

The following summary and highlights are intended to provide an Executive Overview regarding the 20-year history of the Hatfield McCoy Trails Authority. It's conceptual design along with strong legislative support at the Federal, State and Local level has been critically important in maintaining the trails system's socioeconomic impact throughout the region. Furthermore, the ongoing Public/Private Partnerships combined with strong local, state and federal financial support has allowed the trails systems to capitalize on several demographic trends and allow the system to capitalize on changes in technology and riding styles within the broader outdoor recreation industry. By addressing this Supply Demand Equation at the local and regional level the trails long term success, viability and sustainability has become a renewable resources that creates jobs and adds diversity and new revenues to what has become a declining tax base over the past few decades with the deterioration of the energy markets throughout Central Appalachia. This summary is supported by decades of hands-on, audited operational data from the HMT Authority as well as from a number of case studies and research reports conduct by private engineering firms as well as Marshall University Center For Business and Economic Research.

While HMT's operation data dates back to 2000. The first Marshall University's study was completed in 2004. Engineering firms such as Thrasher have also been engaged on behalf of the authority for specific projects and continue to play a vital role in the Authorities Projects and Funding Efforts. To date, there have been millions invested over the course of the last 20 years. There's also overwhelming evidence from this combination of credible resources which support Proof of Concept, Financial Impact and Economic Diversification at the local, state, and federal level. Leading up to the Authority's first year of operation in 2000, the WV Legislature passed regulations that created the Hatfield McCoy Recreational Trails Authority. Since its inception, this trail system has led the nation in terms of its safety record, rider satisfaction and it's annualized year over year growth rate, which exceeds 10% annually within it's 8 systems, 9 counties and 700 miles of off-road trails.

HMT's overall economic impact approached 39 million in 2019 and is anticipated to exceed over 40 million annually in 2020. Its use rate approached 60,000 annual permits sales in 2019 with out of state riders paying \$50.00 per rider and instate riders and veterans paying \$25.00. At the Authorities year end board meeting which took place prior to the Covid 19 Pandemic, the Authority projected that their 2020/2021 permit sales will approach 75,000 with more than 90% of those sales coming from out of state riders. When you speak with the local busines and political leaders there is unanimous consent that the HMT has had a positive economic impact within the (9) operating counties they serve in Southern West Virginia. The trails system has added both diversity and economic growth to a region which has historically lacked socio economic diversification and capital investment in more modern forward-looking opportunities and industries outside of the Natural Resources and Energy Complex.

In addition to the direct and indirect benefits that the (9) Targeted Coal Producing Counties of Southern West Virginia have experienced from trails development, the larger MSA's which set next to this region have also benefited including the Greater Huntington, Charleston, Bluefield, Princeton, and Beckley areas. Increased demand has positively impacted Lodging and Camping rates while tolls and fuel taxes along the WV Turnpike have increased. In addition, most communities throughout Southern West Virginia have experienced a resurgence for housing, lodging, and entertainment from as far South as the Greater Bluefield, Princeton and Beckley areas of Mercer, Raleigh, Summers, Nicholas, Fayette and Lewis County along I 77, I 64, & US 52 north towards the Greater Charleston and Huntington areas of US 119 and US 23 which provide interstate quality highway access to parts of Kanawha, Boone, Cabell, Wayne, Lincoln, Logan, Mingo, Wyoming, and McDowell Counties.

Bordering states such as Virginia, Kentucky and Ohio have also benefited from increased traffic flow and retail consumption along with expanded lodging and entertainment opportunities. We've also seen a number of state parks, state lodges, and Army Corp properties benefit from expanded off-road trail use. Present estimates for lodging indicate that there's a (45%) disparity and short fall between peak demand and peak availability. This imbalance between Peak Supply vs Peak Demand creates immediate development opportunities for all forms of Lodging which is one of the largest economic multiples among all contribution industries.

What's also worth noting is since HMT's inception, the system has experienced more documented out of state users than instate users. In fact, the total number of out of state use has steadily increased each year since the trail was established in 2000. From 2018 looking forward into 2019 and 2020, multi day trail use from out of state riders rose from 85% upwards toward 90%. Furthermore, in 2020, despite social distancing requirements and long-distance travel being discouraged, the system has experienced record use since it reopened in late May. Numbers taken from the 2020 Marshall Study would put out of state use for 2020 and 2021 above 90% on a forward looking bases which creates new jobs, new economic demand and a new expanded tax base for the area's residence and local economies.

There are strong parallels between Southern West Virginia and HMT's success which can be duplicated and accelerated throughout Southwest Virginia and Eastern KY. Both HMT and Spearhead are among the largest and fastest growing trails systems in the country where they connect. Pike County KY sets adjacent to both and will accelerate regional development Faster and Further!

Pike County is in a unique position to connect to both HMT as well as Spearhead in multiple locations. In fact, Pike County will act as a gateway to link and tie in other parts of Eastern Kentucky to these other systems. One other very interesting fact is that due to Pike County 's geographic size and geological composition, Pike County has more documented miles of existing off-road trails than the entire (9) county HMT system combined.

As for the frequency and duration of a rider's visit, most groups will make multiple trips each riding season as well need accommodations for anywhere from a 2 to 3 days upwards to a week or more. Lodging is the single largest driver and economic multiple associated with trails development.

Another interesting fact that was further documented in the 2020 Marshall numbers, was the single day use rate which only comprises 6% of the systems documented riders. The 2020 data also supported that 94% of all riders who travel to ride come more frequency and stay longer in terms of the duration of stay and the frequency of their travel. Currently the months of March, April and May as well as September, October and November are the most frequented time frame for riders to come to this area of the country to ride.

When you consider the total number of off-road parks and trail systems located throughout Central Appalachia, many within this industry believe there to be in excess of (500,000) annual users within the greater off-road riding community who frequent this region. This demographic is comprised of individuals who either own, rent or will purchase a single track or multi track off road vehicle then visit one if not several of the many off-road trail systems or parks throughout Southern West Virginia, aka HMT, Southwest Virginia, aka Spearhead, East Tennessee, aka Win Rock and Brimstone and or Eastern Kentucky aka, Harlan, Knott or Pike County, Rush, Hollerwood or Wildcat in the coming years.

There have been a couple of drivers which has helped sustain this level of growth throughout this industry year after year. First, they have been changing demographics that when combined with the technological advancements in riding vehicles has led to a safer and more comfortable riding experience. This in turn has led to a movement away from single track and 4-wheeler use towards a more contemporary modern riding experience in a contemporary Side by Side. Basically, the industry has grown way from what was once described as a “Good Ole Boy” demographic into a “Family and Professional Sport.”

While the initial laws were created with the single-track and 4-wheeler rider in mind, we have seen increased interest and momentum to update several of the old industry standards and statutes to reflect modern technologies and advancement in safety. For example, the modern roll cage, electronic packages, trim out options, and safety restraints has made selective rural two-lane road riding safer than ever before. Advancements in safety and ride technology have also made off road riding safer and more comfortable for the entire family.

States like WV and TN have updated and passed registration requirements to address modern road riding provisions and accommodations in fact, Tennessee enjoys the benefits of a thriving on road SxS rentals operations in the resort communities of Gatlinburg and Pigeon Forge. KY needs similar Rural 2 lane road riding provisions which can be adopted by our legislators. We also need more public and private funding sources to expand all forms of riding infrastructure.

The correct laws and oversight package when combined with the correct funding packages will help contain development costs and allow counties to repurpose existing facilities as well as build out supporting riding infra structure. It will also help local entities address operational, maintenance and oversight issues that are required for a formal trails system. This also provides for a faster, safer and more cost-effective connectivity to, from and among existing trails and those riders who need better access to local businesses which support trails development and operations.

In the near future we may also need the help and cooperation from Energy in that we'll may need regulators with work with the various counties, mining operations and holding companies that may larger holdings, existing permits or outstanding obligations due to some form of phased reclamation and the bonding once the viability of specific routes are established.

Lastly ongoing cooperation from the KY Fish and Wildlife folks as well as assistance and cooperation from the Huntington District of the Army Corp of Engineers will be extremely helpful when it comes to addressing access in and around 460 and 632 side of Fish Trap Lake which provide a critical and vital link that connects the north eastern portion of Pike County to the south eastern and western most parts of the county. When completed Pike County's off-road trail system would allow a rider to connect to any portion of Pike County or our surrounding counties along with major sections of Hatfield and McCoy in West Virginia and Spearhead Trails in Virginia.