These businesses range from lodges, cabins, hotels, and restaurants, to less traditional businesses such as ATV outfitters and licensed and regulated moonshine distilleries that give educational tours and historic information about this once secretive and lucrative mountain enterprise. A 2014 economic impact study conducted by Marshall University on the Hatfield McCoy Trail System showed these businesses had an overall impact of over 20 million dollars in the local economy and created over 200 new jobs. The entrepreneurs that created these jobs are my heroes. They made a choice to stay and invest or come into our area and invest their capital and time to create a business. The challenges that face rural entrepreneurs are many; they often have a decreased access to capital due to the rural area in which they operate, often times the workforce doesn't have the necessary skill sets or is limited in number and fellow entrepreneurs are often not there to serve as mentors or examples for them to follow or network with. The capital access issue is especially challenging since many of these programs and the high net worth investors whom create and fund them are centered around and in urban areas. Many people fail to understand the true value of a rural job versus a job in a more urban or prosperous area. The counties that make up the Hatfield McCoy Trail System suffer from some of the highest unemployment rates in the country, they meet almost every criteria for being economically distressed and lead the nation in percentage of population decline at the county level. Their core industries continue to decline or flatten and the average age of their population continues to increase due to outward migration of working age adults and families. A job created by an entrepreneur in this type of area has a vastly greater community and economic development value, due to its location, than it would in a more urban or prosperous area. We have to remember that fact as we make our public sector investments and understand that our investments are to try to save these communities and in my opinion worth every penny. The public sector could and should make every effort to assist these entrepreneurs and it is my opinion that rural communities across the country all face this same problem and that it is not a unique problem for Southern West Virginia.

The concept of public recreation being developed to support the economies of local communities is one in which the federal government, with its vast land holdings, could be an excellent partner to rural communities throughout the country whom, like Southern West Virginia, have experienced a dramatic change to their core economy. This partnership, could and should lead to recreational trails being developed throughout the country on these lands as an economic development project. The other aspect of our project that makes it unique is the ability of public recreation to exist in tandem with natural resource development. As I said in my opening remarks, the Hatfield McCoy Trail system exist on property that is owned by private land owners whose primary reason for holding the property is natural resource extraction and development. These companies coordinate their activities with the Authority in order to ensure that trail development and public recreation can be done in a safe manner in proximity to natural resource extraction activities. It is a very unique partnership that may be necessary and workable in locations where the federal land has already been or may be made available to industry for timber, coal or natural gas extraction.

The Authority has also participated in multiple new initiatives from the federal government that are yielding great results in our communities. These programs, such as the Federal Office of Surface Mining and Reclamation, Abandoned Mine Lands Pilot Program and the Appalachian Regional Commissions POWER initiative have assisted the Authority in its economic development efforts. These two programs have created new entrepreneurship initiatives, enticed private sector capital investments and created new public recreation areas. The Authority is also pursuing applications with the Federal Economic Development Administrations Assistance to Coal Impacted Communities Program to continue to grow the Hatfield McCoy Trail System. These new programs, when coupled with existing local and state resources which can be matched by federal resources through the Federal Recreational Trails Act Program (RTP), have created multiple new opportunities for entrepreneurs in Southern West Virginia.

In closing, the need for entrepreneurial development assistance in rural areas cannot be stressed enough. Rural communities, many of whom have the federal government as their largest land holding neighbor, require much greater entrepreneurial development assistance than more urban areas. The opportunities that exist with trails being developed on large publicly held land tracks cannot be fully monetized by rural communities without this type of assistance. The opportunities around the country are enormous but the challenges in rural America are quite different than more urban areas. I feel that our Hatfield McCoy Trail System is a great example of trails being utilized as an economic development tool. However for this model to be successful; property will need to be made available for the trail development, rural communities will require support to help them capitalize on the opportunity and the multiple stakeholders whom have interest in the property will need to work together to maximize the benefits to all participants. Our small project, based on a 2014 Marshall University Impact Study, has created over 200 new jobs and added over 20 million dollars to the local economy. Imagine the benefits that can be derived in repeating this process hundreds of times throughout rural communities across the country. The nation has shown a renewed interest in trails and outdoor recreation. Rural communities stand to be the greatest beneficiary of this renewed interest if they are given the tools to succeed. Trail development alone, will not succeed and economic development

without trails will fail. A well-managed approach to each will yield great dividends to the communities and the country.

Thank you Madam Chairman, Ranking Member Manchin and the members of the committee for this opportunity.