



Great Allegheny Passage

Economic Impact Report

November 2021



GREAT ALLEGHENY PASSAGE
CONSERVANCY

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Acknowledgments

We would like to extend our sincerest gratitude to the many people who contributed to the creation of this report. We also especially appreciate those who offered their time by participating in interviews as a business representative, resident, or public official. We conducted 38 interviews with local business owners and managers, as well as 26 interviews with other community residents and public officials from the GAP region between fall 2020 and spring 2021. The willingness of participants to share their time and experience made this project possible, and their insightful knowledge of the Great Allegheny Passage (GAP), its users, and the communities it runs through made it incalculably better. We would also like to thank the many people who completed surveys as GAP users (784), residents (163), and business representatives (123).

We would also like to thank the staff and board of directors of the GAP Conservancy – especially Bryan Perry and Doug Riegner – for their thoughtful and tireless engagement in and support of this project.

Finally, we would like to thank the funders who made this project possible with their generous support, including the Hillman Foundation and the Katherine Mabis McKenna Foundation.



Report by Fourth Economy. Fourth Economy is a national community and economic development consulting firm. Powered by a vision for an economy that serves the people, our approach is centered on principles of competitiveness, equity, and resilience. We partner with communities and organizations, public and private, who are ready for change to equip them with tools and innovative solutions to build better communities and stronger economies.

Letter from the Executive Director



There's real joy in talking with first time travelers on the Great Allegheny Passage. They describe with wonder expansive vistas, quiet hardwood canopies, and cool tunnels. Stunning scenery captures the attention of bicyclists and hikers from Cumberland to Pittsburgh.

Dig deeper, though, and tourists tell you in greater detail about what anchored their trips – where they stayed, what they ate, which shuttle they used, and who outfitted them with the right gear. They recount engaging conversations with proprietors of trail town businesses and warm greetings from local residents. They're quick to recommend the best places to relax or celebrate the day's travel in local style. To most visitors, the GAP is as much about the stops as it is about the beautiful places in between.

The power of the Great Allegheny Passage to attract tourists for overnight stays and bring flourishing to local and regional economies is well worth a close look. This analysis by Fourth Economy – the first economic impact study since the GAP was completed in 2013 – is based on input from trail users, business owners, elected officials, and trail town residents, and reveals the impact of tourism spending in the region, estimated at over \$121 million annually.

Fourth Economy also captures the value of the GAP to the communities it connects, as well as the realities proprietors have faced under the pressure of a pandemic. Fourth Economy's team has done a marvelous job, and it has our thanks and appreciation, as do the Hillman Foundation and Katherine Mabis McKenna Foundation, which supported this project.

Building the Great Allegheny Passage took decades, and maintaining it takes an army of volunteers and hundreds of thousands of dollars annually. Is it worth your support? For its beauty and ingenuity, surely. As a recreational treasure, yes! And for its ongoing value among trail towns in Pennsylvania and Maryland, all the more. Please support our work at www.gaptrail.org.

Sincerely,

Bryan Perry
Great Allegheny Passage Conservancy

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About this Report

This report was developed by Fourth Economy in partnership with the Great Allegheny Passage Conservancy (formerly the Allegheny Trail Alliance). Research was conducted between the fall of 2020 and the spring of 2021.

This report was generously funded by the Hillman Foundation and the Katherine Mabis McKenna Foundation.

Prior economic impact analyses of the Great Allegheny Passage (GAP) were conducted in 1999 and 2009, with additional surveys conducted in 2012 and 2015. This report includes the trail’s economic impact analysis for 2019, as well as a broader assessment of the challenges and opportunities facing trail towns on the GAP and their businesses.

In addition to working closely with the Great Allegheny Passage Conservancy’s staff and board, the content was informed by surveys of business owners and representatives, trail users, and residents of the trail area, including elected officials. The content is split into *three major components*:



Adaptations due to Covid-19

Like so many other aspects of life over the previous year, Covid-19 affected this project in significant ways. The methodology of the impact assessment, especially relative to the engagement of trail users, had to be amended. Originally, intercept surveys were planned. These were replaced with additional focus on digital surveys and interviews – both out of public health concerns and in response to changing trail use patterns during the pandemic.

The trail impact period that this report focuses on is the 2019 calendar year, thus avoiding a skew in spending estimates during the pandemic that would not be reflective of trail spending in a so-called “normal year.” However, Covid-19 has had a significant impact on businesses along the trail – and the current economic and public health crisis is influencing the opportunities and challenges that the trail community is facing. Acknowledging this, portions of our surveys and interviews focused on the impact of Covid-19 among businesses and communities; those findings are captured throughout this report.



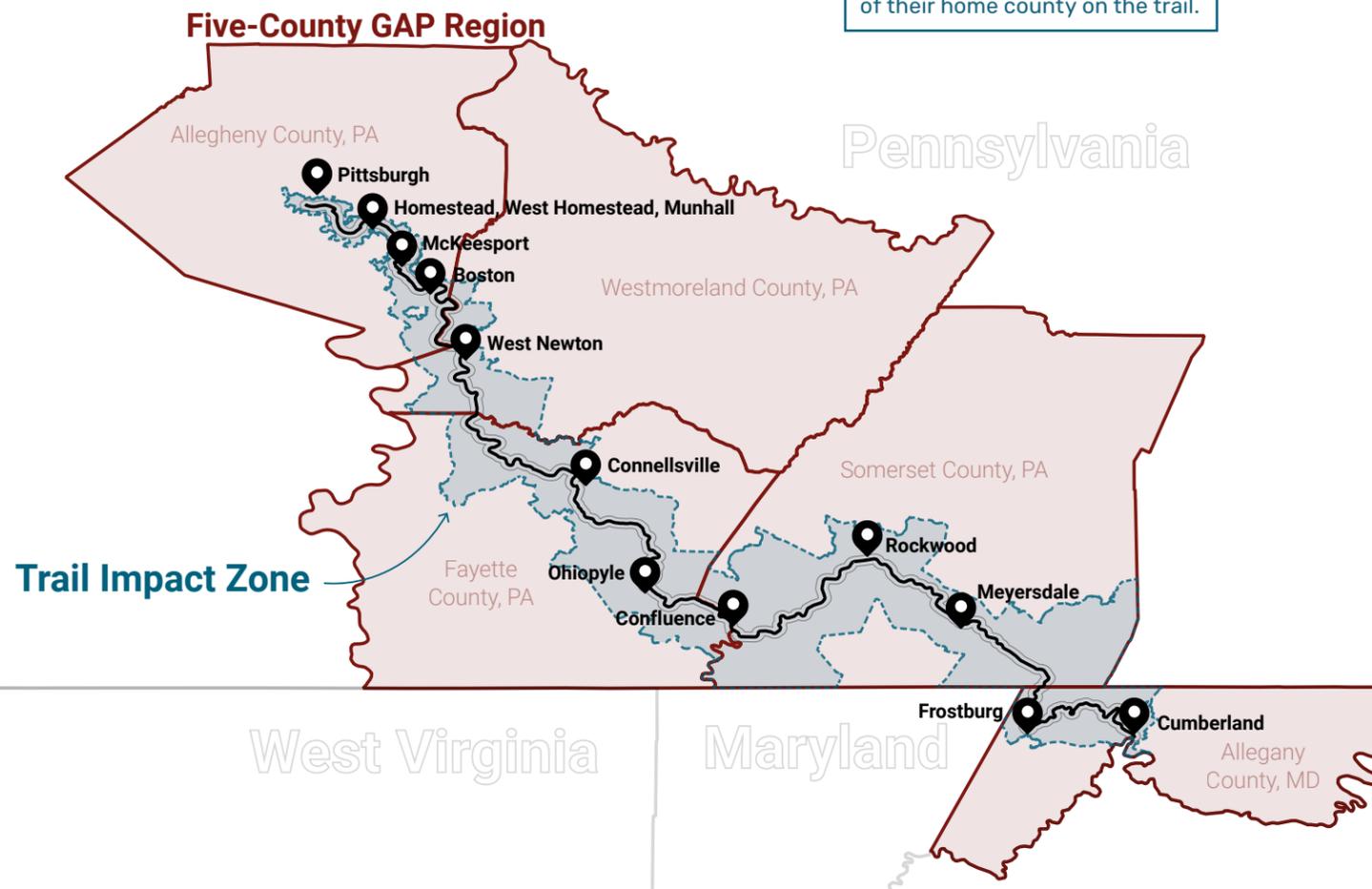
Fayette County, Pennsylvania

Executive Summary

The Great Allegheny Passage is one the country’s most popular and celebrated long-distance biking and hiking paths, winding 150 miles from Cumberland, Maryland, through tunnels in the Allegheny Mountains, across the pristine Laurel Highlands, deep into the gorges of Ohio pyle State Park, into the region’s historic Steel Valley, to Pittsburgh’s festive Point State Park. Constructed between 1978 and 2013, and maintained by municipalities and local volunteers, the Great Allegheny Passage receives over a million visits annually, with tourists from all 50 states and over 35 countries.

It does not take much experience on the Great Allegheny Passage to realize that the GAP generates significant economic impact to the communities and region through which it passes. The GAP is constantly bustling with activity, and trail users are frequently seen patronizing local businesses in communities throughout the area. But it is useful to understand specifically what that impact entails. This report seeks to do that: to quantify the specific value that GAP tourism brings to the five-county region (with estimates focused on 2019) by developing an economic impact model that measures total economic effects of GAP tourism spending in the trail impact zone (shown below).

GAP tourism refers to spending by GAP users traveling outside of their home county on the trail.



Understanding the ECONOMIC IMPACTS OF THE GAP

\$121 Million Total Economic Impacts in 2019

Regional Impact from GAP Tourism



\$74.7 Million

Direct Impacts

Spending by GAP tourists at businesses in the Trail Impact Zone



\$21.6 Million

Indirect Impacts

Secondary purchases from businesses in the GAP region



\$24.9 Million

Induced Impacts

Household spending from income generated by direct and indirect impacts in the GAP region

\$52.6 Million Labor Income

1,393 Jobs

While the stereotype of employment based on recreational tourism may call to mind lower-wage and often seasonal jobs, our estimates suggest the average annual wage among GAP-supported jobs is \$38K. This suggests that **the GAP supports many living-wage jobs**. If the GAP were a private employer, it would be among the largest in the region.



\$800,000

Annual Economic Impact per Mile

Staring at the crushed limestone path as it weaves through woods and farms, it may not feel like you’re traveling on a what is effectively an economic highway, but the GAP generates more than \$800,000 per mile in economic value!

“I am amazed at the economic development surrounding trails. To come back into office and to see the magnitude of the impact that [the GAP] is having has been truly amazing.”

Pam Tokar-Ickes
Somerset County Commissioner

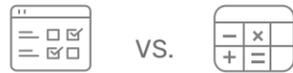
\$90 per Day
Spending by day users

Restaurants was the highest spending category with 30.4% of total day user spending.



\$496 per Trip
Spending by overnight users

Indoor overnight accommodations was the highest spending category with 42.7% of total overnight user spending.



User Survey Data vs. Impact Estimates

The above estimates reflect self-reported GAP user spending from survey respondents. While they are helpful in understanding trail user spending dynamics, **these data are not used in the economic impact model, which is based primarily on business-reported data.**

Characteristics of
GAP USERS

Between 2009 & 2019, key investments were made in the physical infrastructure of the GAP. New sections of the trail were added, along with new and improved signage, and many new businesses opened to serve GAP users. These improvements came alongside increased regional and national media attention, spurring increases in GAP use.



Multi-use, indeed!

Over 85 percent of trail users who live in the five-county GAP region used the GAP outside of their home county at least once in 2019.

Recreational biking is the most popular activity along the GAP. 86 percent of 2019 trail users biked along the trail at least once, but the majority of 2019 users participated in more than one activity along the GAP, including recreational biking, day hiking or walking for exercise, running, kayaking or canoeing, fishing, and commuting to work.

“The GAP is always a cornerstone of attraction for the area, and that has been especially true during Covid-19.”

Jared Bachar
President & CEO
VisitPITTSBURGH



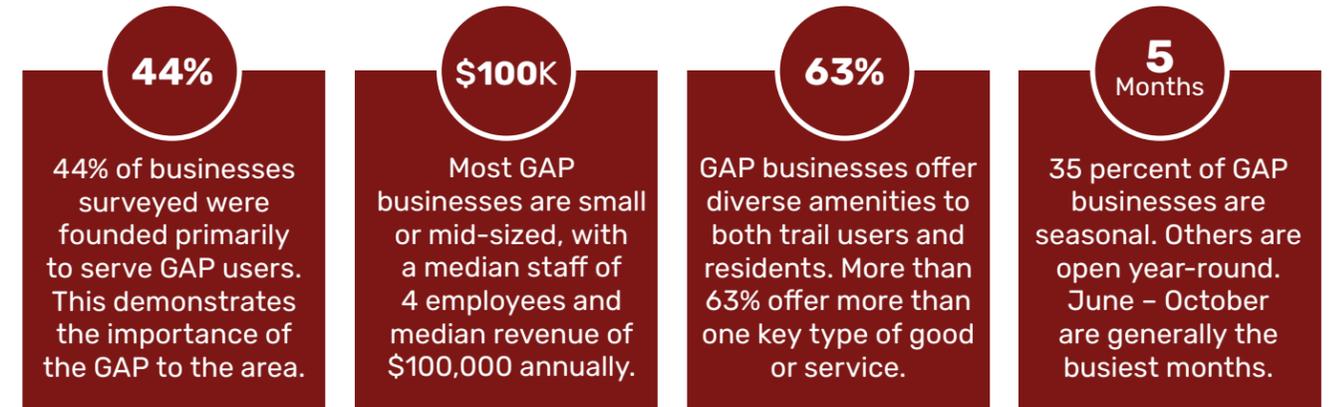
Between 2016 and 2019 there were an average of approximately **1 million GAP visits each year.**

In 2019, the estimate of user visits was 990,000. **7.6%** of GAP user visits were estimated to be from **overnight users**, or thru-riders.

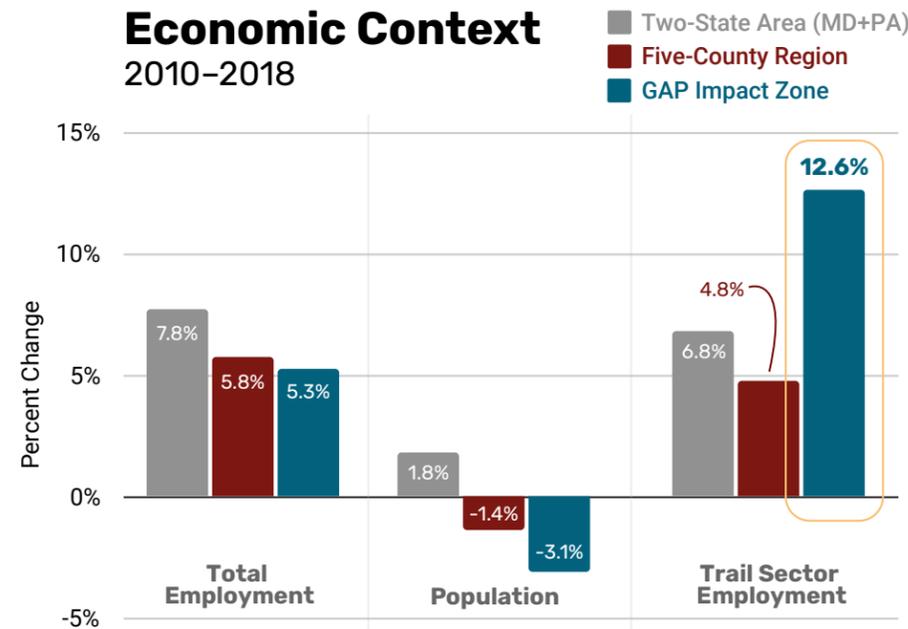
In 2020, GAP user visit counts shot up dramatically to almost 1.5 million visits. While these extremely high use rates appear to be an effect of Covid-19, it is likely that GAP user visits will continue to increase from pre-2020 levels in coming years, in keeping with long-term trends.

Characteristics of
GAP BUSINESSES

Throughout the route of the Great Allegheny Passage, there is a strong business community that benefits both local residents and trail users. Tourism spending on the GAP has made this possible. These businesses offer a variety of different goods and services to customers, and while some benefit only modestly from trail user spending, many others rely on trail users as their primary source of income – including many food and accommodation businesses, certain retail businesses like bike shops and tour companies, and many recreational service businesses.



Economic Context
2010–2018



TRAIL SECTOR BUSINESS GROWTH

There are three key sectors in which businesses in the region are particularly impacted by GAP tourism. These industries have grown significantly in the Trail Impact Zone.

Food and Accommodations



Retail Trade



Arts, Entertainment, and Recreation



Covid-19 Impacts

While trail use on the GAP increased dramatically during 2020, most **businesses along the GAP struggled with the impacts of Covid-19.** Of businesses surveyed, 70 percent saw “significantly decreased” activity during Covid-19, and negative impacts were reported most by Food and Accommodations businesses. Exacerbating these challenges, trail businesses in the region received relatively little aid through federal recovery programs in 2020. See Section 3 for more information.

GAP COMMUNITIES and their residents

The Great Allegheny Passage runs through 150 miles of southwestern Pennsylvania and western Maryland, a region of Appalachia that has suffered from years of population decline and economic disinvestment. The GAP traverses both rural and urban areas and passes directly through 12 specific communities, wherein most GAP businesses are located. While the early development of the trail was the subject of debate and plenty of skepticism, it is now widely appreciated by residents, community leaders, and local business owners – a message that was consistently reiterated through the public engagement work undertaken as part of this project. And it’s no surprise. In addition to economic activity, the GAP offers many benefits to the communities through which it travels.



Trails make it safer and more pleasant to exercise, and studies have shown that people are far more likely to walk, run, and ride bicycles when they live close to a trail. This significantly **improves long-term health outcomes and reduces health-care costs** for residents of trail communities.



Residents in the GAP region have observed **positive impacts on property values near the trail**, and analysis of home values shows that since 2013, residential areas in the Trail Impact Zone saw a higher median change in home value (13%) than did Pa. and Md. at large (7%).



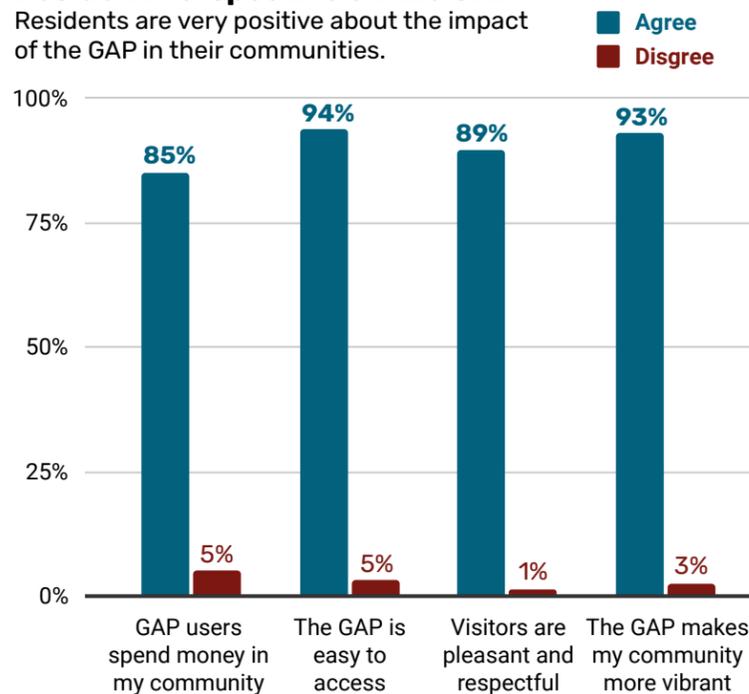
GAP tourism yields **\$19 million in total taxes per year**. \$8.7 million of that goes to state, county, and local governments.



Residents benefit from a **much more diverse selection of businesses** due to GAP tourism.

Resident Perspective on the GAP

Residents are very positive about the impact of the GAP in their communities.



“The GAP has been an economic boon for all of the towns along the trail.”

-Brad Smith, Confluence Cyclery, Confluence, Pa.

“[The GAP] has had a very positive impact.”

-Jake Shade, County Commissioner, Allegany, Md.

“West Newton has a sense of pride that it didn’t have before.”

-Mary Lou Rendulic, Bright Morning Bed & Breakfast West Newton, Pa.

OPPORTUNITIES & CHALLENGES

There are a variety of challenges and opportunities facing GAP communities and GAP businesses. Some of the former are related to the economic and health crisis of Covid-19, but others are related to longer-term economic, demographic, and geographic conditions. Broadly, the region through which the trail passes has experienced decades of decline in its overall population and economic activity. The following represent key challenges and opportunities for the region.

KEY OPPORTUNITIES AND CHALLENGES FOR GAP BUSINESSES



1. **Business Marketing and Communication** | Businesses need support with marketing and communications focused on potential customers. Among business survey respondents, this was cited as the greatest need (by 20 percent of businesses), especially for younger businesses.
2. **Financial Support** | Most trail businesses are small businesses with limited resources and tight profit margins. In addition, they were hit particularly hard during Covid-19, yet those located throughout the trail impact zone received relatively little public support during the 2020 season.
3. **Networking and Mentorship** | The GAP business community is vibrant and friendly to its core. New and potential businesses – as well as existing ones – would benefit from more opportunities to share with and learn from each other.
4. **Staffing and Operations** | With many seasonal jobs and a declining regional population, some businesses struggle to find and train staff. Solutions to this challenge may be related to marketing and communications and business mentoring supports.
5. **Business Succession Planning** | 21 percent of business surveyed in the Trail Impact Zone are considering selling or closing in the next five years. Transition planning and support for new owners of these establishments is important to the economic future of the region.



KEY OPPORTUNITIES AND CHALLENGES AMONG GAP COMMUNITIES

Community Marketing and Promotion

Most GAP communities are small municipalities with limited staff capacity. While there are several regional organizations, including the GAP Conservancy and other tourism groups, that promote the GAP generally, municipalities could use support marketing their specific assets.

1.

Development of Local Connections to the GAP

This includes projects large and small – from minor spur paths and bike lanes to significant connections to other trail systems. Stronger local trail networks and connections to the GAP mean more potential demand for businesses and more benefits for local residents.

2.

Resources for Trail Maintenance

The GAP has benefited greatly from volunteer support and in-kind contributions. While there is no reason to expect this enthusiastic local support to recede, there is ample potential to develop a more sustainable funding mechanism for maintenance.

3.

Municipal Revenue and Investments

Communities face fiscal uncertainty during and following Covid-19, but local leaders still report optimism about their fiscal situation looking forward. Current and expected federal stimulus funding may represent an opportunity for local investment related to the GAP.

4.

GAP COMMUNITY MAP

This report focuses on 12 specific GAP Communities.

The redevelopment of the Riverton Bridge and other infrastructure over the last decade has helped to connect the section of the GAP in and near **McKeesport**, a post-industrial city located at the confluence of the Youghiogheny and Monongahela Rivers – now a popular day trip destination for travelers from Pittsburgh.

Boston is a small community in Elizabeth Township with a few businesses and an active recreational area located adjacent to the GAP. Although it has only a few businesses, the GAP receives a lot of activity here, likely due to its proximity to population centers, ample parking, events, and the natural beauty of the area.

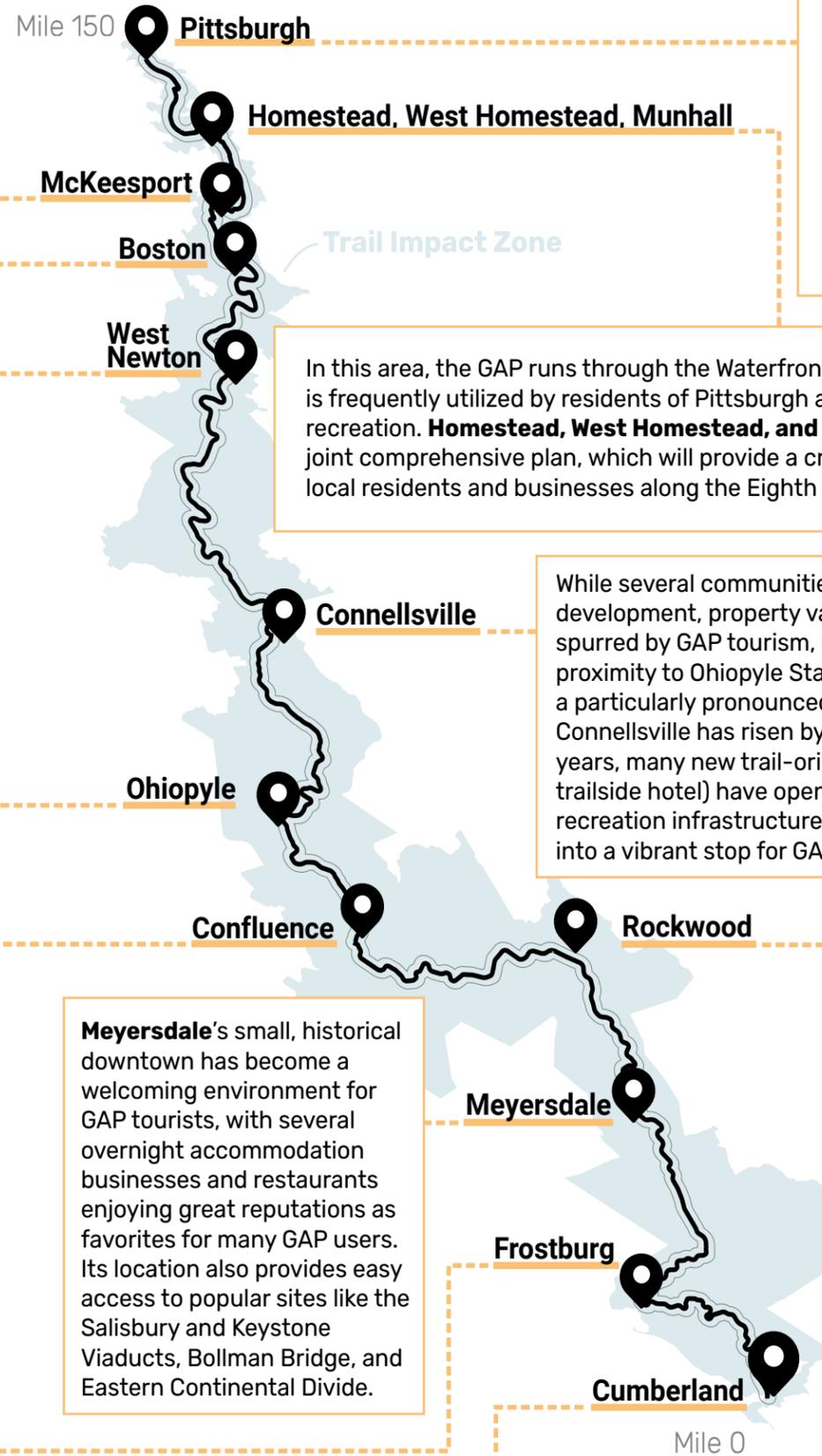
Although the year-round residential population of the town numbers under 100 people, **Ohio**, a small borough within Ohio State Park, is a hugely popular tourist destination during warm months. The community has become a case study in the economic effects of recreational tourism, including hiking and biking on the GAP as well as whitewater rafting/kayaking.

West Newton is a popular starting point and resting point for overnight users, as well as a popular access point for day users. The community has developed Simeral Square as a public green space and the trailfront area features both public and private amenities (including a visitor’s center, a bike shop, and restaurants) adjacent to the trail. The main core of downtown is connected to the path of the trail by a historical bridge.

Several popular restaurants and cafes as well as abundant bed-and-breakfasts and guesthouses make **Confluence** an attractive place to stop and/or stay for GAP users. Infrastructure and signage investments have helped to link the GAP to businesses in its quaint town square.

Although **Frostburg** does not enjoy the same convenient connection between the trail and the downtown business area as most other communities on the GAP, thoughtfully designed and well maintained amenities – including a switchback pathway lined with sculptures – have helped businesses along the historic Main Street and residents to benefit from the impacts of GAP tourism.

As the terminus of the C&O Canal Towpath, **Cumberland** connects the GAP with the C&O Canal Towpath, forming a popular 333-mile off-road route connecting Pittsburgh to Washington, D.C. The city has invested significantly in public space and physical infrastructure in its downtown area, where a large visitor center and several vibrant businesses greet travelers at the GAP’s mile zero marker. With Amtrak’s walk-on bike service to Downtown Pittsburgh and Washington, D.C., Cumberland is a popular stop for a variety of different itineraries.



In recent years, **Pittsburgh** has seen considerable investment along its rivers, including through the Three Rivers Heritage Trail, on a section of which the GAP runs concurrently. Developers regularly market the local trail network as an amenity to residents and employers, especially downtown and in Pittsburgh’s South Side, and additional trail network connections will be completed in coming years.

In this area, the GAP runs through the Waterfront – a large, active retail area – and is frequently utilized by residents of Pittsburgh and its neighboring communities for recreation. **Homestead, West Homestead, and Munhall** are currently developing a joint comprehensive plan, which will provide a critical opportunity to better connect local residents and businesses along the Eighth Avenue Historic District to the GAP.

While several communities have benefited from business development, property value increases, and other investment spurred by GAP tourism, **Connellsville**, which enjoys proximity to Ohio State Park and Amtrak access, has seen a particularly pronounced impact. The median home value in Connellsville has risen by approximately 42 percent in six years, many new trail-oriented businesses (including a large trailside hotel) have opened, and public investment in recreation infrastructure has transformed Connellsville into a vibrant stop for GAP users.

Rockwood – aptly named for the area’s historical development around timber and mining – is one of the smaller communities located along the trail. Still, while there are relatively few businesses in the town, the impacts of the GAP on the economy are obvious to locals. A few newer businesses have opened to specifically serve GAP users, while established favorites offer uniquely cool stops for dining, gear, shopping, and overnight stays.

Meyersdale’s small, historical downtown has become a welcoming environment for GAP tourists, with several overnight accommodation businesses and restaurants enjoying great reputations as favorites for many GAP users. Its location also provides easy access to popular sites like the Salisbury and Keystone Viaducts, Bollman Bridge, and Eastern Continental Divide.

Great Allegheny Passage

Economic Impact Report

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SECTION 1

Introduction

The Development of the GAP

The story of the Great Allegheny Passage, much like the trail itself, is both long and interesting. There is not enough room in this report to include a detailed history of the trail’s development, the many players involved, and the many obstacles overcome in the process of creating what is now one of the premier long-distance recreational paths in the world. More detail on the story of the GAP can be found on the [Great Allegheny Passage Conservancy’s website](#) and through [the GAP History Project website](#), which includes a detailed narrative and corresponding maps and photographs.

The majority of the Great Allegheny Passage is constructed on the routes of historical railroad lines, which provide both the physical infrastructure (grade, bridges, tunnels, clearance) and the rights of way that make development of this scale possible. It is a premier example of the many paths that have been developed around the country to repurpose railroad grades for general-use trails. In fact, the GAP was the very first path inducted into the Rails-to-Trails Conservancy’s National Hall of Fame, and it is now a key part of the [Great American Rail-Trail](#), a 3,700-mile, transcontinental route linking existing off-road, multi-use byways across the



Toasted Goat Winery, Frostburg, Md.

continental U.S.

The Great Allegheny Passage has received many plaudits and enjoyed much success over the past two decades and it is now one of the most traveled routes for long-distance biking and hiking in the country, but it started with humble beginnings. The first major segment that would become the GAP was transferred from the Western Maryland Railway to the Western Pennsylvania Conservancy in 1978. This 26.75 mile section of abandoned railroad bisected the newly-established Ohiopyle State Park, which had formally opened in 1971. Soon thereafter, a trail surface was constructed by park staff. For the next three-and-a-half decades, different sections of the GAP, developed by a web of owners, stakeholders, and volunteer groups, were added throughout the now-150-mile path between downtown Pittsburgh and Cumberland, Maryland, including four former railroad tunnels, many bridges, and other physical infrastructure. The process required patience, hard work, and enormous vision.

Key GAP Developments: 2009 – 2019

In linear distance, the GAP occupied most of its current path by 2009 (the year during which the previous Economic Impact Assessment was conducted, which we will discuss further in the following section of this report). But several important developments have since occurred, which are worth reviewing in detail as we seek to quantify the changing use and economic impact of the trail. Some of these developments, seen in the timeline below, refer to physical improvements or expansions to the trail itself (including a few key linkages in the final alignment, especially in the Monongahela River valley approaching Pittsburgh), while others capture publicity that the trail received. Taken together, they provide important context in understanding how the impact of the GAP continues to grow.

Segment of GAP built in Duquesne allows travel between McKeesport and Munhall **2011**

Segment of GAP routed along cycletrack in Munhall, allowing travel between Duquesne and Homestead

New York Times publishes a feature story about the Great Allegheny Passage

2009
GAP-branded wayfinding signage begins to be installed in trail towns

2010
Segment of GAP built between Munhall and Duquesne, including installation of Whitaker Flyover and Port Perry Flyover over active railroad tracks
The Progress Fund's Trail Town Program launches its Real Estate Development Initiative

2012
Segment of GAP routed along sidewalk in West Homestead
Installation of GAP-branded wayfinding signage completed between Cumberland and Homestead

Washington Post publishes a feature story about the GAP

2013
USA Today publishes a feature story about the Great Allegheny Passage
Visits to the GAP exceed 1 million

The final .85-mile section of the 150-mile GAP completed in Sandcastle, and "Point Made" celebratory event held on June 15th, 2013

2014
Pinkerton Tunnel reopened, making a detour unnecessary

2015
New York Times publishes a second feature story about the Great Allegheny Passage
Amtrak launches roll-on bicycle service on its Capitol Limited route, which connects Chicago, Pittsburgh, Connellsville, Cumberland, and Washington, D.C.

2017
Philadelphia Inquirer publishes feature story about the Great Allegheny Passage
A large trailside hotel opens in Connellsville to serve GAP users as well as others

2019
WQED Media produces and broadcasts *The Great Ride* and distributes it through American Public Television
GAP named as key completed link in preferred route of the Great American Rail-Trail

2018
Mon Wharf Switchback completed, clarifying and easing route in Downtown Pittsburgh



GAP Users

As a popular outdoor recreation destination, especially for biking enthusiasts, the Great Allegheny Passage draws users from all 50 states and from dozens of countries. But the trail also serves local users. Our 2020 Trail User survey, along with data from the GAP Conservancy’s annual trail user counts, allow us to make some estimates about who these users are and where they are coming from.

Defining and quantifying GAP users can become tricky. The stereotypical perception of a GAP user is of a walker, runner, or cyclist traveling one of the more rural sections of the path. However, if a GAP user was considered to be anyone who steps foot on the trail, then the millions of people who travel only small portions of the surface, especially in urban areas between McKeesport and Downtown Pittsburgh – many of whom may not realize they are on the GAP – would fall under the definition. For example, a person visiting Point State Park in Downtown Pittsburgh might then walk on the trail along the shore of the Monongahela River, on their way to go eat lunch on Pittsburgh’s South Side. According to a strict definition of GAP usership as anyone who makes contact with the trail, the



money they spend at that restaurant would be part of the direct tourism impact of the GAP. This is not entirely unreasonable. The infrastructure of the GAP played a role in that person’s visit. This is also true in other sections of the trail, like Ohiopyle, where short portions of the GAP are heavily trafficked by people not traveling beyond that area on the GAP. But such a model presents two primary problems: first, and by far most importantly, it does not represent a reasonable notion of “GAP-driven tourism”; second, it is unfeasibly difficult to estimate with confidence.

Our model takes a different approach. In this report, GAP users refer to people who are primarily, and usually knowingly, using the trail – traveling beyond the urban areas through which the trail passes, usually for recreational purposes.

Fortunately, the GAP Conservancy has created a strategic process and infrastructure to estimate trail users that avoids overcounting visits in those more densely active areas.

Visits to the GAP have been trending upwards since 2015, when this infrastructure was created. In 2019, there were approximately 1 million GAP user counts. This includes users who visited the trail on multiple occasions. While our user survey gives us some insight into repeat usership, it is practical for the purposes of this report to consider a GAP user to be a unique individual on a unique visit, irrespective of repeat usership. In other words, if someone visits the GAP multiple

times in a year (which many people do), they represent, in the language of this report, distinct GAP users on each visit. This may seem, on the surface, like a duplication of data, but it is not. From the perspective of economic impact estimation, it is unimportant whether a specific trail user spending money at a business is a frequent trail user or not. Conceptually, each time someone uses the trail, their spending is modeled separately. For other purposes related to the GAP – a good example being business marketing – the dynamics of repeat usership matter greatly. When it is useful, we will address this point. For the purpose of this economic impact analysis model, we avoid detail around user frequency.

Self-Reported User Spending From Survey

There are two primary user types on whom we focus our analysis: day users and overnight users. Day users refer to GAP users who, on a given trip, are visiting or traveling along the GAP during the day, but who are not traveling along consecutive portions on consecutive days. Conversely, overnight users are GAP users who, on a given trip, are traveling consecutive portions of the trail on consecutive days. Overnight users may seek a variety of accommodations – including hotels, bed and breakfasts, inns, or the like – but the important distinction is that they are traveling progressively along the trail. Most overnight users are cyclists; a few are hikers, distance runners, or some other user type.

Day users, on the other hand, have a much wider distribution of trail uses. These include many runners, dog walkers, anglers, and other user activities. Confusingly, day users may also patronize overnight accommodation businesses during a GAP visit – and may even use the trail on consecutive days – but the critical distinction is that, as day users, they are not traveling progressively along the trail. For example, if a person who is camping at Ohiopyle State Park rents a bike to travel along the trail, eats lunch during the excursion, and sleeps again at their Ohiopyle campsite, they would, by our definition, constitute a day user, and their spending on both the campsite and the food would be incorporated into day-user spending.

Figure 1. Self-Reported Overnight User Spending

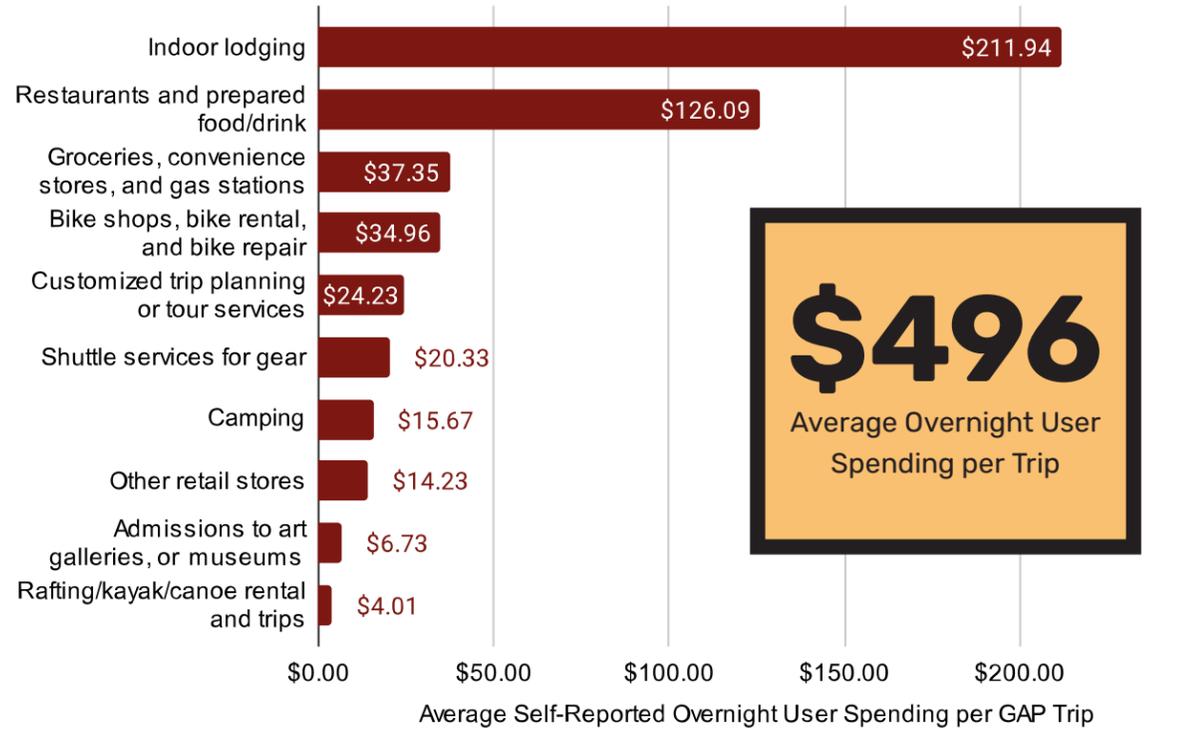
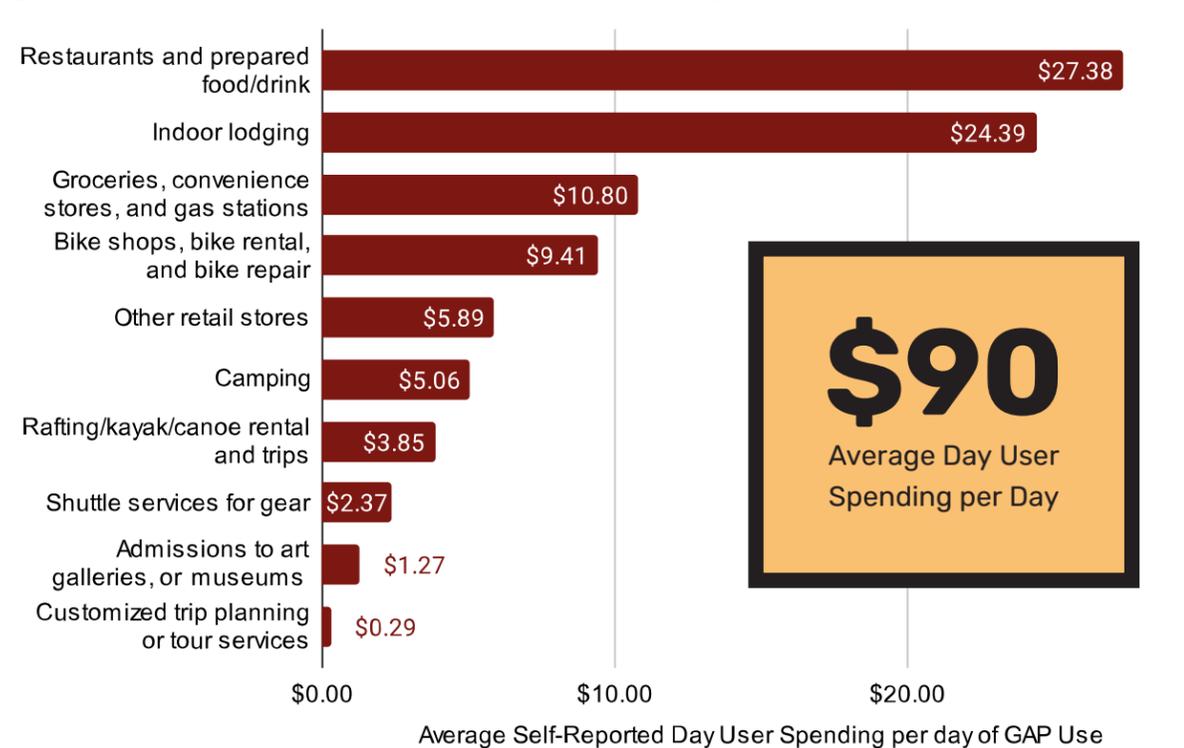


Figure 2. Self-Reported Day User Spending



Source: 2020 GAP User Survey. N₁ = 242 Overnight Users and N₂ = 652 Day Users

The user-reported spending estimates shown on the previous page are useful in understanding how user spending varies across user types, user activities, and user locations; however, because those estimates were not generated from a randomly sampled intercept survey, we do not use those user-reported spending estimates to create the economic impact model discussed in the following section of this report. Instead, the primary spending inputs to the model derive from business-reported revenue, business-reported trail user spending estimates, and employment data.

Defining GAP Tourism

Our estimates in the following section focus on the impacts that the Great Allegheny Passage has on the region through tourism. This objective begs a couple of further definitional questions. For one, when we say “the region”, we are referring to the five counties through which the GAP travels: Allegany County, Maryland, and Somerset, Fayette, Westmoreland, and Allegheny Counties in Pennsylvania. We then consider **GAP tourists to be GAP users who leave their home county to use the trail.** These tourists may be traveling from far away –

other states or countries – or from adjacent counties. They may be overnight users or day users. But by excluding local users, we take a conservative approach to capturing the economic benefits of the GAP within the region. However, we do include local users, where noted, in much of our survey analysis, though the majority of our survey respondents used the GAP outside of their home county (as GAP tourists, by our definition) at some point in 2019, the year for which we measure economic impact in the following section.

Respondents who lived outside the five-county GAP Region



70% of non-regional user respondents were concentrated in the five-state area of PA, MD, OH, VA, and WV. No other state or country accounted for more than 10 non-regional respondents.

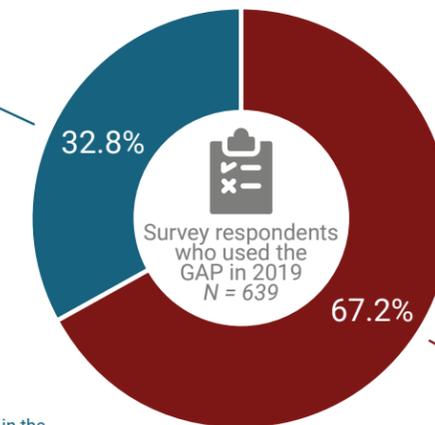


Figure 3. User Respondents, Home Location

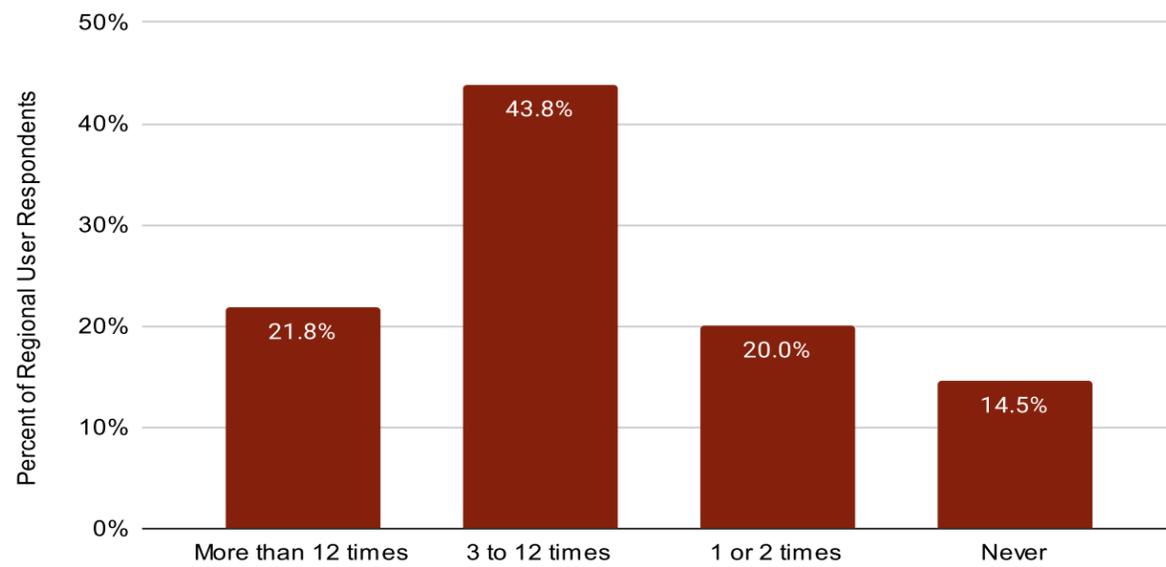
Regional Users
Respondents who lived in the five-county GAP Region

While the survey response was much more concentrated among Allegheny County residents, that pattern roughly follows the underlying population distribution. In fact, by a simple per capita measure, Allegheny County, Pa, is underrepresented, as is Westmoreland County, Pa. However, because we do not have data from intercept surveys or other sources that would allow us to establish total usership by residence, we must rely

on this to be a roughly accurate breakdown of usership by county within the region, and the higher concentration of users in Allegheny County, Md, and Somerset and Fayette Counties, Pa, make some sense intuitively, given the relatively high concentration of population centers in those more rural counties that are located near the GAP. (For reference, see the breakdown of total population by county on page 31.)

Figure 4.

How often did you use the GAP outside of your home county in 2019?



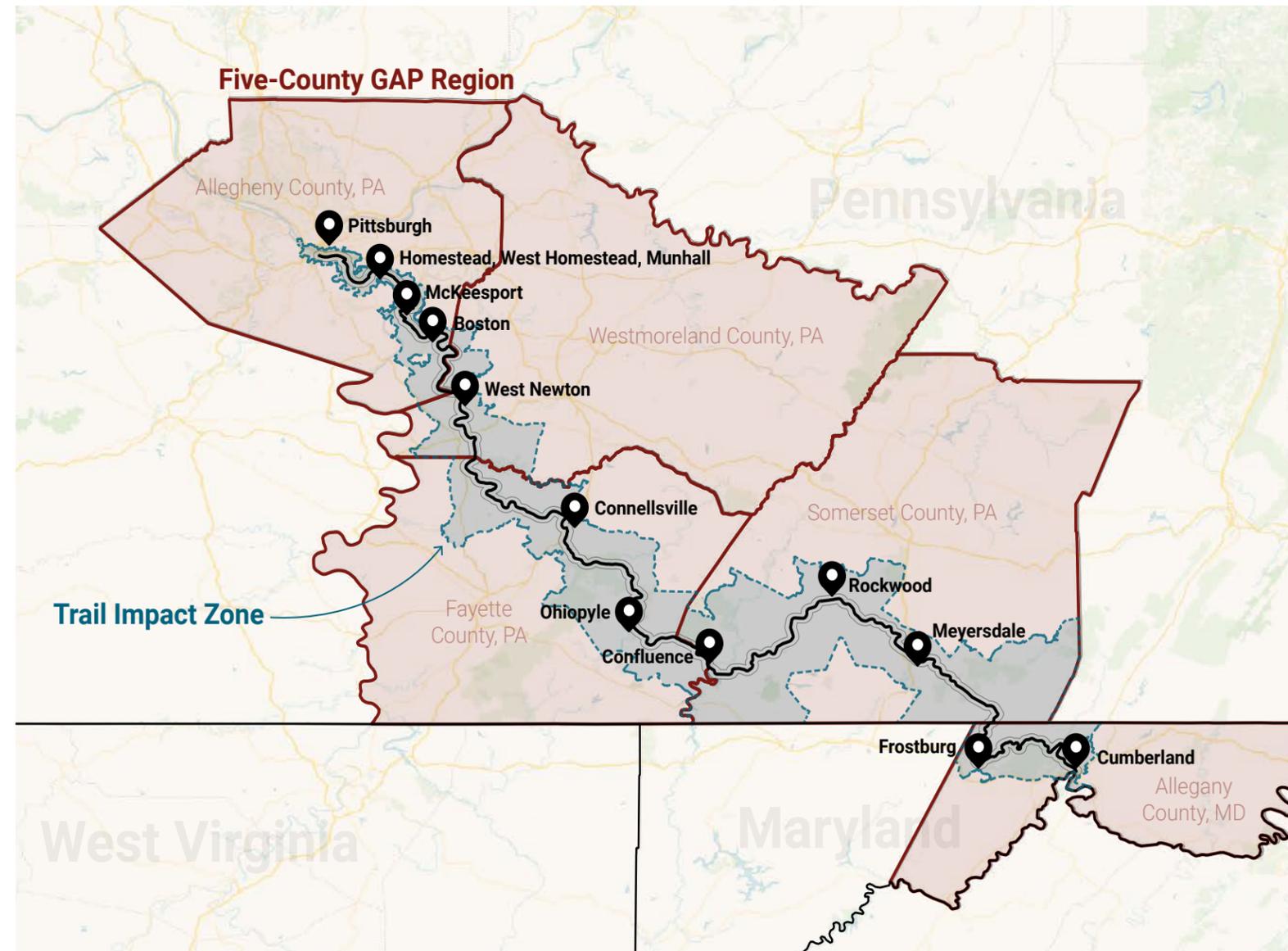
Source: 2020 GAP User Survey. N₁ = 437 Regional Users

Survey Bias

Because the trail user survey was conducted digitally, its respondent pool likely captures significant bias. While we took measures to develop as robust and diverse a response as possible with respect to different trail user types and residence, such efforts cannot eliminate survey bias. It is likely that more avid trail users who live in the GAP region are overrepresented in the data, especially as a percentage of (higher-spending) overnight users. Those with social media, and especially those who had engaged with the GAP Conservancy and its partners in the past, were also more likely to receive advertising related to the survey. Because of this, while we have still used the user survey to inform our understanding of trail use habits, we have not used user-reported spending to develop economic impact estimates.

The Trail Impact Zone

Throughout the remainder of the report, we use one more geographic definition, the “Trail Impact Zone,” in assessing the economic impacts of the GAP. The trail impact zone is a geography that was created for this study to capture the area proximate to the trail, where most direct trail user spending occurs. It is formed by aggregating Census Block Group geographies that are located either on the path of the GAP or within a half-mile of the path. We use Census geographies because they allow us to incorporate data from a variety of sources that are associated with the same area into our work. The map below captures the trail impact zone, the five-county GAP region, and the eleven specific trail communities on which this report focuses.



SECTION 2

Economic Impacts of the GAP

In the following section of this report, we explore the economic benefits that GAP-driven tourism has on the region. We take a conservative methodological approach to that question. We focus on the estimated impacts of the spending of GAP tourists (who travel from outside their home county to use the GAP) on local trail businesses (located within the trail impact zone). These estimates are based on a few key inputs, including the following:

1. **Trail user surveys**
These survey responses include details about demographics, home location, and trail use type/location, and while we do not use user-reported spending to model impacts, we do use this information to understand variation by location and user type.
2. **Trail business surveys and interviews**
These include details about the type and location of a given business, its employment and revenue, and the estimated percentage of revenue that its owner or manager attributed to trail users. This forms the primary inputs to our spending model.
3. **BLS and US Census Bureau economic and demographic data**
Public datasets provide information on the location and concentration of business activity by sector as well as the resident population of the different parts of the region. We use these to extrapolate spending estimates to businesses in the Trail Impact Zone for whom we did not receive survey or interview data.
4. **Trail user counts**
We rely on data collected and updated annually by the GAP Conservancy, based on analysis of automatic trail counters and observational counts. It gives us estimates of trail visits by location and includes estimates of overnight and day user types.

2019 Estimates

For all of the inputs above, and the model overall, we focus on spending activity during the 2019 calendar year. The following year, 2020, saw increased trail activity as measured by user counts, but spending and use patterns changed dramatically during Covid-19. While it is likely that GAP use continued to trend upwards, as it had in the five years preceding 2020, it is unclear to what extent trail use, specific trail user activities, and spending patterns were anomalous in 2020. Therefore, in order to generate an analysis of what might reasonably be called a “normal year,” we focus only on data that corresponds to the 2019 calendar. Still, based on long-term trends in usership, spending estimates, and business activity, we assume that the annual economic impact of the GAP will continue to grow, despite the acute impacts of the Covid-19 pandemic and corresponding recession.

A. Methodology

Fourth Economy prepared this impact analysis using a standard IMPLAN model focused on the five core counties along the 150-mile trail: Allegheny, Westmoreland, Fayette, and Somerset counties in Pennsylvania and Allegany County in Maryland. Survey data provided by business owners and trail users estimated the scale and categories of spending by GAP tourists in the Trail Impact Zone. Participating businesses were asked to provide their total revenue for 2019 and estimate the percentage of that revenue that came from GAP users. We estimated revenue for each industry sector and factored based on location-specific user spending data from the trail user survey and GAP user counts.

This allowed us to accommodate different rates of GAP spending as a percentage of revenue for businesses of the same type located in different sections of the trail and to exclude spending

that likely came from resident users (i.e., GAP users who were using the trail within their home county). In total, we performed outreach to 300 specific businesses in the area and received 125 responses from businesses located within the trail impact zone.

For businesses along the trail that did not provide direct survey/interview responses, we extrapolated spending estimates from employment data organized by industry sector within the trail impact zone. We used 30th percentile spending per employee as reported by similar businesses through surveys and interviews to adjust for a non-response bias that would likely affect businesses that had lower rates of trail user spending.* We used this process to generate spending estimates for the three key trail business sectors that account for 87 percent of trail user spending among the businesses that self-reported data:



*This offered a more conservative approach than generating a spending estimate based off an average, even if that average was adjusted down, because the distribution of trail user spending was significantly right-skewed. Any estimate based on an average would be dragged up by businesses with extremely high rates of revenue – more than 60% of total revenue in many cases coming from trail users.

Figure 5. Economic Impacts of GAP Tourism at Trail Businesses
2019 Estimates



Approximately 13 percent of spending fell outside of these sectors. Because other individual sectors had too few observations among our survey data to make robust estimates, we simply assumed that a comparable ratio of spending in the above three sectors – compared to all other sectors combined – held true among non-respondent businesses. To model that spending in IMPLAN, we allocated direct spending input across business sectors, based on the prevalence among our business and trail user survey data. The highest direct spending values among other sectors fell to businesses in “Other Services” and “Transportation and Warehousing” industries, which include trail-user-serving business like laundromats and shuttle services, and some outdoor recreation tour companies.

In order to avoid overestimating the effects that GAP users have on businesses located in the more densely populated portions of the trail, this spending was factored based on the relative trail activity and population of different sections of the trail. For example, comparing two restaurants in Pittsburgh and Meyersdale that are similar distances from the GAP, we model the latter as having a higher percentage of spending from trail users, based on the relatively high concentration of overnight trail users (with higher self-reported spending rates) in Meyersdale and the relatively high ratio of trail users compared to the residential population of the area. Ultimately, Pittsburgh has far more restaurants located near the GAP, and far more GAP users, than the less densely populated sections of the trail like Meyersdale, so total direct spending in the former is higher while the percentage of any given business’s revenue that comes from trail user spending is lower.

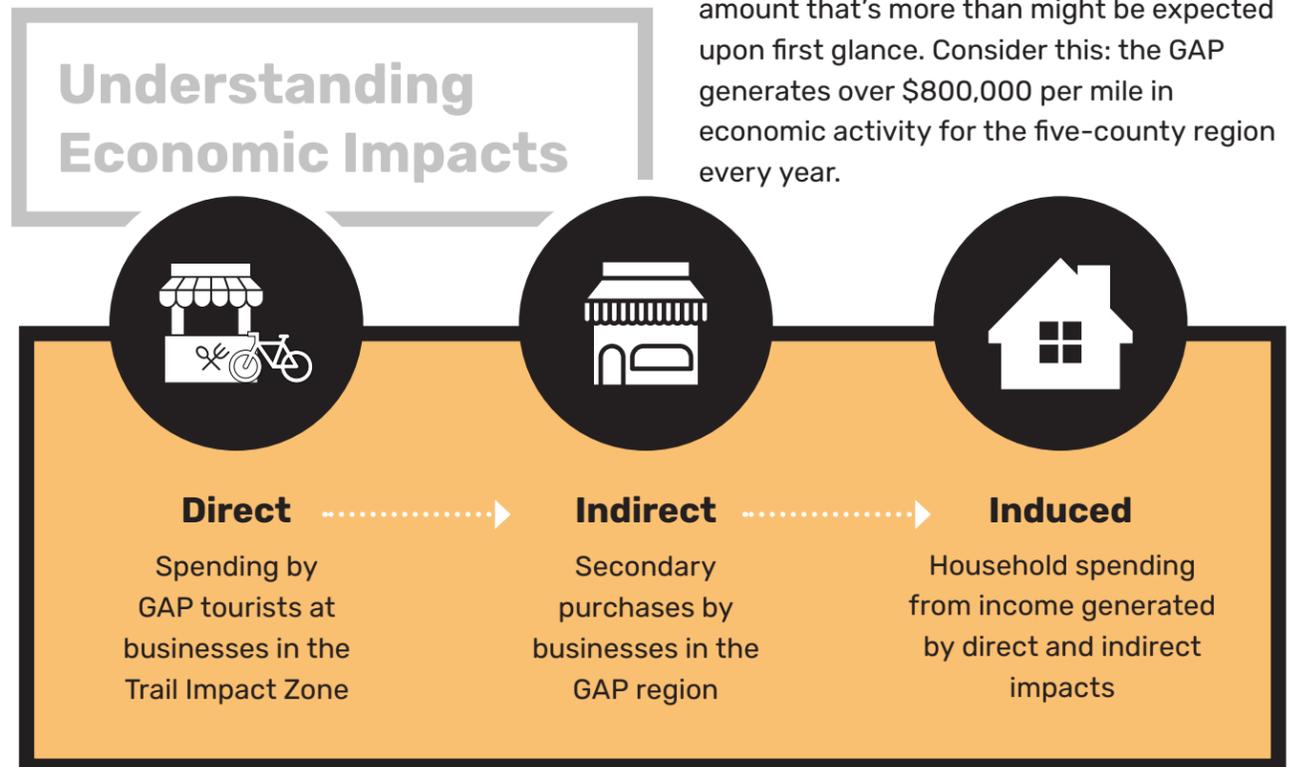
\$121.2M
Total Impact from GAP Tourism

In total, the direct spending estimate generated for the 2019 calendar year for all businesses in the Trail Impact Zone yielded approximately \$75 million in direct spending. We then used this estimate to model industry-specific indirect and induced spending. This approach provides conservative estimates for trail visitor spending impacts in the five-county region. However, these are only estimates, and, having created them using a specific methodology, we caution against any specific comparison of these numbers to other economic impact assessments or studies without a review of the

methodological differences.

The GAP generated \$121.2 million in economic impacts in 2019. GAP tourists spent nearly \$75 million in direct impacts on GAP businesses. In turn, this spending produced nearly \$22 million in indirect impacts among local businesses within the five counties that supply and support the core GAP businesses. All of this activity from the direct and indirect impacts generated additional spillover impacts of nearly \$25 million from the spending of the employees and owners of those businesses, which are referred to as induced impacts.

This is an immense amount of economic impact for an outdoor recreational amenity, especially one as fundamentally simple as the GAP. It can be difficult to conceptualize that amount of value in the region. From end to end, the GAP is known for its striking beauty, yet it brings economic value in an amount that’s more than might be expected upon first glance. Consider this: the GAP generates over \$800,000 per mile in economic activity for the five-county region every year.



B. Jobs Supported by GAP Tourism

The economic impacts of the GAP are felt not only through the revenue that comes to local trail businesses through GAP tourism, but also through the jobs that they offer their employees as a result. Our IMPLAN-based estimates suggest that spending from GAP tourism translates to \$52.6 million in worker wages in the five-county region, supporting 1,393 jobs. That equates to an average wage of approximately \$37,800, suggesting that **GAP tourism supports many living-wage jobs.**

Direct spending accounts for the majority of GAP tourism employment, with over 1,000 jobs supported directly by that spending. Secondary and tertiary employment impacts span a much wider variety of sectors, including many professional services jobs. These include, for example, lawyers, accountants, print shops, and various other providers of goods and services in the area.

Table 1. Employment Impacts from GAP Tourism

	Employment	Labor Income	Average Wage
Direct Impacts	1,094	\$37.3M	\$34,100
Indirect Impacts	128	\$7.0M	\$54,800
Induced Impacts	171	\$8.3M	\$48,600
Total Impacts	1,393	\$52.6M	\$37,800



These professional services jobs tend to have higher wages, hence the higher average wage for indirect and induced impacts, but it is worth noting the even the direct jobs alone provide a wage rate that far exceeds many low-wage professions in the region. This is an especially impressive fact when considering how many GAP jobs are seasonal. (Read more about seasonality on page 46.)

Small Businesses, Big Impacts

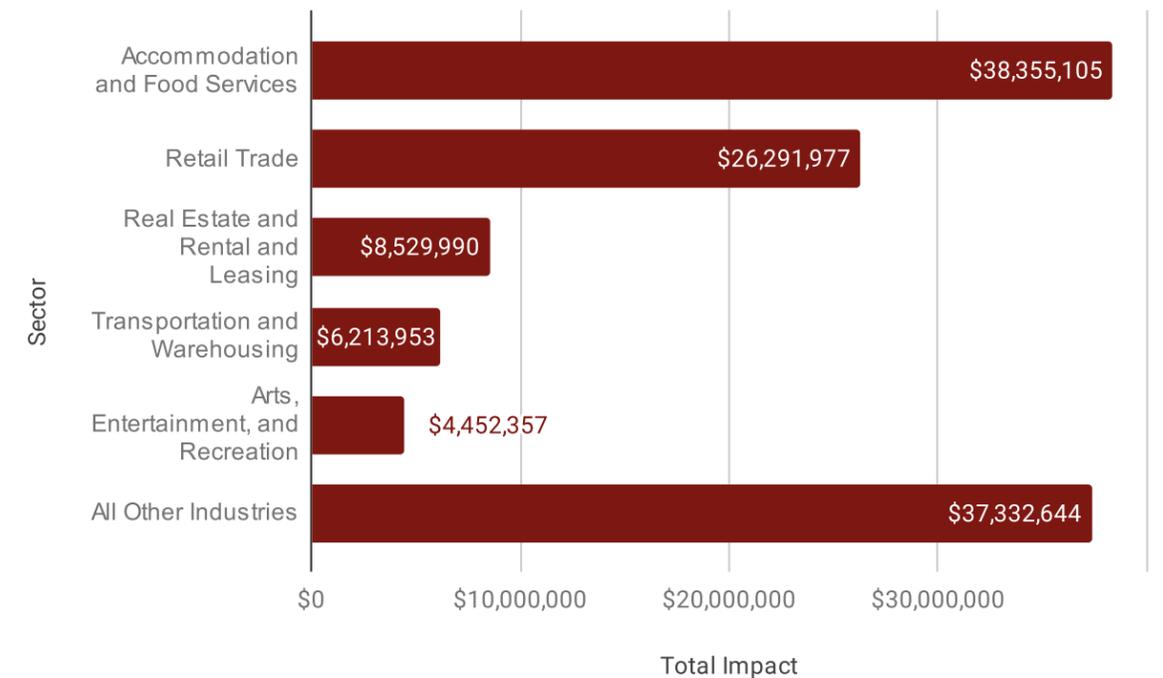
As we discuss further in Section 3 of this report, the GAP business community includes many small, locally owned businesses, and – perhaps counter-intuitively – when it comes to economic development, small businesses translate to big impacts. This is reinforced by [national research](#), and attributable to many factors, including higher wages for comparable positions, higher effective tax rates, and most importantly, a greater reliance on other local businesses for secondary goods and services. The indirect impacts of GAP tourism are strengthened by this phenomenon, to the benefit of the GAP region’s businesses and residents. When dollars enter the region through GAP tourism, they are more likely to be spent again in the region, from business-to-business transactions, because of the characteristics of the GAP business community.

C. Impacts by Sector

Although most of the direct spending from GAP tourism is concentrated at trail sector businesses, the total economic impacts of that activity are diverse and widespread.

The category of All Other Industries (which combines all other industry sector definitions) contains more than a dozen industries where the impact ranges from a few thousand dollars to over \$4 million.

Figure 6. Total Economic Impacts in the GAP Region by Sector, 2019



D. Impacts by GAP Section

It is difficult under the methodology of this study to attribute specific geographic areas of the GAP region with specific levels of economic impact. To create the economic impact model described in this report, business survey data and employment data were combined across the Trail Impact Zone, and more detailed area-specific estimates therefore become less statistically sound, especially for areas with relatively little population and few businesses. However, we can explore how GAP tourism and its economic impacts vary across three major sections of the GAP region, each of which has distinct characteristics, shown in the table below.

The total impacts of GAP tourism are most geographically concentrated in areas with large populations and large user counts (especially Allegheny County, Pa., and to a lesser extent, Allegany County, Md.). These areas simply have more activity on as well as adjacent to the trail. Areas where a higher percentage of businesses are trail-adjacent receive higher per capita impacts. This is especially true in Allegany County, Md. (driven mostly by Cumberland) but is also true throughout the Laurel Highlands section. While specific municipal impact estimates are not available, it's clear from both quantitative and qualitative evidence that the GAP's economic impact on several small, rural communities through which it passes in the Laurel Highlands region is dramatic relative to the total economic activity in the area. The legacy of the rail system is of great benefit to these communities, with historical local business districts often accessible by GAP users. In the Laurel Highlands and Allegany County, Md., GAP tourism spending is also more likely to come from overnight users, whereas near Pittsburgh, more GAP tourists are day users, generating higher impacts per user, despite lower overall trail user counts.

Table 2. Economic Impacts and Population by Section

GAP Section	2019 Economic Impacts from GAP Tourism	2018 Trail Impact Zone Population	2019 Total Resident Population	Impact (\$) per 1,000 Residents
Pittsburgh and Allegheny County, Pa.	\$46.3 Million	119,670	1,221,744	\$37.9K
Pennsylvania's Laurel Highlands* (Westmoreland, Fayette, and Somerset Counties)	\$43.7 Million	59,605	559,253	\$78.1K
Allegany County, Md.	\$31.2 Million	31,861	71,445	\$436.7K
Total	\$121.2 Million	211,136	1,852,442	\$65.4K

* Because the area surrounding the Laurel Highlands portion of the GAP is relatively rural, we cannot produce county-specific estimates for individual counties in that section with strong statistical validity. With too few businesses off of which to base individual county estimates, we are only able to report results for the three-county area.

E. Comparing Past Economic Impact Studies on the GAP

In 1998, an economic impact study of the GAP by the University of Pittsburgh and the Pennsylvania Economy League estimated \$7.9 million in direct sales from trail use. In 2009, Campos estimated \$40.7 million in direct sales through a second study. The Progress Fund found a similar estimate of \$50 million based on a survey in 2012. The most comparable number among these previous studies that compares to our current work is the direct spending estimate of \$74 million. However, in our case we have attempted to estimate only tourism-driven spending. Our total economic impacts also consider indirect and induced impacts that were not included in previous studies. While, as stated above, specific comparisons should be avoided (for instance, we would caution against claiming a specific rate of increase in spending over time), a clear trend emerges. Based on growing spending rates reported by both businesses and trail users from past surveys, and based on a conservative model of the economic impacts of that spending, it seems abundantly likely that **the economic impact of the GAP has grown substantially between 2009 and 2019**, even using inflation-adjusted dollar values. This is unsurprising given several factors, including increasing user counts, new investments in trail infrastructure over that period (as stated in Section 1), and the growth in the number of trail sector businesses in the trail impact zone (as we will see in Section 3), but it is still worth clearly stating the finding.

F. Similar Research

We do not advise specific comparisons across studies with different methodologies, but it is worth considering generally how the GAP aligns with similar economic impact analyses that have been done for other similar destination trails and multi-use paths. Three similar examples include the [Erie Canalway Trail](#) in Ohio, the [Katy Trail](#) in Missouri, or the [Vermont Trail and Greenway Network](#), among others. **In each of these cases, even when adjusting for inflation, the GAP offers an impressive comparison in two critical ways: the GAP's overall estimated economic impact from tourism on the corresponding region is higher, and the GAP's estimated rate of direct spending per visitor is higher.**

In most comparable studies, as well as previous GAP impact studies, total direct spending per trail user visit (including all user types) falls in the order of magnitude range between \$10 and \$90. In other words, the average user spends between \$10 and \$90 per visit on most long-distance, destination trails, where estimates are available. This helps to define the level of economic impact that we would expect from a trail like the GAP. In our estimates, that direct spending was about \$75 per user, specifically – a fairly high number. More rural outdoor trail systems – especially those whose primary users are backpackers and hikers (with higher rates of rustic camping, and fewer opportunities for local spending) – tend to have lower rates of spending per user visit. Although the GAP does offer a more rustic experience for some users, most GAP tourists, on the other hand, tend to be higher-income cyclists, with high rates of daily spending – especially overnight GAP users. They contribute substantially to local businesses, giving the GAP an especially high rate of spending per user.

G. Key Takeaways

Two clear findings emerge from our analysis that summarize the text of the previous page:

- 1. The GAP has a high economic impact for a regional multi-use path, both per-user-visit and overall. While direct comparisons are difficult, the GAP’s impacts appear particularly strong when reviewing similar studies for other popular multi-use paths.**
- 2. The GAP’s economic impact on the regional economy has continued to grow substantially over the last decade – with evidence not only from this study’s economic impact analysis but also broader economic data and evidence from stakeholder interviews.**

“The GAP is a great resource for everyone... even children learning how to ride bikes who don’t want to ride on the street.”

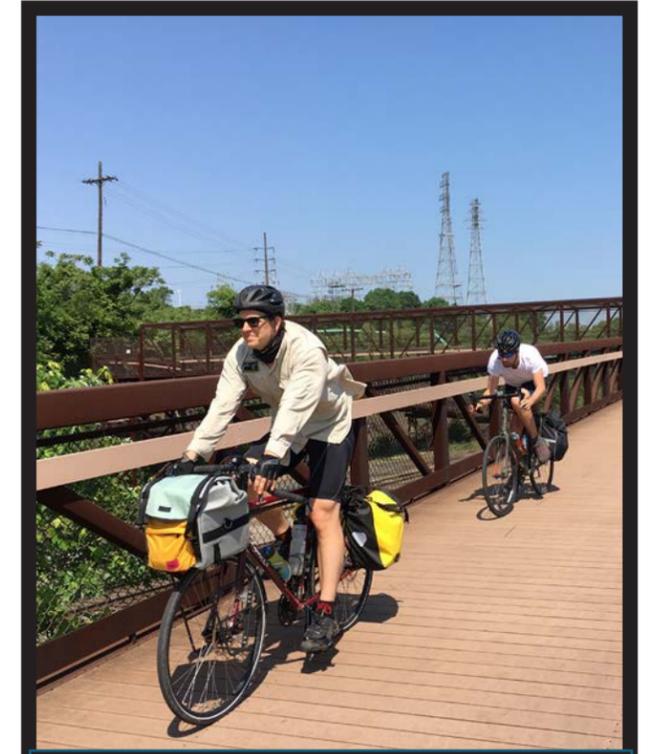
Elizabeth Stahlman, City Administrator, Frostburg Md.



US-40 Bridge, Allegany County, Md.

H. Additional Spending

In addition to the spending at trail businesses that takes place during a trail visit, the development of the GAP has spurred other types of spending on goods and services that relate to the use of the trail. When a GAP user purchases a new bicycle, for instance, or new running gear, these purchases might be driven by use on the GAP. We have not included any of this spending in our economic impact model, even though some of that value would quite reasonably qualify as GAP-driven spending. Why not? It is too difficult to exclude non-local spending, mostly because of the prevalence of online shopping. We did, however, ask respondents in our survey to estimate their own expenditures on goods that were primarily purchased for use on the GAP, including any equipment or clothing. Across all of our respondents, the average such expenditure in 2019 was \$413.59.



Port Perry Flyover, Allegheny County, Pa.

It is difficult to estimate the total value of that spending across all GAP users, given that repeat users will appear multiple times in trail counts but only once in estimates of this type of spending. To generate a rough estimate, we can assume that the frequency of trail use overall aligns approximately with the median of our survey respondents. This is a simple, more conservative alternative to using averages, given that high-activity users will likely be more responsive to surveys. We thereby find that there are over 62,000 unique trail users in the region who annually we can estimate spend a further \$22.8 million on goods primarily for use on the GAP. We have less confidence in that estimate than in our calculation of spending at local businesses, and we acknowledge that a substantial portion of that money does not benefit local businesses, but this spending still represents a significant additional value to businesses in the five-county GAP region.

\$22.8 Million

Additional annual spending on goods primarily used on the Great Allegheny Passage.



I. Return on Investment

It is worth dwelling on the investments that were made to create the GAP in relation to the impact those investments now have. The development of the Great Allegheny Passage, as discussed in Section 1, has been a multi-decade undertaking involving many volunteers and countless hours of in-kind support. The Allegheny Trail Alliance was formed in 1995 by four volunteer trail groups and three public sector trail owners to connect existing paths in Southwestern Pennsylvania and Western Maryland, build new segments, and complete what would come to be the 150-mile Great Allegheny Passage between Pittsburgh and Cumberland, Maryland. Together, under the leadership of founder Linda McKenna Boxx, the Allegheny Trail Alliance (ATA) raised over \$80 million between 1995 and 2016 to renovate and convert iconic former railroad structures like the Brush Tunnel, Big Savage Tunnel, Keystone Viaduct, Bollman Bridge, Salisbury Viaduct, Pinkerton Bridges and Tunnel, and Riverton Bridge for bicycle and pedestrian use. The ATA fundraised for – and coordinated the installation of – the Whitaker and Port Perry Flyovers, the Munhall Cycletrack, and other infrastructure, which included lobbying and coordinating with several municipalities, private landowners, and nonprofit organizations. The City of Pittsburgh’s concurrent trailbuilding efforts offered a final connection to the western terminus of the GAP at Point State Park in downtown Pittsburgh.

That figure, \$80 million, was developed by ATA through a careful accounting of the hard costs that went into the develop of the physical infrastructure that made off-road travel along the full 150-mile route of the trail possible, and it gives a sense of what it took to convert old railroad beds, bridges, and tunnels into the multi-use trail that is now the GAP.

While it does not include the softer costs and considerable volunteer and in-kind support that are required to maintain the GAP and keep it in such good condition, it does demonstrate the impressive value that the GAP has provided this region. That infrastructure that costed \$80 million in initial investment to create now generates more than \$121 million in *annual* economic impact in the five-county region, most of it along the Trail Impact Zone.

The GAP now generates more in economic impact in a single year than it originally cost to create. That is a phenomenal return on investment.

“The GAP has done so much. It is more than just a bike trail.”

Dan Parisi,
Meyersdale

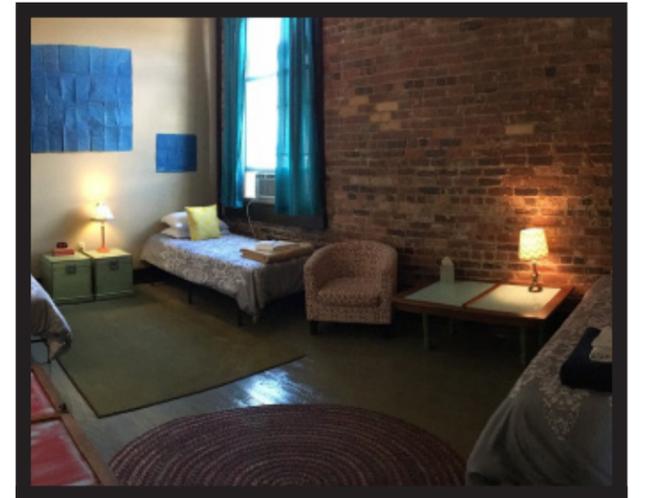
SECTION 3

GAP Business Assessment

The GAP is rich in scenic beauty, and it also boasts a vibrant business community that provides goods and services for residents and trail users alike. In this section, we’ll talk about the characteristics of businesses that make up that community. We’ll discuss in more detail the definition of the key trail business sectors introduced previously in the report, and provide data around those. We’ll explore why evidence beyond our own economic impact analysis suggests that the GAP has had substantial impacts on the region, and we will also explore why the Covid-19 pandemic seems to have hit trail businesses particularly hard, despite substantial increases in trail use during 2020. Finally, we’ll highlight five specific challenges and opportunities facing the GAP business community.

Thanks to the GAP Business Community!

The primary inputs for our understanding of these issues include interviews with business owners, surveys completed by business owners and managers, and small-group engagement sessions with business representatives and other stakeholders, as well as our own economic analysis. We reiterate our thanks to the GAP business community for so generously sharing their perspectives and experience with us, and we hope that this report offers both an accurate reflection of what we heard and findings that prove useful. Throughout this section, we will also include brief profiles of a few of the businesses that are active along the GAP.



GAP Business Profile

Morguen Toole Company

Meyersdale, PA

Morguen Toole Company has become a popular destination for overnight GAP users, serving as a place of shelter, entertainment, and nourishment. Founded in 2010 by Somerset County natives Jeremy and Andrea Hoover, Morguen Toole is a hotel, restaurant, and event center in Meyersdale, PA. The Hoovers successfully restored the 19th century building and preserved its historic charm. Recently, it opened a food truck that became especially popular during the pandemic for those seeking to enjoy Morguen Toole’s American-style dishes.

A. Defining Trail Businesses

Key Trail Business Sectors

To understand the business activity along the Great Allegheny Passage, it is important to consider the different types of businesses that operate near and benefit from the GAP. While this report refers to all businesses located in the Trail Impact Zone that benefit in some significant way from GAP user spending or proximity to the trail, there are three major industry sectors that primarily benefit from trail-driven tourism: food and accommodation businesses, retail businesses, and arts/entertainment and recreation businesses. These sectors account for the majority (87 percent) of direct spending from GAP tourism. Many other businesses in the region benefit from the secondary and tertiary effects of

that trail spending, and those effects are far more distributed across sectors, as seen among the indirect and induced impacts that were discussed in Section 2.

These industry categorizations lack nuance, and they refer only to the primary area of activity in which a business is engaged, making them less than ideal for developing a deep understanding of the GAP business community. For that reason, we will also explore more detailed subsector and business activity data to distinguish among different, more specific types of businesses in places. Nonetheless, because geographically detailed data on key economic statistics, like employment, is only available for major industry groups, we will focus substantially on these **key trail business sectors** in discussing major trends in the trail impact zone and five-county GAP region.



Food and accommodation businesses include all entities that are primarily focused on providing either prepared food and/or drinks or overnight lodging. Restaurants, bars, coffee shops, hotels, bed-and-breakfasts, and campgrounds all fall into this group, and it is by far the largest sector of GAP-driven activity (48 percent of direct spending), with numerous businesses along the trail patronized by a variety of different user types, including both day and overnight users, as well as both cyclists and people participating in other activities.



Retail businesses include those that sell merchandise directly to customers as their primary means of revenue generation. Along the GAP, these include outfitters, bike shops, and other stores, which are often highly dependent on GAP Tourism spending, but also larger chain/franchise establishments including pharmacies, convenience stores, and gas stations, which derive a more modest (but not inconsequential) percentage of revenue from trail users.



Arts, entertainment, and recreation businesses are the smallest of these three groups in employment in the Trail Impact Zone, but they include several significant outdoor recreation businesses and cultural/historical sites.

Note: for the purpose of consistent categorization across different sources of data, the business sectors that we refer to in the report are based on the North American Industry Classification System (NAICS) – a standard categorization system for business activity in the U.S. To read more about NAICS codes please visit www.census.gov/naics.

B. Understanding Trail Business Activities

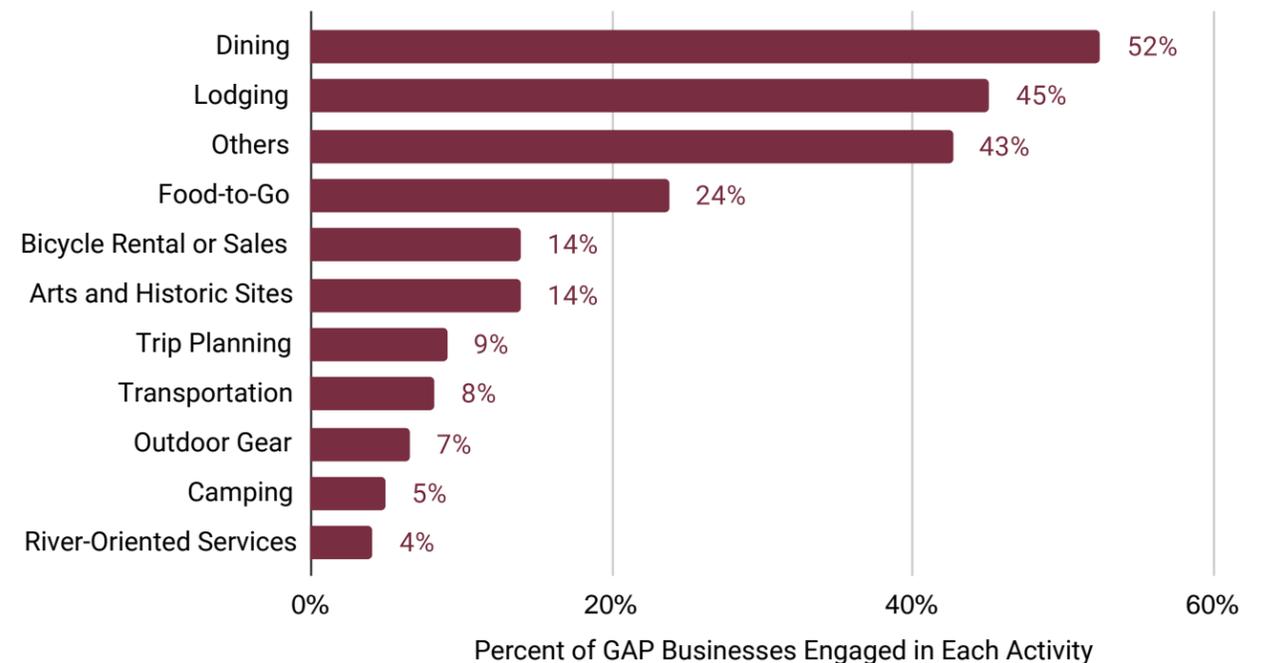
Many businesses that operate in the Trail Impact Zone are not easily categorized into one sector because they offer services that relate to multiple sectors – for instance, an overnight lodging business that offers dining, or a recreational tour business that also offers bike repair. For the purpose of our economic impact analysis, we have attempted to categorize businesses by their primary area of activity into one of the major sectors that correspond to the NAICS system. We asked business survey respondents to do so themselves, based on their most significant source of revenue, and despite the lack of nuance, this process is important to our methodology. We also have data from our survey and business interviews that capture more details about responding businesses’

63% Offer multiple goods/services to GAP users
of respondent businesses

specific activities, as seen below. GAP businesses are particularly dynamic in their offerings. **Almost two-thirds of respondent businesses offer more than one of these trail-oriented goods and services to GAP Tourists.**

This diversity in goods and services that a business offers is positive in three critical ways: first, it makes businesses more financially sustainable (with more diverse revenue streams), second it improves offerings for local residents, and third, it improves the user experience for GAP users, who, in our survey, spoke very positively of the level and variety of amenities along the trail.

Figure 7. Goods and Services Provided by GAP Businesses



Data from 2020 GAP Business Survey. Note that figures do not sum to 100 percent, for categories are non-exclusive.

C. Employment in the Trail Impact Zone

Section 2 reported estimates of the regional economic impacts of spending by GAP tourists at businesses in the trail impact zone. These models were based primarily on survey responses from businesses and trail users and captured spending estimates for different types of businesses. But there is additional evidence of the GAP’s economic impact in the Trail Impact Zone that goes beyond our modeling. Strong evidence of the GAP’s impact on the area is apparent in publicly available employment data, for example. The U.S. Census Bureau and Bureau of Labor Statistics’ Longitudinal Employer-Household Dynamics (LEHD) program provides geographically-detailed employment information, organized by industry, and it also captures change over time. Therefore, we can use LEHD data to understand how

employment in the Trail Impact Zone has changed over the previous decade, during the economic recovery that followed the Great Recession of 2008 – 2009.

Overall, across all industries, we find that employment grew modestly in the trail impact zone during this period, by approximately 4.8 percent. This alone is a positive indicator, given that the population of the trail impact zone declined over that period by 3.1 percent. The five-county region and combined Pennsylvania and Maryland area both saw more pronounced growth. This is not particularly surprising, given that the region saw more modest population decline than the trail impact zone and the two-state area saw in their respective populations.

Without further analysis, we would find that the trail impact zone seems to have been doing relatively well economically (coming into the Covid-19 crisis at least), especially considering its context, but it would be difficult to attribute that employment growth to anything more specific than regional trends. However, further analysis focusing specifically on the industries that we know are most impacted by GAP tourism generates a compelling finding.

In the Trail Impact Zone, job growth in the key trail business sectors (those businesses in the region who report the highest rates of their income coming from GAP users: food and accommodations; arts, entertainment, and recreation; and retail) far exceeds the rate of growth in those three sectors in the broader five-county region and two-state area. Since 2010, 4,104 jobs have been added across these sectors in the Trail Impact Zone – a growth rate of over 12 percent!

provided in Section 2, it is difficult to attribute these jobs specifically to the GAP. Some businesses in these sectors (especially in retail), despite being located in the trail impact zone geography, likely do not benefit significantly from GAP user spending. Yet taking these numbers together with the business-reported spending estimates gathered through our survey and interviews with local businesses, one message emerges: the GAP has played a vital role in the post-recession economic recovery of the area.

This message resonates with timely force now that the region, along with the rest of the country, finds itself in the midst of another economic downturn. Even as widespread vaccine availability in mid-2021 provided a potential path out of the public health crisis of Covid-19, the economic effects of the pandemic and corresponding recession continue to have severe and long-term impacts – especially on small businesses. Later in this section, we will discuss these in more detail, but whatever the future holds for the area, it is clear that the GAP will continue to be a critical driver of economic activity in the area for years to come.

Unlike the spending-based number



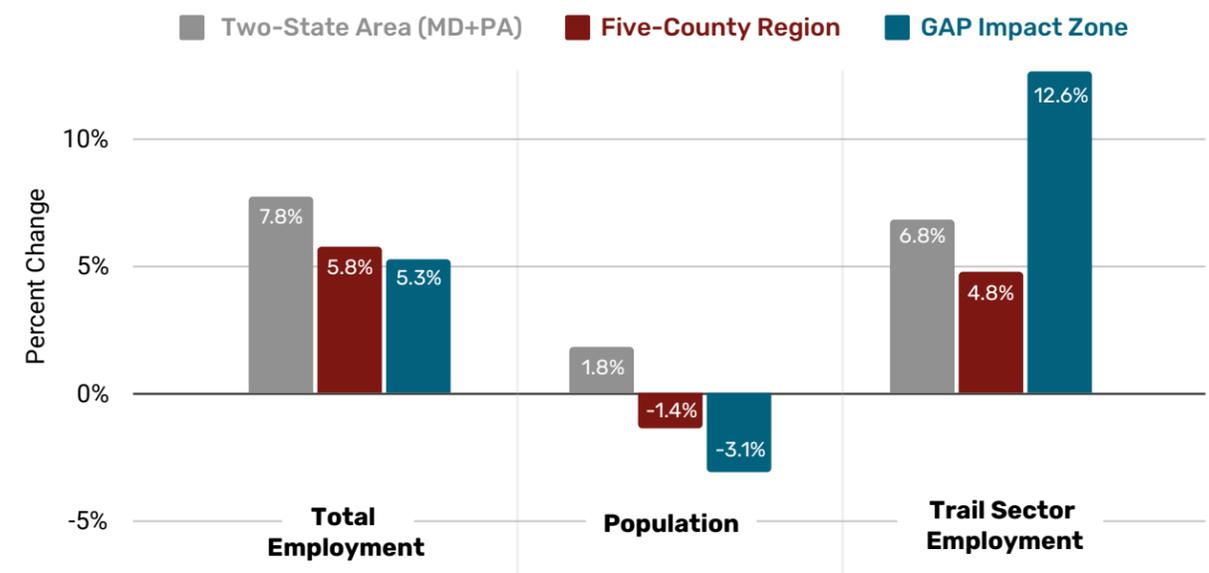
GAP Business Profile Confluence, PA

Mitch’s Food and Fuel

Pam Hartman and her husband, Mitch, opened their business 38 years ago as a gas station, and food/convenience store. After a serious fire, the business reopened as Mitch’s Food and Fuel, in honor of Mitch Hartman, who passed away in 2010. The business benefits significantly from GAP activity, with cyclists stopping for food and miscellaneous needs. “The GAP is what brings people to the town,” Pam says. It appears business acumen is hereditary in the Hartman family. In 2015, Pam’s daughter, Amber Hartman, a professional hospitality consultant in her day job, opened the Smith House Inn just down the road from Confluence, where she regularly serves GAP tourists.

Figure 8. Growth in the Trail Impact Zone

Data from US Census Bureau



Other Business Sectors

While employment growth among primary trail sector businesses has been substantial in the region, not all businesses that benefit from GAP tourism fall into those three sectors. Several businesses that do not fall into the key trail business sectors engage GAP tourists, and receive significant direct GAP tourism spendings. Some of these businesses – for instance, that primarily provide river rafting and/or boat rental (for example, in Ohiopyle) but also serve trail users through bike rental, retail, or other services – might be categorized in the transportation industry (not one of the primary trail industries). The same is true for companies that primarily provide transportation or shuttle services. While for many businesses, this is a secondary source of revenue to their primary activity, a few are primarily shuttle services. This is a case where a business would fall outside of the primary trail business sector group yet still likely collect almost all of its revenue from trail users. Still, while exceptions like this are worth acknowledging, the vast majority of transportation sector businesses in the region receive little or no direct benefit from GAP spending.

Tour companies that primarily arrange group or self-guided travel along the GAP offer another example of a business with high rates of GAP user spending. These businesses make the prospect of an overnight trip more feasible – and the experience more enjoyable – for many travelers. These businesses receive direct spending for their services but also facilitate direct spending at other establishments. And while many offer these services as a secondary business function, those that are primarily travel businesses would fall into the administrative services sector.

Finally, there are several examples of businesses that receive some direct spending from GAP users that happen to fall in other industries. Laundromats, health care services, car rental outlets, photographers, and other businesses that provide discrete services to GAP users are all included. As a specific example, some people pay a small fee to camp overnight outside the YMCA facility in Cumberland while traveling overnight along the GAP. The YMCA is not primarily an overnight accommodation business. In NAICS parlance, it is a social and civic organization in the other services sectors. But, even as a nonprofit, a small amount of GAP tourism spending enters the Cumberland economy because it provides this service. Examples like this are too small and nuanced to be addressed specifically in our modeling, which, as discussed in Section 2, includes a flat estimate of spending activity across all non-trail-sector businesses. **Based on our survey, 13 percent of total direct spending from GAP tourism took place at businesses that did not primarily fall into one of the three key trail business sectors.**

“The trail supports many more businesses than the population could alone.”

Keith Frid,
West Newton

D. Characteristics of GAP Businesses

The businesses from which we collected detailed survey information were diverse, across many categories. Survey data helped us to develop a well-rounded model of GAP tourism spending, but the data also capture several interesting characteristics about the GAP business community, some of which are shared in the following pages.

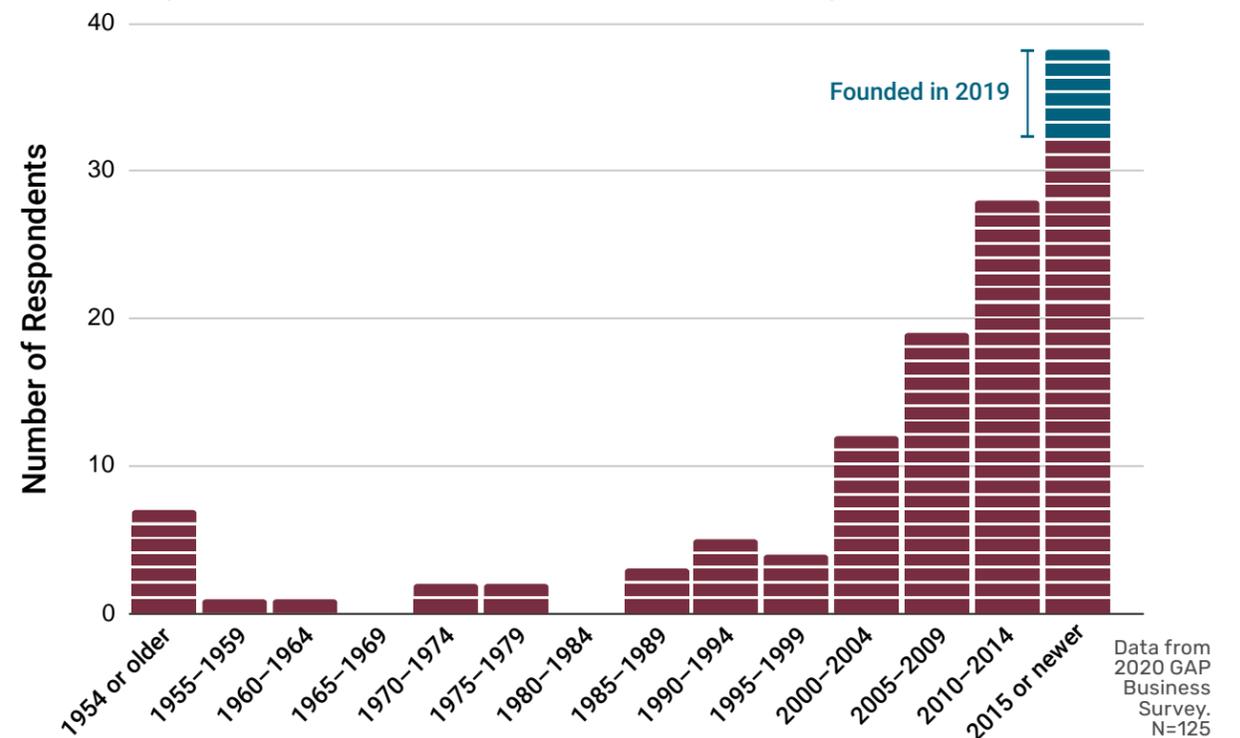
“[The new businesses that have opened in recent years] fit Frostburg, and Frostburg fits them. All of this wouldn’t be happening without the diversity that comes from being located on the trail.”

Bob Flanigan
Mayor, Frostburg, MD

Age of GAP Businesses

Business survey respondents in the trail impact zone for the GAP vary in age. Most were founded within the last 20 years. This is unsurprising, given how closely tied many of their operations are to activity along the GAP as well as the corresponding timeline of trail development – with the GAP significantly expanded and then completed between 2001 and 2021. Still, several are longstanding businesses that existed prior to even the earliest development of the region’s trail infrastructure. Some of these businesses have lasted through several major chapters of economic development in the region, maintaining operation through the early industrial period, economic decline of the latter half of the twentieth century, and current growth period, driven largely by the GAP and other outdoor recreation and tourism activities.

Figure 9. Distribution of GAP Business Ages



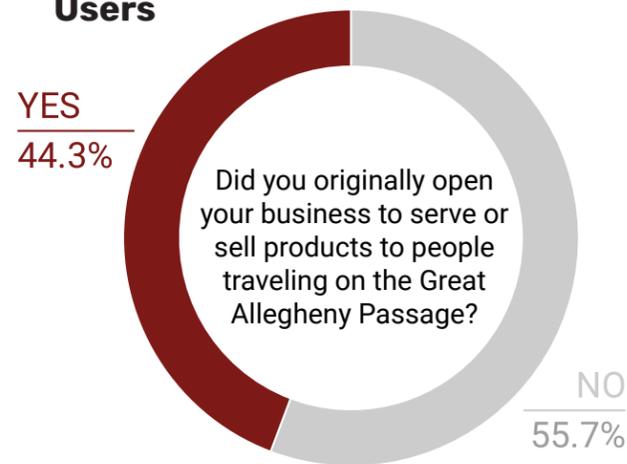
Business Creation Along the GAP

Many of the businesses (44 percent of those surveyed in the Trail Impact Zone) were founded specifically to serve GAP users. This is especially true for younger businesses. Unsurprisingly, those businesses that were founded to serve GAP users tended to report higher rates of revenue from GAP users.

Looking beyond those in our survey sample, it is hard to quantify how many businesses were established specifically for the purpose of serving trail users. But if we assume that similar rates exist for other businesses located near the GAP for whom we do not have survey or interview data, there would be over a hundred businesses in the area that meet that description. The likelihood that a given business in the trail impact zone was founded primarily to serve GAP users varies by type of business. Unsurprisingly, businesses that provide overnight lodging

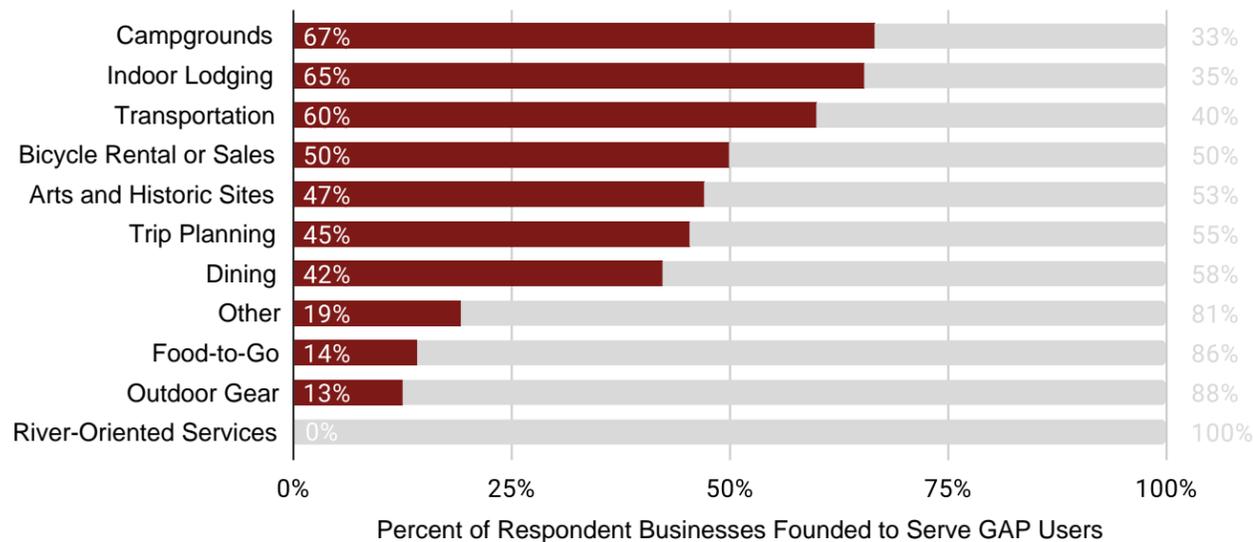
(especially outdoor lodging, bed-and-breakfasts, and hostels), as well as tour companies and bike-oriented businesses, were particularly likely to be founded to serve users of the GAP, whereas restaurants and especially retail businesses were less likely to be founded primarily with that purpose.

Figure 9. **Business Creation to Serve GAP Users**



Data from 2020 GAP Business Survey. N=125

Figure 10. **Business Creation to Serve GAP Users by Business Activity**

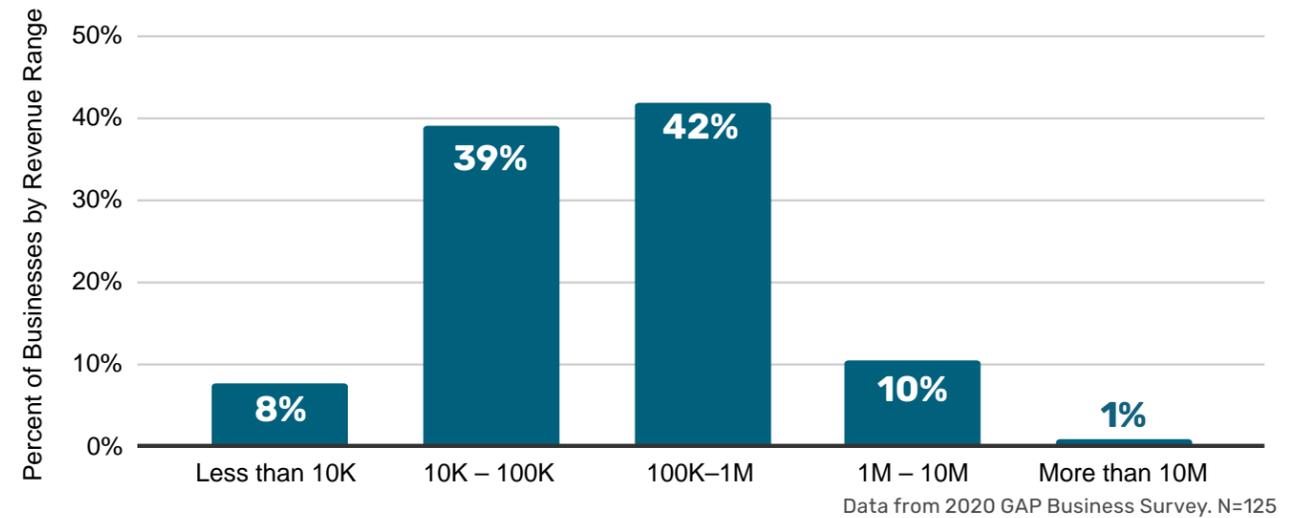


Data from 2020 GAP Business Survey. N=125

Size of GAP Businesses

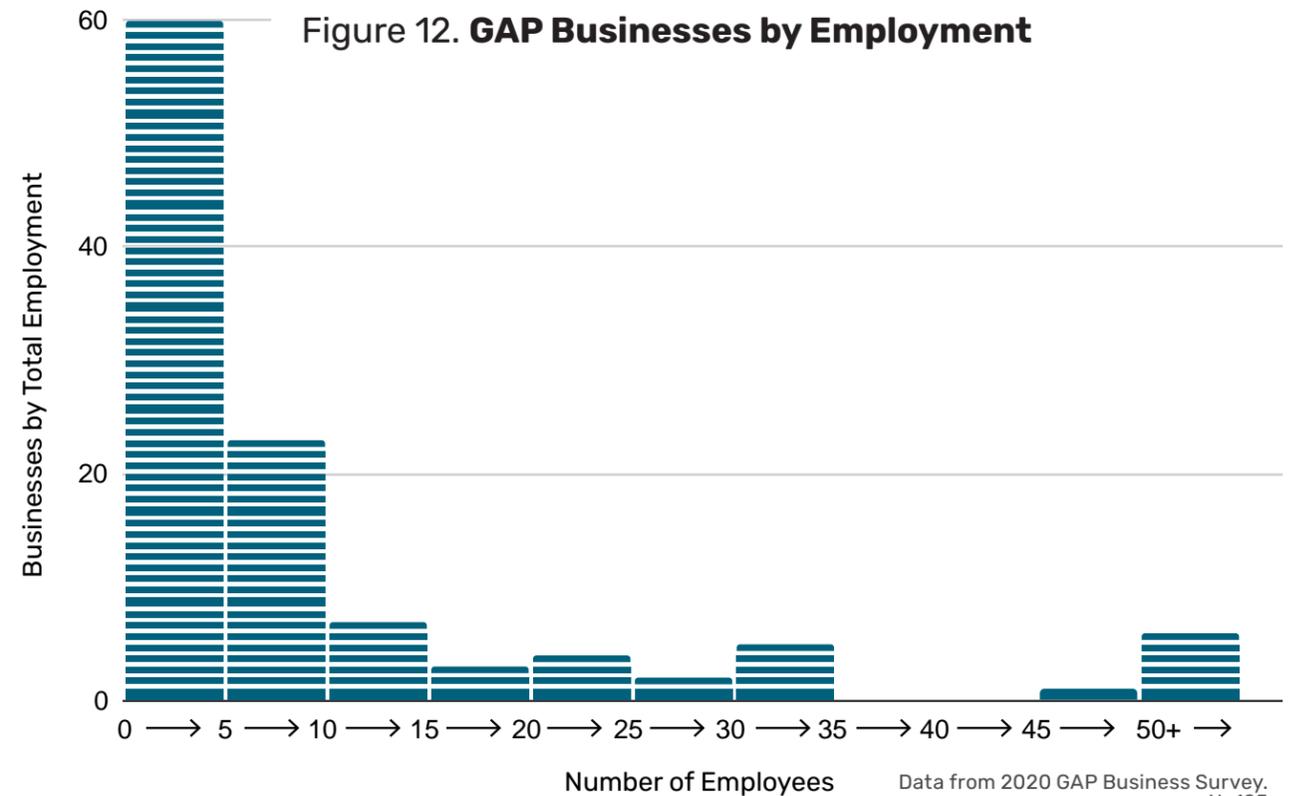
Most GAP businesses are small or mid-sized businesses, with fewer than 100 employees and annual revenues of less than \$1 million each. A few respondents were larger in both respects. (In order to preserve anonymity, we will not discuss the characteristics of those larger businesses in more detail.) This concentration of small businesses is important to the region, because small businesses are more likely to be locally owned and more likely to circulate revenue in the local economy. But they also face challenges, which we will discuss later in this section.

Figure 11. **GAP Businesses by Revenue**



Data from 2020 GAP Business Survey. N=125

Figure 12. **GAP Businesses by Employment**



Data from 2020 GAP Business Survey. N=125

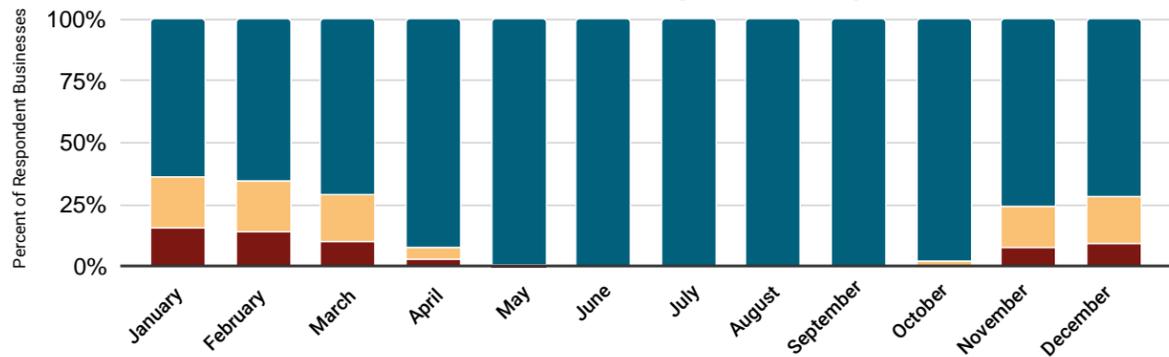
Seasonality

Tourism is highly seasonal. While there are visits to the GAP year-round, the majority of use, and the vast majority of use by overnight, higher-spending users, takes place during the late spring and summer months (May – September) when the weather is warm. Because of this, about 35 percent of businesses that were surveyed either close or substantially reduce hours and/or services for part of the year. This no doubt makes sense for those businesses, but the dynamic also raises challenges related to staffing, operations, and marketing.

Figure 13. **Seasonal GAP Business Operations in a Normal Year**



Operations by month:



Data from 2020 GAP Business Survey. N=125



GAP Business Profile

Rockwood Mill Shoppes & Opera House

Rockwood, PA

Rockwood Mill Shoppes & Opera House is a relic of the early 1900s, when live performances ruled and movies had yet to become the primary form of entertainment. Located in Rockwood, PA, the Mill Shoppes gives the sights, sounds, and tastes of Americana. Originally, the building was a lumber mill but was converted into a performance venue in 1904. Today, its antique shop allows visitors to take home a piece of history, and the upstairs opera house serves as a performance center for live theater. Visitors would be foolish to leave without enjoying the Mill Shoppe’s ice cream and vintage soda pop. For those with more modern taste buds, it also offers pizza with unique toppings.

E. Covid-19 Impacts on GAP Businesses

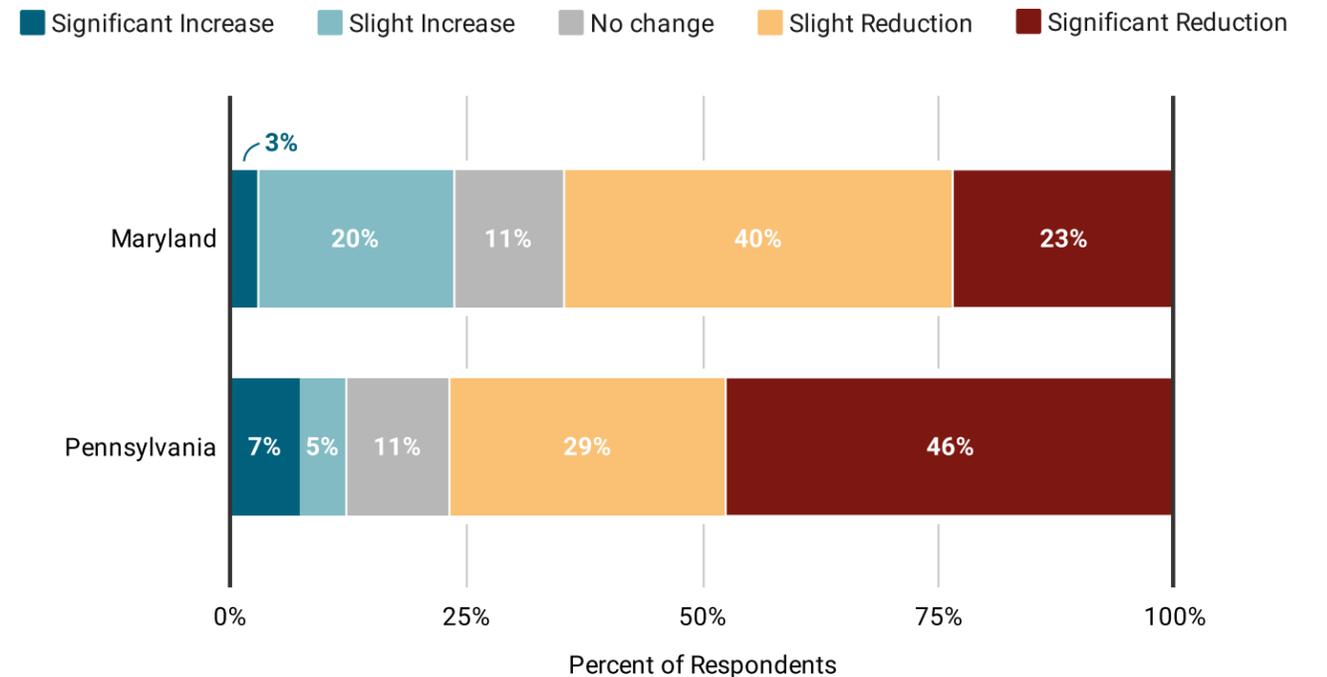
The outbreak of Covid-19 in the United States in early spring 2020 dramatically affected people and businesses throughout the region, as well as throughout the country and around the world. Businesses along the GAP faced closure orders, safety measures, capacity reductions, supply chain interruptions, and changing behavior/spending patterns. On the whole, these effects were resoundingly negative. This is unsurprising, but it was also reinforced in the 2020 trail business survey, with 70 percent of GAP businesses surveyed or interviewed reporting decreased activity during 2020. For many, this required staffing reductions and led to lost revenue. Businesses throughout the Trail Impact Zone reported these challenges, but businesses in Pennsylvania reported slightly more significant impacts than those in Maryland.

Covid-19 Impacts on GAP Businesses:

- ↑ User counts on the GAP went up by 50% in 2020.
- ↓ Yet, 70% of GAP Businesses report decreased revenue.

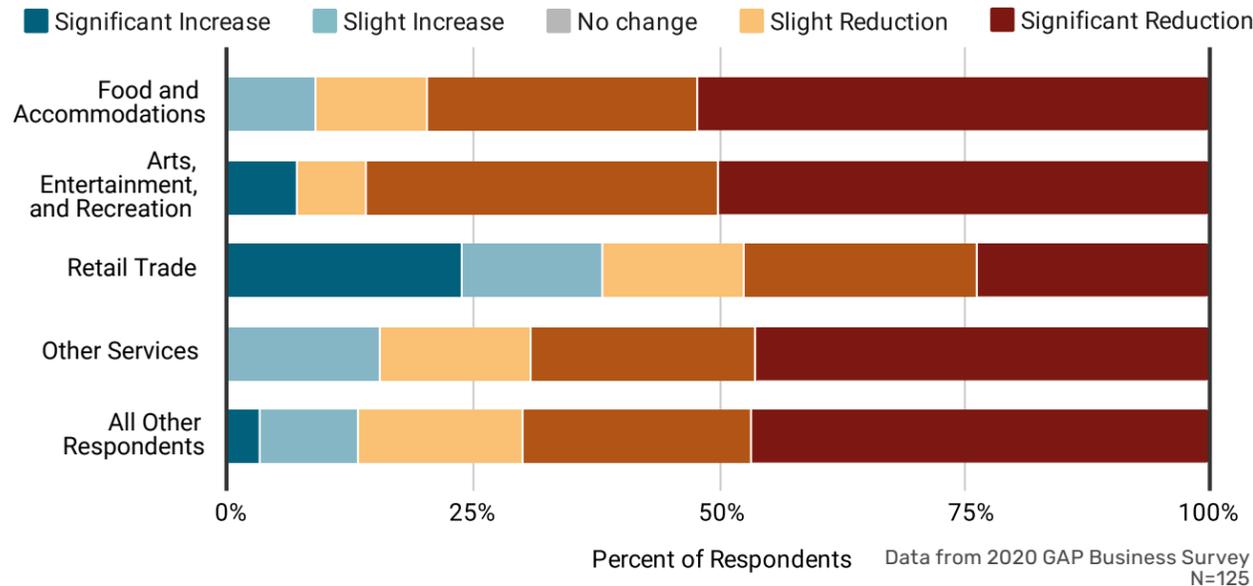
Although most did not, there were several businesses that saw increased activity and even higher-than-normal revenue. That is partly explained by user activity on the GAP. Trail counts were up dramatically in 2020 compared to 2019 (by over 50 percent), as the GAP offered a great chance to get outside and be active while avoiding crowds and remaining physically distant from others.

Figure 14. **Covid-19 Impacts by State for GAP Businesses**



Data from 2020 GAP Business Survey. N=125

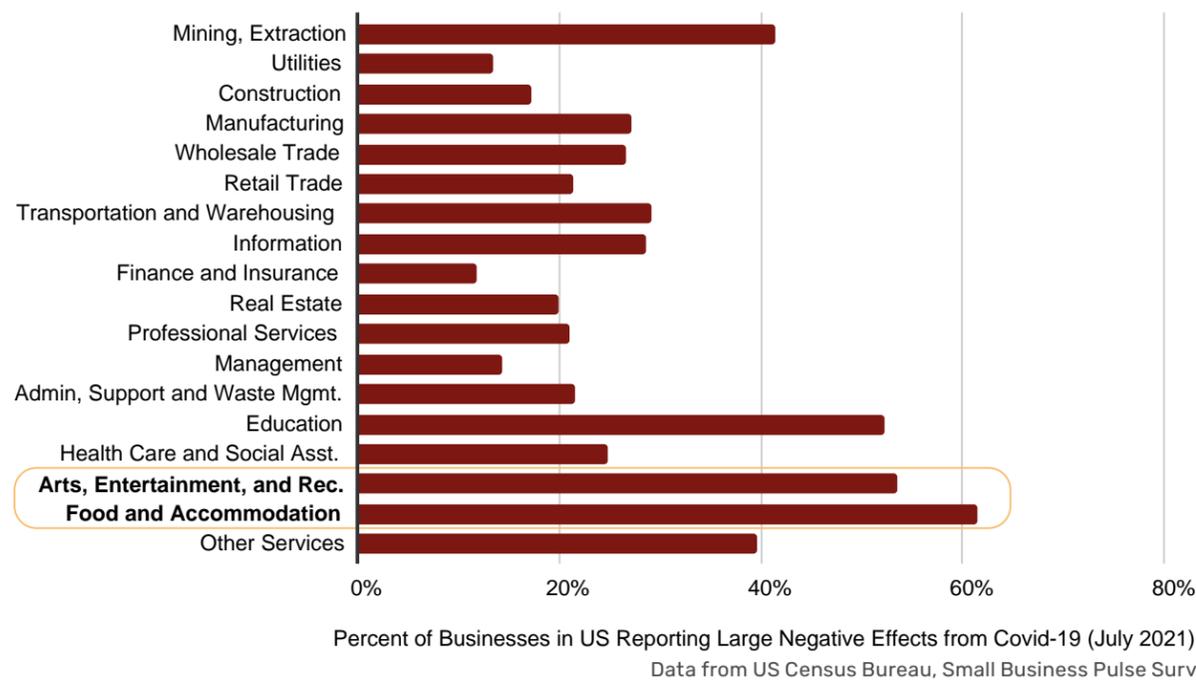
Figure 15. Covid-19 Impacts by Trail Business Sector for GAP Businesses



But even for businesses that were in a position to benefit from rising usership, the other challenges that Covid-19 brought with it made it difficult to operate. These negative effects were particularly strong for two of the primary trail business sectors: food and accommodations, and arts, entertainment,

and recreation – sectors in which businesses around the country struggled to cope with the crisis, and continue to struggle with its effects even well into 2021. We see evidence of this from our business survey and interviews as well as national surveys.

Figure 16. Covid-19 Impacts by Business Sector Nationally



Many businesses in the area were also able to take advantage of Paycheck Protection Program (PPP) funding and other government-funded support and recovery programs. However, despite feeling the effects of the crisis disproportionately, business sectors serving trail users – especially food and accommodations businesses – received relatively little support through public funding, especially in the first round of PPP loan distribution in 2020.

Table 3: Employment vs. PPP Distribution (Round 1)

	Total Private Jobs 2019	Food & Accom. Private Jobs 2019	Food & Accom. PPP Funding (Round 1)	Arts, Ent., Rec. Private Jobs 2019	Arts, Ent., Rec. PPP Funding (Round 1)	Retail Private Jobs 2019	Retail. PPP Funding (Round 1)
Allegheny County	679,490	9.3%	7.5%	2.2%	0.5%	10.3%	14.8%
Westmoreland County	122,845	10.4%	5.9%	1.6%	0.7%	14.0%	8.2%
Fayette County	33,709	13.1%	4.7%	2.0%	0.8%	14.6%	13.8%
Somerset County	19,679	13.7%	5.2%	1.1%	0.4%	12.1%	7.7%
Alleghany County	22,106	14.8%	5.0%	1.1%	1.8%	14.7%	6.0%
United States	125.8 M	11.0%	8.1%	1.9%	1.6%	12.3%	7.7%

Data from US Census Bureau and Small Business Administration

GAP Business Profile

Golden Triangle Bike

Pittsburgh, PA

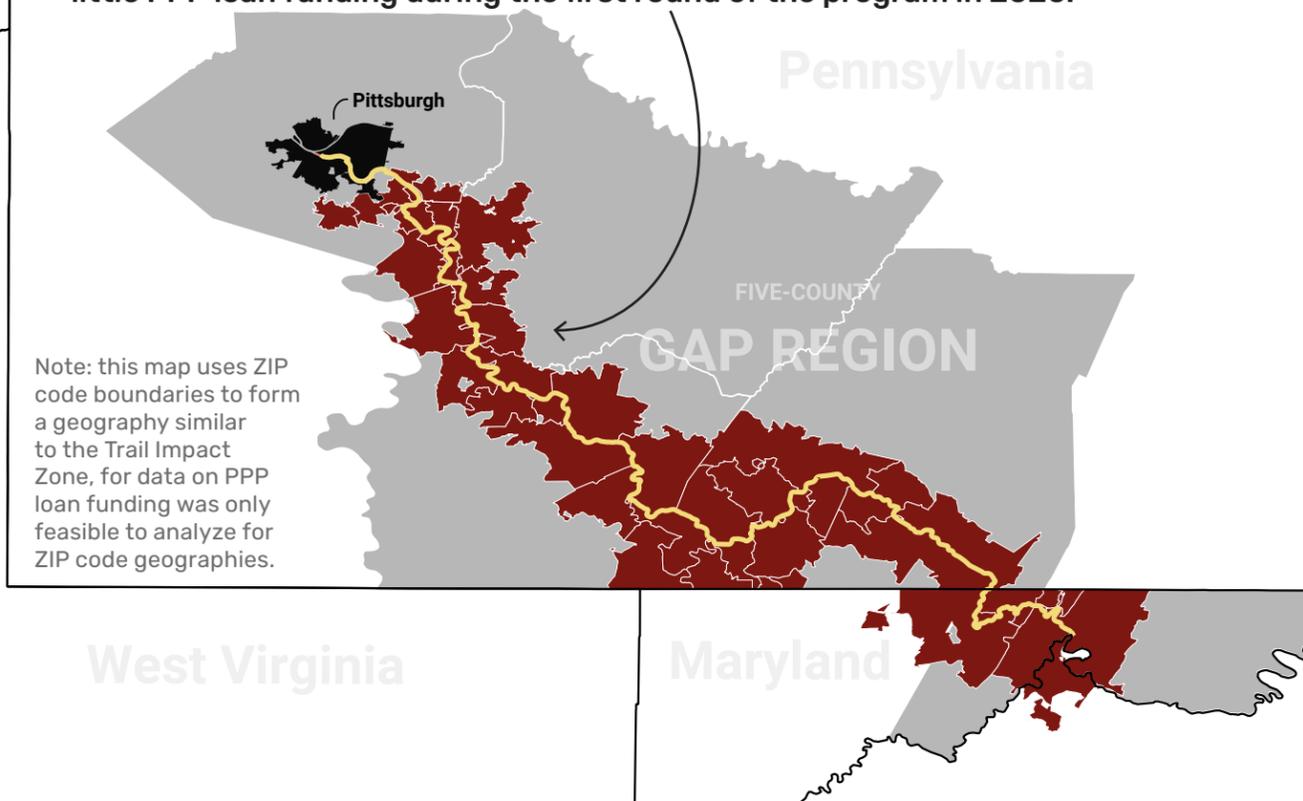
Golden Triangle Bike is located on the GAP near Point State Park in Downtown Pittsburgh. For 15 years, they have provided bicycle rentals and gear to support GAP users, including shuttle services and tours of the GAP. Golden Triangle Bike also offers services for those who wish to explore Pittsburgh and its expansive trail network.

Relatively low rates of initial funding for small, rural main street businesses were common throughout the US in the immediate aftermath of the Covid-19 crisis. These trends hold true specifically in the GAP trail impact zone.

Overall, \$971 million in first-round PPP loans went to businesses located in ZIP codes proximate to the trail, through 6,884 loans. (The map below highlights the area formed by these ZIP codes, which is similar to, but slightly more expansive than, the trail impact zone.) That’s about 0.19 percent of all US loan dollars for an area that accounts for 0.16 percent of US population (excluding territories) – a disproportionately high level of funding. This is equal to \$1,720 per capita, compared to \$1,573 per capita nationally. However, this area encompasses several densely-populated areas in Pittsburgh, including much of downtown, home to the offices of several large businesses that received loans. But, if you exclude Pittsburgh from the analysis – both with respect to loans and population – the total loan funding that was issued to businesses in ZIP codes surrounding the GAP was only \$271 million. That’s only \$1,067 per capita – about 68 percent of the national rate.

Ultimately, despite the hardship that it brought and the uncertainty that remains, the trail business community is well positioned to recover from the current economic crisis, just as it did in the aftermath of the Great Recession a decade ago. But trail businesses in the area will continue to need support, and it is likely that they received relatively little funding through PPP and other public support programs, especially in the early months of the crisis. In the following section, we will explore specific types of support from which businesses in the area could benefit.

Excluding the city of Pittsburgh, this area, defined by ZIP-code-based area which is similar to the geography of the Trail Impact Zone, received relatively little PPP loan funding during the first round of the program in 2020.



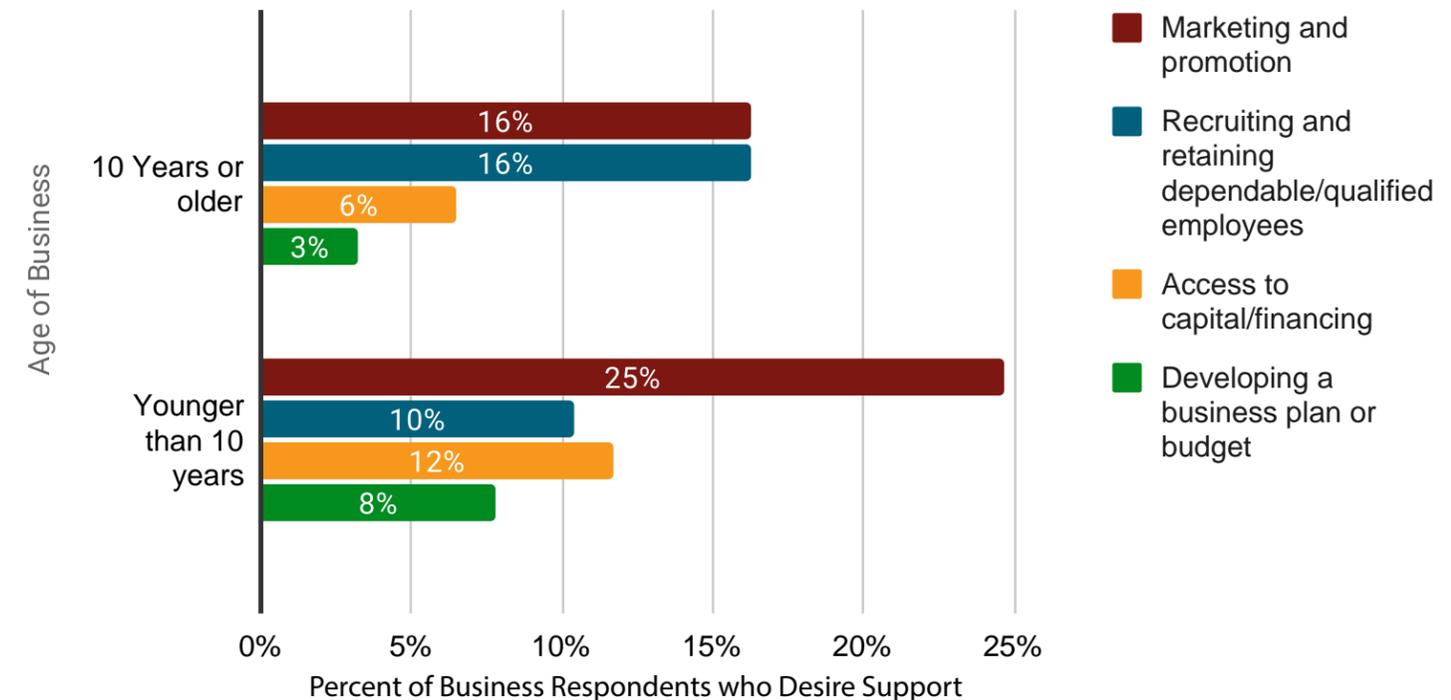
F. Key Opportunities and Challenges for GAP Businesses

The GAP business community is an enormous asset to the region’s economy. The establishment of new businesses and growing employment in the Trail Impact Zone and the dynamics of the regional economy create many opportunities for business owners in the region. Still, businesses in the area face challenges – often related to long-term economic decline in the area as well as the Covid-19 economic and public health crisis. In this section, we’ll explore five specific (but somewhat interrelated) opportunities and challenges that the GAP business community faces.

Business Marketing and Communication

The Great Allegheny Passage offers a great customer base for businesses located in trail communities or near the path of the GAP. But proximity to the trail is not enough for some GAP businesses to attract the customers they desire, and while some are fortunate to be located directly on the path of the GAP, others are farther removed from the trail, which requires more planning/awareness on the part of potential customers. For these reasons and others, many businesses in the GAP business community need support with marketing and communications – primarily focused on raising awareness of their business to potential customers. Among business survey respondents, this was cited as the greatest need, especially for younger businesses (figure 17).

Figure 17. Challenges among GAP Businesses



Data from 2020 GAP Business Survey. N=125

While *younger businesses* do not necessarily have *younger owners* (and while younger owners are certainly not necessarily more digitally savvy than older ones) this fact does strike us as surprising.

Marketing has shifted dramatically in the last 10 years, with digital advertising savvy, and specifically social media, becoming more and more important to the regular promotion of businesses across sectors. We might assume that older businesses, with established methods of more traditional business promotion, would face more difficulty with adaptation. But, as we see in survey results, and as far as we can tell from other engagement with GAP businesses, this is not so. Younger, less-established businesses are struggling to draw customers, whereas several longstanding GAP businesses have very strong marketing (Wilderness Voyageurs is one strong example, profiled to the right). This also seems to correlate with the size of businesses. Smaller GAP businesses face two specific issues with respect to marketing: limited capital to spend and limited technical knowledge to determine how best to spend it.

There is no simple solution to these challenges, but shared technical and financial resources present a potential opportunity, especially for smaller and younger businesses. This might include access to marketing expertise, highlights of businesses on third-party web or social media platforms, funding for marketing outreach, or even shared advertisements in some contexts. Local chambers of commerce or local/regional destination marketing organizations could be primary conveners or partners on these efforts.

Another related but distinct marketing opportunity that was raised by business owners during engagement for this project is event-based marketing. Events held on or near the GAP represent great opportunities to engage new customers. These could include bike rides/races, but also running events, educational events, festivals, historical tours, and community events—which have the potential to draw people from outside a GAP community into town.



GAP Business Profile

Wilderness Voyageurs

Ohiopyle, PA

Wilderness Voyageurs helped Ohiopyle become a premier destination for outdoor adventures when it opened in 1964. Although the business is best known for offering white river rafting tours, it also gives kayaking and bicycle tours of the gorgeous Youghioghny River and surrounding Laurel Highlands. Wilderness Voyageurs accommodates rafters and cyclists of all experience levels, and they now offer e-bikes for riders who want a little extra boost.

Financial Support

Most trail businesses are small businesses with limited resources and tight profit margins. This affects marketing, as discussed, but also equipment purchases, staffing, and rent payments. The seasonality of business along the GAP increases these challenges in some cases, as do the costs associated with business ownership for many seasonal businesses, including rent and taxes in the off-season. With a highly seasonal revenue stream, cash flow requires careful consideration on the part of small business owners. Financing can also be difficult to obtain for very small businesses.

Some programs already exist to bridge these gaps. One example with a long history of engagement with GAP businesses is The Progress Fund, which provides affordable loans to small businesses and entrepreneurs, as well as other resources. Still, about one in ten trail businesses cite capital access as a need, and more financial support would clearly be valued by GAP businesses.

This is underscored by the fact that financial challenges have been exacerbated during Covid-19 for many businesses. Initial recovery funding was limited and was not distributed based on need. The businesses most affected and most in need received relatively little funding among early relief efforts. Later funding programs, including the second round of PPP funding in 2021 and the Pennsylvania Covid-19 Hospitality Industry Recovery Program (CHIRP), have generated improved results, but the financial hardship of 2020 is yet to be undone for many businesses, especially among the food and accommodation and arts, entertainment, and recreation sectors.

Networking and Mentorship

For many users, the experience of the GAP blends together separate interactions with several businesses along the way – restaurants, accommodations, repairs, supplies, etc. Early in the development of the GAP and the surrounding economic infrastructure, these relationships were more isolated from the perspective of businesses. Over the years, the Allegheny Trail Alliance, which developed *Trail Towns: Capturing Trail-Based Tourism*, and the Trail Town Program (implemented by The Progress Fund) helped business owners build relationships with one another and work in concert to serve GAP travelers. Today, there is clear recognition of the shared value of that combined experience, and the community that has developed as a result has an incredibly strong sense of camaraderie about it. This reality was reinforced in numerous engagements with business owners and representatives throughout this project. However, there remains an opportunity to create a more organized, consistent mechanism for that community of businesses to engage and learn directly from one another. The GAP Conservancy could play a key role in organizing these efforts.

The diversity of ages and services/operational models present in the GAP business community is critical to this opportunity. In addition to the fairly obvious potential for successful, long-established businesses to mentor younger businesses or entrepreneurs, peer businesses have the potential to help each other expand goods or services, or to form partnerships where the service offerings of two or more businesses complement each other.



GAP Business Profile

Noble Invention Bike Touring

Pittsburgh, PA

After more than ten years in business, Noble Invention has established an impressive track record with GAP tourists by providing a different model of business than is common in the U.S.: a self-guided bike tour. The business was initially focused specifically on the GAP, but has expanded over the last decade, adding several new employees as well as new tour packages for other trail routes. Noble Invention has also recently introduced a new product to its customers, the “Bike Tour Blueprint” – a detailed, budget-friendly trip guide for specific routes. While owner Sara Petyk describes the impacts that Covid-19 has had on the business as “very difficult,” she is optimistic about the future and eager to continue providing her customers with the support they need to find their own adventures – on the GAP and elsewhere.

Staffing and Operations

Workforce training and availability is a pervasive challenge in economic development, especially in rural areas and the post-industrial U.S., the two primary economic typologies of the GAP region. These issues already affect several GAP businesses (14 percent of survey respondents), and with a regional population that is both aging and declining in the face of international growth in remote work opportunities, they will likely come to affect more in the near future.

As mentioned, many jobs along the GAP are seasonal. This makes it difficult for companies to hire consistent, long-term staff, and while the concept of the stereotypical “summer job” – often held by young people attending high school or college – is surely sticking around, it is also changing, with more competition between remote and in-person opportunities for employment.

This is not a short-term challenge and likely will not, therefore, come with a short-term solution, but there is an opportunity to better promote employment opportunities along the GAP, just as there is an opportunity for businesses to partner together in recruiting, training, and even possibly using employees. On the latter point, this may likely refer less to non-technical, seasonal staff and more to technical or professional roles.

Business Succession Planning

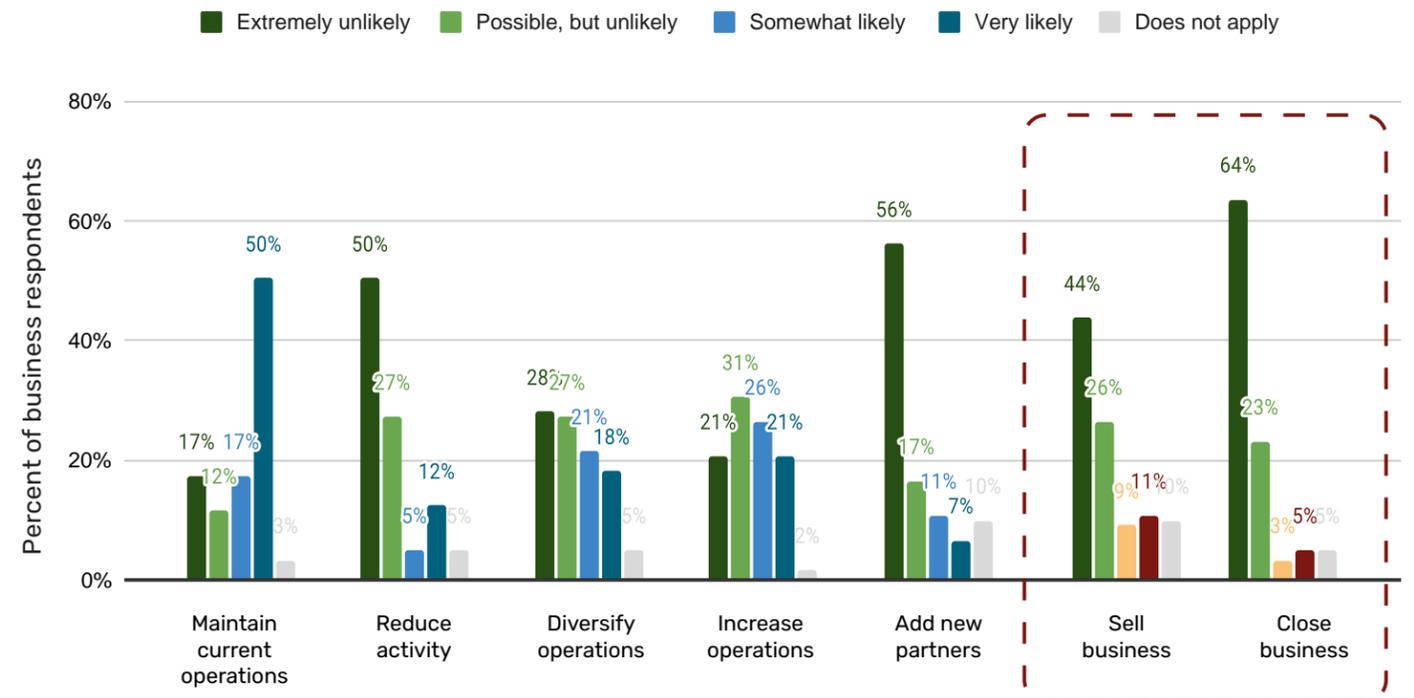
One specific issue that the GAP trail business community faces in coming years is business succession planning. Several businesses (21 percent of survey respondents) in the Trail Impact Zone are considering selling or closing in the next five years. While this, like other challenges, has surely been affected by Covid-19, conversations with business owners considering closing or selling make it clear that this challenge was looming before the pandemic or corresponding recession.

Transition planning can ensure a smoother experience for GAP users, as well as the maintenance of relationships between businesses and community organizations.

Worryingly, several businesses along the GAP are considering closing without selling (6 percent of survey respondents say that is at least somewhat likely), and while this may be in the interest of a business owner in a particular circumstance, a business closure may also represent a missed opportunity for a would-be entrepreneur.

Support for businesses that are planning to sell in coming years, and assessment of those considering closing, can mitigate the negative impacts of business transitions and create exciting opportunities for entrepreneurs.

Figure 18. GAP Businesses | Plans for Next Five Years



Data from 2020 GAP Business Survey. N=125

SECTION 4

GAP Community Assessment

While multi-use paths and recreational trails are frequently cited for their positive economic and community impacts, these sorts of impacts are particularly pronounced along the Great Allegheny Passage. This is a function of a few different conditions, including the popularity of the GAP, the broader economic context of the region, and the specific physical dynamic of the communities along the trail.

The economies of many trail communities along the GAP are now interwoven with activity along the trail, which has also become a source of community pride as well as a recreational asset. The landscape and built environment of these communities have changed because of the GAP, with major private and public investments related to the trail – many likely made possible by the trail and the revenue it brings to both private businesses and state, county, and local government through tax dollars. Evidence also suggests that property values near the trail have increased to the benefit of local residents.

Nonetheless, the broader economic context remains a challenge for the region. This was true even before Covid-19, and now is made all the more so, especially given the impacts to businesses from the pandemic discussed in Section 3.

The post-industrial areas of western Pennsylvania and western Maryland are beyond doubt fortunate to call the GAP home. Clear evidence – economic and anecdotal – emphasizes the extent to which the trail benefits the area. But that same area is, likewise, undeniably *unfortunate* to have borne so many negative economic effects during the late 20th and early 21st centuries – with globalization, changing production patterns, and population shifts improving lives for many, but disrupting economic systems that had once been a source of wealth for the region.

The GAP cannot erase these conditions, but it is playing a vital role in shaping the region's path towards a brighter, healthy, more vibrant, and more prosperous future.

“ [The GAP] brings in cool people. The trail is so accessible and provides a cool taste of Americana. The travelers get really personal experiences. ”

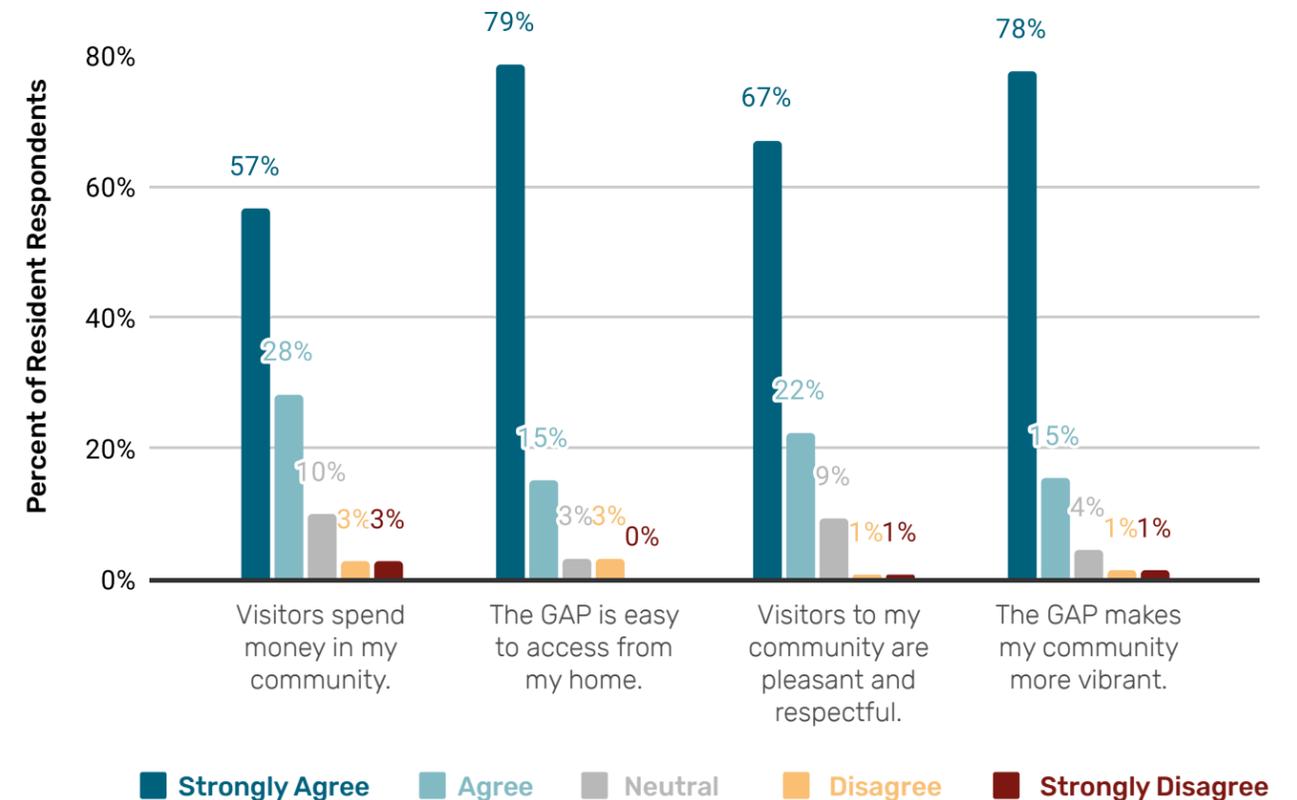
Mary Beth Karabinos
South Side Traveler's Rest
Pittsburgh

A. GAP Community Residents' Views of the GAP

Given the positive effects that the GAP has on the communities through which it passes, it might seem unsurprising to learn that residents of trail communities reported very positive views of the GAP in our survey (which they did) – but our engagement more broadly, including interviews with local residents, elected officials, and other stakeholders, suggests that this would not always have been so. Many interviewees cited initial apprehension on the part of residents in GAP communities in the early days of trail development. Many suggested that trail activity would be a nuisance and that trail development was not a worthwhile investment.

While these views are surely not uncommon in communities considering rail-trail development or similar public infrastructure investment, we would argue that they are misplaced. And although there are always going to be challenges that come with development of new public infrastructure, broadly negative opinions of the GAP today are now an incredibly rare find among GAP community residents, who voice consistently positive views of the GAP itself, the behavior of GAP users, and the economic impacts of GAP tourism, and whose criticisms, where they do exist, tend to be pointed and constructive (e.g., the potential for a connecting path in a specific area). The GAP

Figure 19. Resident Perceptions of the GAP



Data from 2020 GAP Business Survey

B. The Changing Demographics of the GAP Region

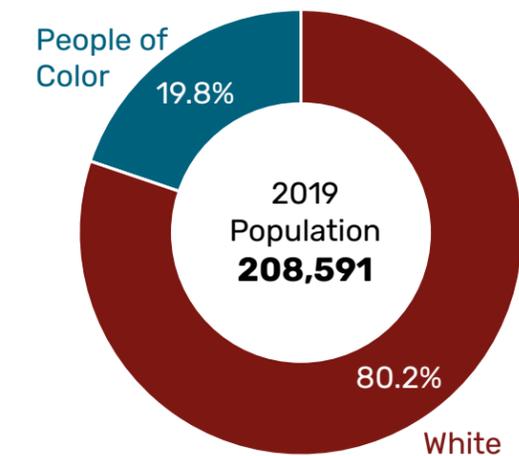
Population

The population of the Trail Impact Zone has declined by about three percent since 2010. This decline roughly follows the trend for rural America at large during the same period, but the USDA reported that, despite a decades-long trend of rural population loss, this trend reversed nationally in 2018-2019, due to higher rates of in-migration in some areas. These higher in-migration rates commonly have been in areas with strong recreational assets, so while the GAP is just one part of the region’s demographic and economic story, it may play an important role in attracting its future residents.

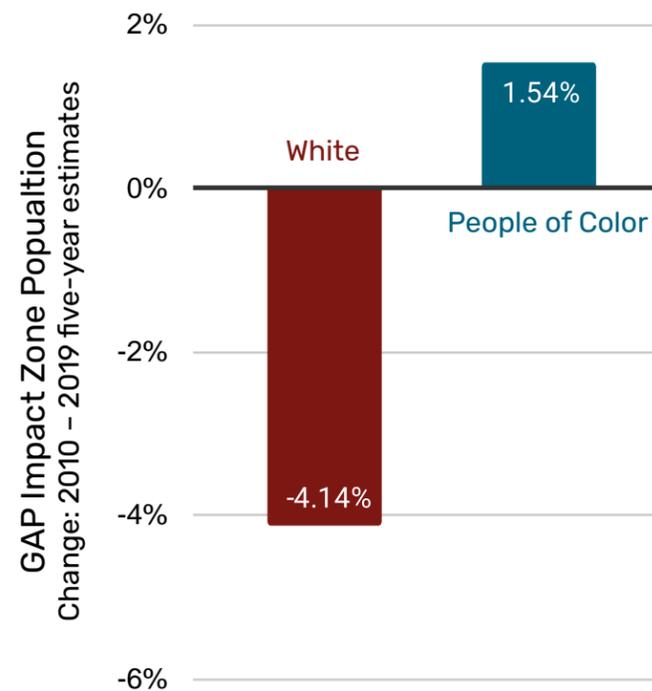
Meanwhile, the diversity of the region has increased – while 81.1 percent of the region’s population was white as of the 2010 census, by 2019 this percentage was 80 percent, meaning that a higher proportion of the area’s population was made up of residents of other racial or ethnic groups. Although modest, this is a positive indicator for the region. Research has shown that more diverse regions throughout the country also [have higher GDPs](#). Diversity supports economic growth, [particularly at the level of individual businesses](#), where increased diversity leads to increased innovation. Failure to diversify also results in strong negative economic consequences [at a regional scale](#).

Figure 20. Changing Population of the Area

While the majority of the Trail Impact Zone passes through rural areas that have a less diverse population, the portions of the GAP impact zone that are more densely populated, especially those near Pittsburgh, include several relatively large and diverse communities. Overall, one in five residents living near the GAP are people of color – which we use to refer to people of any racial group other than white and/or Hispanic people.



Data from the US Census Bureau



Income and Poverty

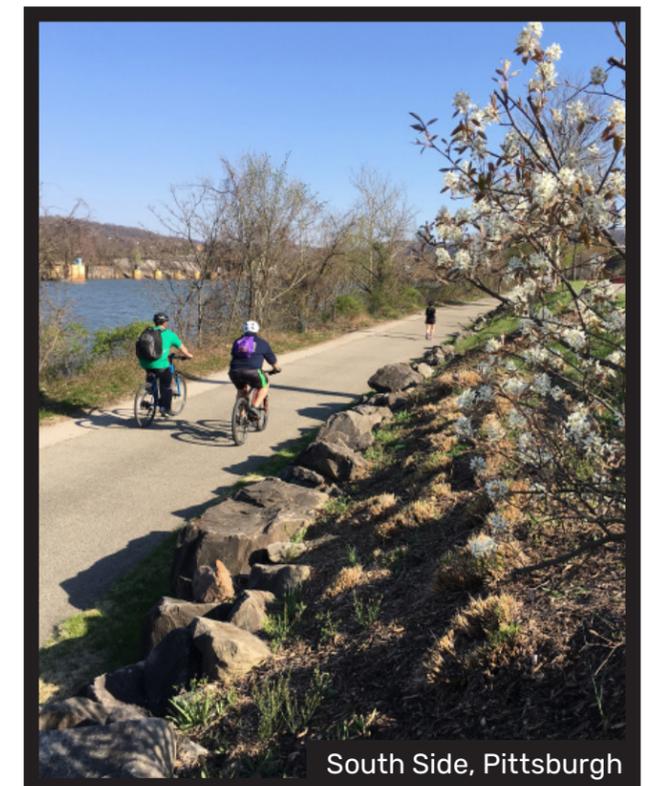
There is a greater concentration of poverty in the Trail Impact Zone than in the surrounding areas of Pennsylvania and Maryland. The poverty line in the US is roughly \$13,000 annually for an individual and \$26,500 for a family of four. In the impact zone, the poverty rate, or percentage of individuals whose incomes in the last 12 months was below the poverty line, was 20.7 percent in 2019. For the combined region of Maryland and Pennsylvania, the poverty rate was just 11.3 percent. In contrast, roughly 60 percent of trail user survey respondents who self-reported their incomes earned between \$50,000 and \$200,000 per year, and only two percent of survey respondents reported incomes below \$20,000. Because GAP users, and especially GAP tourists, tend to be particularly high earners who buy food, goods, and lodging in towns along the trail, the region benefits substantially from their spending.

The regional economy, post-industrial and once powered by extraction and manufacturing, is bolstered by these users’ tourism dollars, and most businesses that report substantial spending impacts are small, locally owned, and in the key trail business sectors: food and accommodations; arts, entertainment, and recreation; and retail.

An additional benefit of the economic activity catalyzed by the GAP is that this type of investment is not likely to cause the displacement of longtime residents. Whereas some areas, urban and rural, that experience increased and targeted investment also experience gentrification, the spending that comes into the trail region does not seem to bring with it substantial development pressure,

despite some evidence of increased property value that we will discuss later in this section.

Many areas with high poverty rates are impacted by a lack of mobility and access to necessary services, and these issues are particularly critical in rural areas. In the U.S., the rate of childhood poverty is higher in rural areas than urban areas. Much of childhood poverty can be attributed to a lack of economic opportunities and jobs for parents, a condition that is [significantly worse](#) in rural than urban areas. By bringing in customers for local businesses, the GAP supports both jobs in the trail towns and surrounding rural areas of the impact zone, as well as a greater offering of goods and services for local residents. Furthermore, while the GAP is used primarily for recreation, it does provide important physical connections for residents in some areas as a free, non-vehicular transportation option.



South Side, Pittsburgh

Educational Attainment

The Trail Impact Zone has seen significantly improved educational outcomes over the last six years. In 2013, 20 percent of the region's adults aged 25 and older had completed a college degree or higher. By 2019, the rate was up to 25 percent. This level of educational attainment is higher than rural educational attainment for the country at large. Just 21 percent of rural Americans have a bachelor's degree or higher. But the region still lags behind the two-state area. In 2013, 30.4 percent of adults in Maryland and Pennsylvania had an undergraduate degree or higher, and in 2019 this figure was 34 percent. In contrast, 75 percent of trail users surveyed had completed a college degree or higher.

Home Ownership

The Trail Impact Zone has a lower homeownership rate than its surrounding states and the rest of the US. Roughly 58 percent of the region's housing units were owner occupied in 2019, compared to 67 percent of Maryland's and 69 percent of Pennsylvania's. The Trail Impact Zone also has a significantly lower homeownership rate than rural America as a whole, where 81.1 percent of households are owner-occupied. As with the racial diversity of the region, however, these statistics can be misleading, for the majority of the geographic area of the GAP includes rural areas with high rates of home-ownership, while the more densely populated areas have higher renter populations.

C. Property Values Along the GAP

One of the most commonly discussed impacts – or potential impacts – of greenways, multi-use trails, and other recreational assets similar to the GAP is an increase in property values.

A leading researcher in this space for over three decades, Dr. John Crompton refers to this as the “proximate principle” – the value increases that accrue to properties near outdoor amenities like parks and trails.* The idea is hardly new. Indeed, as Crompton has pointed out, Frederick Law Olmsted observed similar effects in the 19th century adjacent to urban parks like Central Park in New York City. However, the direct effects of green space,

recreational amenities, linear paths, and trails on property values are very difficult to measure, or even estimate, and relatively few studies have managed to do so. There are a few reasons for this.

For one, up-to-date, accurate estimates of property value are not readily available. While most county governments make property assessment records publicly available (sometimes for a fee), these *assessed values* are unreliable indicators of property value, especially when one is trying to discern short-term or geographically nuanced trends, for the frequency and method of assessment can vary substantially across different areas.

* Crompton, John. (2004). The Proximate Principle: The Impact of Parks, Open Space and Water Features on Residential Property Values and the Property Tax Base.



West Newton Station, West Newton, Pa.



Meyersdale, Pa.

The second potential source of property value measurement – *property sales data* – presents its own challenge. While assessment data generally lack reliability, sales data often lack robustness, with too few transactions to measure differences between trail-adjacent properties and similar properties that are not trail-adjacent. This is particularly true in the more rural sections of the GAP, outside of the Pittsburgh area, where the relatively sparse trail-adjacent properties change owners too rarely to offer a meaningful comparison using property-specific sales data.

Finally, as an overarching point, it is difficult to measure property value impacts that are specifically attributable to recreational assets because of the many confounding variables that are likely to interfere with an analysis of that type. For example, even where robust sales data (or reliable assessment data, or some other source of information that manages to tick both those boxes) can identify the distinct value change for properties in specific geographic areas, there are always lurking factors that might influence those values because property values vary dramatically by location for a variety of factors – including specific building characteristics, proximity to other amenities such as groceries or entertainment venues, or legal jurisdictions, historical or current, like redlining or school district borders.

Still, some researchers have sought to overcome these challenges through ad hoc surveys and other tools that make it easier to discern the property value impacts of trails and other recreational assets as estimated by residents.

Recently, Crompton and his collaborator Sarah Nichols published [an updated review](#) of several studies that focus specifically on the resident-reported impacts of trails on residential property values across several distinct studies. They find that in almost every case where an effect is found, that effect is positive. They also review empirical evidence across studies and suggest that trail proximity is broadly associated with a three to five percent increase in property values in an area (although they point out that those effects vary considerably across studies). They also emphasize that urban trails seem to be associated with far more pronounced property value impacts than rural trails.

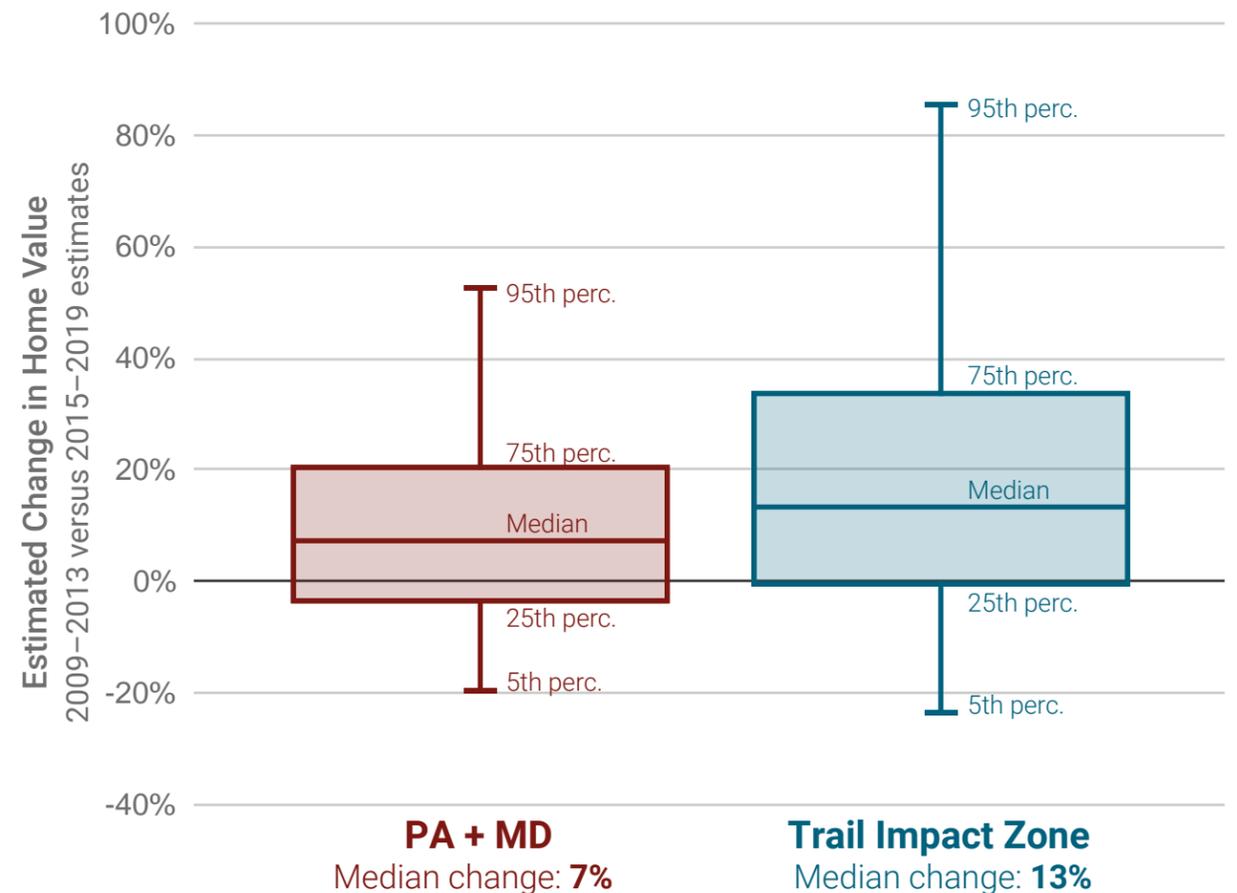
For the purpose of this project, we attempted to understand the property value impacts of the GAP by utilizing data from the U.S. Census Bureau that relies on self-reported estimates of residential property values reported by owner-occupants through a regular survey. We then supplemented that analysis with interviews and survey questions that focused on the perception of property value effects from the trail.

“ [The GAP] restored hope and helped rejuvenate our town. It is a benefit to have tourists coming through. ”

Jeremy Hoover,
Morguen Toole Company, Meyersdale

We compared the median change in estimated owner-occupied property value across the census block group areas that form the trail impact zone (referenced previously in this report), to the median change across all block groups throughout the two-state area of Pennsylvania and Maryland. We find the trail zone saw a 13 percent increase in value between the 2009–2013 ACS estimates and the 2015–2019 ACS estimates, while the two-state area saw only a seven percent increase. It would be unreasonable, without a far more detailed analysis, to simply claim that the six percentage point difference is attributable to the effects of the GAP, but substantial qualitative/observational evidence gathered through interviews and surveys suggests that the GAP is contributing to this effect.

Figure 21. Home Value Change in the GAP Impact Zone



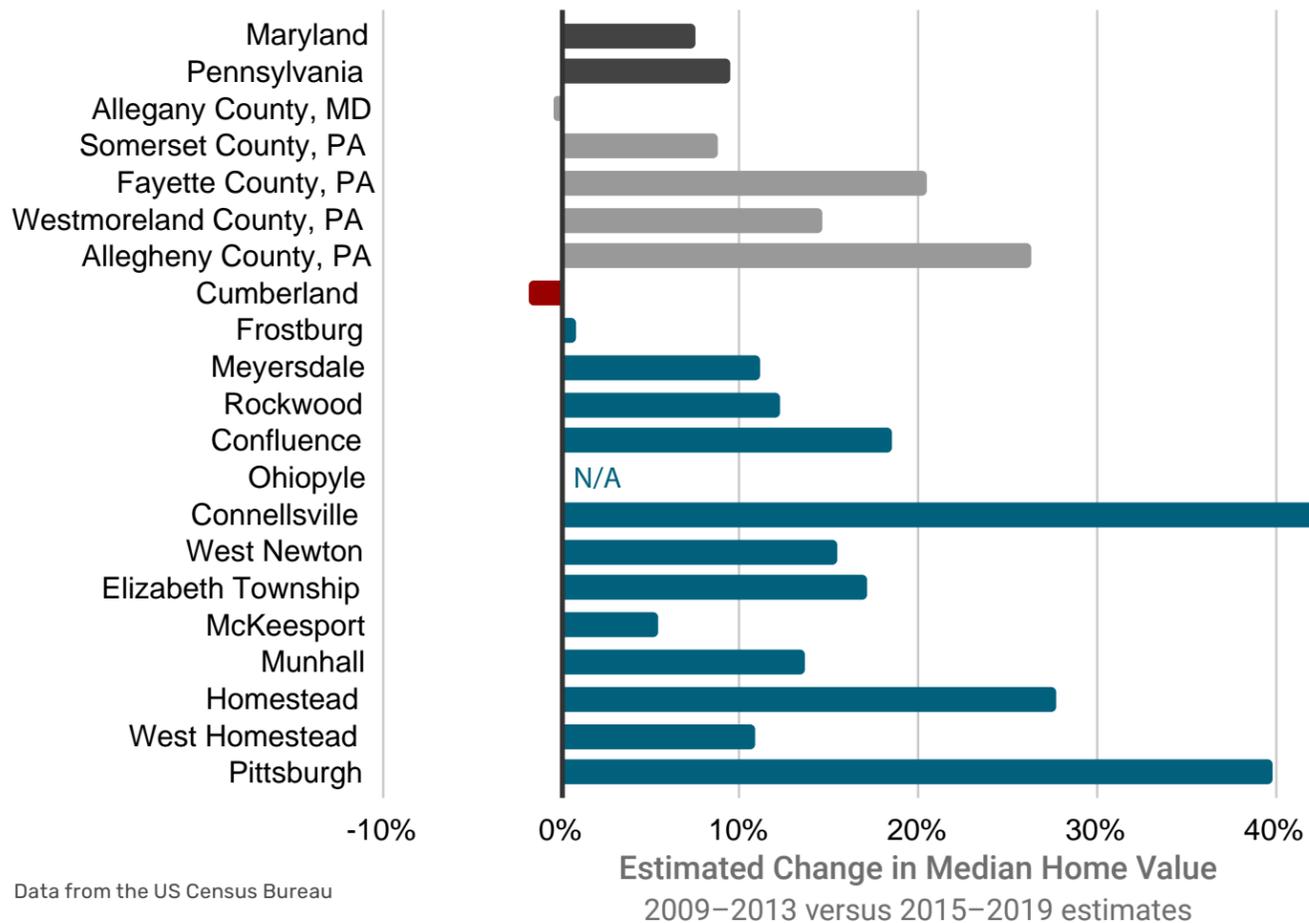
Graphic Notes: The above graphic is referred to as a boxplot. It compares the distribution of values across two sets of observations, in this case the census block group geographies that make up the trail impact zone and those that make up the entire two-state area of Pennsylvania and Maryland.

Data from the US Census Bureau

We can also explore this data by municipality or county. Many of the municipalities that abut the GAP have residential areas located far from the trail (Frostburg, Rockwood, and Connellsville are all strong examples), and would not presumably see direct property value impacts from GAP development for most residential properties. For this reason, the trail impact zone offers a better geography for comparison in assessing property value impacts than the larger five-county GAP region or municipal data (especially in larger municipalities), but it is still useful to our understanding to break out the effects across communities.

While the preceding discussion focuses primarily on residential property impacts, impacts on commercial property value are even trickier to analyze. No comparable data exists that allow us to study estimated values for commercial properties, and sales of commercial property are even more rare than residential sales, meaning that empirical data does not offer us any usefully robust comparisons. Instead, in the specific instance of commercial property values, we rely more substantially on qualitative analysis, reinforced by the economic data that was discussed in the previous sections of this report.

Figure 22. Home Value Change by Municipality



In 26 separate interviews, community stakeholders were asked to rate the estimated impacts of the GAP specifically on commercial property values across a spectrum and discuss their reasoning. While not a single interviewee suggested a negative impact on either commercial or residential property values, there was a range of responses that included those who suggested that their communities had simply not seen substantial property value impacts, those who reported “somewhat increased” demand for commercial properties, and those who reported substantially increased demand.

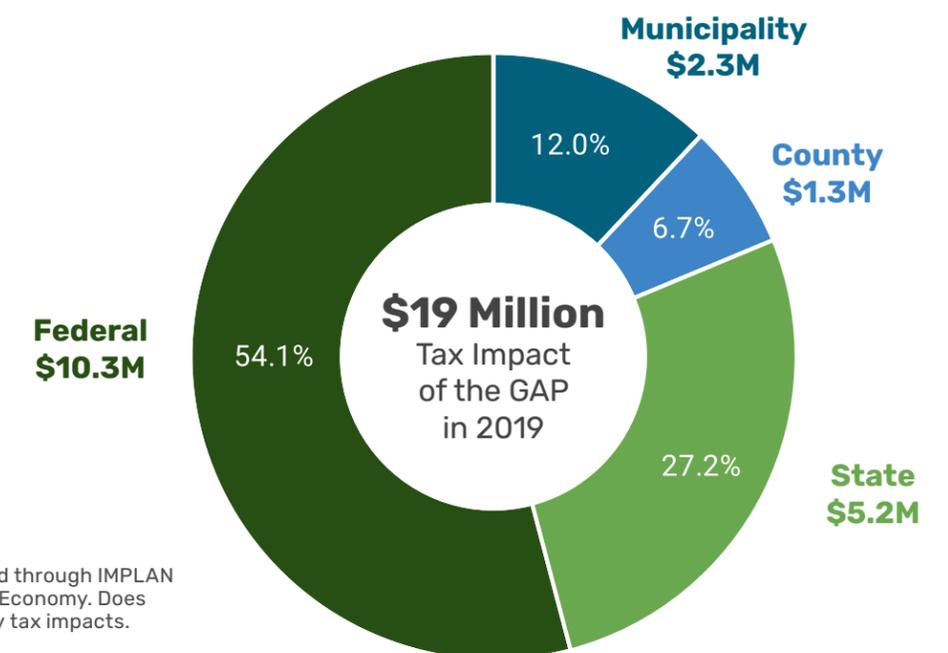
Most of the respondents who reported that there was no notable effect on property values live in the more rural sections of the GAP. In Frostburg, for instance, the distance from populated areas of town to the trail was cited as a limitation on the likely impacts to property values. In Rockwood, the relatively small number of commercial properties overall made it difficult for stakeholders to estimate impacts.

D. Local Tax Impacts

According to our estimates, tourism on the GAP generates \$19 million in total taxes per year – nearly \$127,000 per mile. Of that, \$8.7 is collected by state, county, and local governments annually.

Taxes on production and imports represent the majority of the \$19 million in tax revenue. These are taxes paid by businesses, such as sales and excise taxes and customs duties. (It does not include all taxes paid by businesses, such as social insurance taxes, which are a part of employee compensation, and taxes on profits, which are included in another category.) Taxes for employee compensation, which include payroll taxes and social insurance taxes, are the second largest at nearly \$5.09 million, with taxes from households a very close third at \$5.08 million.

Figure 23. Tax Impacts of the GAP



E. Social and Health Impacts of the Trail

Community trail benefits extend beyond the economic to include health benefits as well. Trails make it safer and more pleasant to exercise, so people are [far more likely](#) to walk, run, and ride bicycles when they live close to a trail. A 2014 [study](#) published in the American Journal of Public Health found that in the long term, residents within a mile of new trails exercised 45 more minutes per week after the trails were available than they did before the trails were constructed. The American Heart Association [reported](#) in 2011 that every dollar spent on recreational infrastructure can yield up to \$3 of savings in healthcare costs.

Another [study](#), published in the Journal of Epidemiology and Community Health in 2002, found that living in residential areas with walkable green spaces positively influenced the lifespan of senior citizens. This was true independent of a person's demographic and socioeconomic status.

While a specific quantification of health impacts for the GAP region would require more rigorous study, it is clear that trails and similar recreational assets bring great health benefits to their neighboring residents. Survey respondents who live in GAP communities, in addition to reporting a generally positive view of the GAP, report using the trail for a variety of activities, including biking, running, walking, commuting, river recreation, and so forth.



Bike/Pedestrian Bridge, Confluence, Pa.

F. Key Opportunities and Challenges for GAP Businesses

There are a variety of challenges and opportunities facing GAP communities. Some of the former are related to the economic and health crisis of Covid-19, as discussed in the previous section, but others are related to longer-term economic, demographic, and geographic conditions.

Broadly, the region through which the trail passes has experienced decades of decline in its overall population and economic activity. The development of the GAP, however, has brought great benefits to the communities that lie along its path. Many of these have been discussed throughout the preceding body of this report, but others are more prospective or potential effects; in other words, they represent opportunities.



Frostburg, Md.

Community Marketing and Promotion

While the GAP today is an extremely well-established recreational asset – prominently and consistently profiled in national media, and easily researched for those planning trips (thanks to the GAP Conservancy, Allegany County Tourism, GO Laurel Highlands, and VisitPittsburgh) – marketing and promotion of specific GAP communities and their assets remains a challenge. In the increasingly digital marketing environment, access to a wider audience is both vitally important and increasingly possible technologically, and yet it remains a need for many trail communities, businesses, and organizations. While some efforts in this vein have been very successful, including the work of the Confluence Tourism Association, Downtown Connellsville, and Frostburg First, other communities and organizations could use support promoting their assets to GAP tourists. Most GAP communities are small municipalities, with limited staff capacity and little technical support.

There is great potential, therefore, for shared technical support and marketing resources to be deployed in a way that is accessible to smaller communities and organizations operating in the GAP region. This could include: educational support (set up and training on websites and digital marketing), direct technical support (a shared professional staff person with both technical and marketing expertise employed in part to provide ad hoc resources in these communities, possibly financed by regional tourism marketing organizations), and shared financial resources (paid advertisements highlighting community resources). As has been shown through the development of the GAP, even small investments in marketing, if made thoughtfully, can pay huge dividends.

Development of Local Connections to the GAP

The GAP is significantly strengthened from its many connections to other trails, paths, and transportation infrastructure, including mass transit and Amtrak rail service. Some users can connect to the GAP from their home locations because of the wider trail networks of which the GAP is part, and GAP tourists are better able to access local businesses and amenities in communities with strong physical connections to GAP. Two strong example of this include Connellsville Bike Loop and the robust and growing network of bike trail and on-street bike paths throughout Pittsburgh.

Still, there remain clear opportunities to improve or add connections between trail communities and the GAP. The success of the existing network will only be strengthened as new areas are connected and other trail systems are linked to the GAP. This includes the potential for stronger infrastructure linking to the Montour Trail, a connection to the 9-11 National Memorial Trail that is currently being developed, and potential links to the Indian Creek Valley Trail and the Turtle Creek Connector, but it also includes smaller spur paths or on-street infrastructure. These can be vital investments – linking travelers to commercial areas or residents to the trail. These investments also align with the potential for improved community marketing through events and signage. New physical connections and public spaces have the potential to help draw more GAP tourists into a community – or into new portions of a community. With ridership likely continuing to increase on the GAP, many areas are ripe for better physical connectivity.



GAP Business Profile

Bright Morning Bed & Breakfast

West Newton, PA

Indoor accommodation businesses around the country were hit hard by the economic impacts of the Covid-19 crisis, and Bright Morning B&B was no exception. Still, this business, which grew from a single guest room into a series of beautifully remodeled old homes near the GAP in West Newton, has seen strong growth for almost 20 years preceding 2020. This success was fueled almost entirely by GAP tourists, who love its cozy rooms and tasty meals. While it is unclear what the future holds for this staple of the GAP experience, there's every reason to think that future could be bright.

Trail Maintenance and Coordination

The GAP has benefited greatly from volunteer support and in-kind contributions over decades of trail development and maintenance work. Its physical layout – passing through many different jurisdictions – would make this work extremely difficult for any one entity to manage, so it necessarily falls to a variety of different entities to play a part. And while there is no reason to expect that enthusiastic local support to recede, there is ample potential to improve the coordination among local trail groups and municipalities, and possibly to develop a more sustainable, regional funding mechanism to support trail maintenance work.

This is a timely challenge, as well as a timely opportunity. While an impressive 93 percent of trail user survey respondents assessed the GAP as being well maintained, its infrastructure is aging. Repair to structures along the trail, as well as the trail itself, will be needed in coming years. Trail groups are reliant on volunteers, and generally operate on distinct sections of the trail. Sections that are maintained by the state parks or county governments might require assistance as well. Stronger coordination through local municipalities and organizations has the potential to strengthen the impact of those efforts. In addition, a shared, sustainable funding source – which communities through the five-county GAP region could draw from for such investments – would help to assure that the trail continues to live up to its well earned reputation. Community leaders echoed each others' desire for funding of this sort (organized at a regional or state level) in interviews for this project.



GAP Business Profile

Queen City Creamery

Cumberland, PA

Opened originally in 2001 and purchased by its current owners in 2015, Queen City Creamery sells frozen custard, sandwiches, and other tasty treats, savory and sweet, to the consistent delight of its patrons. Located two blocks away from GAP mile marker zero in downtown Cumberland, it receives customers from a variety of sources, including locals and interstate travelers on nearby I-68, but it is also a popular stop for both overnight and day users on the GAP. The business is open year-round, with reduced hours and staffing in the less-active winter season.

Municipal Revenue and Investments

Like municipalities across the country, communities in the GAP region face fiscal uncertainty during and following Covid-19. Still, based on interviews, many local leaders report optimism about their fiscal situation looking forward, even in late 2020 and early 2021. Now, following the passage of the American Rescue Plan and with additional federal support for infrastructure likely coming, there is some opportunity to use relief funding, and other state and federal resources on GAP-related investments.

It might be tempting for local leaders to consider these types of investments – including in the GAP itself as well as associated resources (e.g., parks, sitting areas, visitor centers, spur routes) – as of secondary importance in a time of economic crisis, but we strongly caution against that view. The GAP has already been, for the last 30 years, a source of economic stimulus in a region that was facing economic hardship. Nonetheless, it has the potential to be a critical part of the region's recovery now. The GAP is not only attractive to entrepreneurs and businesses, it is also a source of local pride, as well as a recreational treasure for tourists and locals alike. It continues to be well worth the investments that are needed to build upon that legacy.

