

# LARGE GRANT PROGRAM

## Tourism Grant Application

Title of Project: Spence Mountain Trail Project  
Funds Requested: \$50,000  
Organization Applying: Klamath Trails Alliance  
Contact Person: Drew Honzel  
Phone Number: 503-929-4561  
Email Address: dhonzel@mac.com  
Mailing Address: P.O. Box 347, Klamath Falls, OR 97601  
Web Site Address: www.klamathtrails.org

### **Brief Description:**

Klamath Trails Alliance is seeking grant funding to hire a professional contractor to complete phase two of the Spence Mountain Trail Project. Trails are being designed with a focus to attract mountain bikers but will also accommodate all types of non-motorized trail users. Construction is planned to start by May of 2015 and be completed in 2016. The site is located 15 miles west of Klamath Falls on a 7,500-acre parcel of land near the Doak Mountain summit off Highway 140.

The undersigned, as proposer, declares that he/she has carefully examined the requirements of the Klamath County Tourism Grant Application packet and agrees, if the application is funded, that proposer will enter into an agreement with Klamath County to furnish the services as specified, in accordance with the grant application attached.

Signature of Applicant  Date 2/26/15

If the applicant is requesting funds on behalf of another organization, the application must be approved by that organization.

Signature of Board Chair \_\_\_\_\_ Date \_\_\_\_\_

## 1. Project Description

Type of Project: Infrastructure  
Use of Funds: Hire Professional Trail Building Contractors  
Target Market: Destination Mountain Biking

The Spence Mountain Trail Project involves a phased development of a 30-40 mile trail system on a beautiful 7,400-acre parcel of land owned by JWTR (Wendt Family Trust). The property is only 15 miles from Klamath Falls (Doak Mountain Summit/Hwy 140) offering easy access to community amenities. Trails will be non-motorized and designed for multipurpose use to accommodate mountain bikers, hikers, trail runners and even cross-country skiing and snowshoeing in the winter.

Phase 1 completed in November 2014 by Dirt Mechanics, a professional trail building contractor from Bend Oregon, produced the first three miles of trail. As an experienced trail builder Dirt Mechanics demonstrated their ability to design and build a trail system that provides a high quality experience while minimizing environmental impact.

KTA is seeking funds to professionally build the next 6 miles of trail.

Phase 2 trail construction is planned to start in May of 2015 or earlier, depending on weather. Construction will go until the end of May, then resume in September as Dirt Mechanics is trail building at Mt. Bachelor during the summer. The plan is to complete 5-7 miles of machine built trail by the end of October. The timing may vary slightly depending on weather related issues such as muddy conditions, fire restrictions or frozen ground, with completion of the grant funded trail segment (6 miles) likely in 2016.

Other aspects of the project, not involved with grant funding, include an updated master plan, completion of a trailhead and installation of highway signage to be funded by current KTA funds.

KTA has a ten year Trail Use Agreement (enclosed) for Spence Mountain with 5-year renewable options thereafter. The owners may consider a conservation easement but that decision will not be made until 2016.

From a marketing standpoint, you need to have a "great product" or you have nothing to sell. The Klamath County Tourism Grant will help lay the foundation for this great product but we really need a trail system of 15-20 miles to attract destination mountain bikers. For this reason, we don't expect to see a significant tourism impact until 2017 when Phase 3 is completed or 15 miles of trail. With that said, we are very optimistic of the long-term potential to return the County's investment in our project many times over!

### Attachments:

(6) Letters of Support  
Trail Use Agreement  
Trail Network Map/Plan (in process of being updated)

Spence Mountain Trail Project Budget			
Funds Available:	As of 2/15/15	Forecasted	TOTAL
Private Foudation Grant Funds as of 12/31/14	\$31,135		
EcoSolar Donation	\$8,000		
Matching Funds Raised	\$13,137		
Jeld-Wen Foundation Grant (committed)		\$1,500	
Sky Lakes Foundation Grant (committed)		\$2,000	
Klamath County Tourism Grant		\$50,000	
<b>Total Funds Available</b>	<b>\$52,272</b>	<b>\$53,500</b>	<b>\$105,772</b>
Expenses:			TOTAL
Trail Head			
Engineering		\$3,000	
Parking Area (cinder fill)		\$5,000	
Approach off Hwy (culvert, grade and gravel)		\$2,000	
Signage		\$500	
Master Plan Update		\$2,650	
Trail Construction (6 miles)			
Trail Layout	\$750/mile	\$4,500	*grant funded
Mechanized Trail Construction	\$10,465/mile	\$62,790	*grant funded
Contingency @ 10%		\$7,744	
<b>Total Expenses</b>			<b>\$88,184</b>
<b>Difference:</b>			<b>\$17,588</b>

**2. How will the grant funds be used?**

Grant funds will be used to hire Dirt Mechanics, a contractor from Bend, to construct 6 miles of trail at a cost of \$67,290 (see trail construction expense). The tourism grant would fund \$50,000 and KTA would fund \$17,290 or 35% of the grant-funded portion. Note, Dirt Mechanics used "prevailing wage" to comply with County requirements.

**3. Describe how on-going maintenance will be sustained and paid-for.**

Trail maintenance is one of the key missions of KTA. We have built a solid base of skilled volunteers that conduct ongoing trail maintenance from April through October. KTA owns tools to accommodate up to three six-man crews.

**4. How many out of county visitors do you expect to attract to the project? How will you track the number of out of county visitors versus the number of locals?**

We estimate 250 overnight visitor stays by 2017 after completion of 15 miles of trail in phase three. Out of town visitor stays should increase by 30% per year as our trail network grows and the word gets out. We plan to track visitors by working with our hotel/motel partners, registration information from trail events and trailhead surveys.

**5. How are you planning on extending the out of county visitor's length of stay? How will you encourage early arrival and late departure? How will you track the number of extra days?**

The business case to build more trails includes the following - more than 1 in 5 Americans, 16 and over, mountain bike (over 50 million people total); there are 1.5 times more mountain bikers than golfers in America; the Dean Runyan Study, commissioned by Travel Oregon in 2012, identified \$400 million spent for bike related travel in Oregon, and Southern Oregon accounted for \$38.5 million; the average length of stay for destination mountain bike travel is 3.4 nights.

Studies have shown that in order to attract mountain bike tourism you need a trail network of at least 15-20 miles. The tourism grant will provide a significant boost towards this goal but realistically the tourism benefit will come after Phase 3, in 2017, when the trail network approaches 15 miles.

How do we attract out of area travelers and extend their length of stay? Through a combination of media, web presence and events. Examples include:

- **Earned Media**
  - Partner with Discover Klamath to promote Klamath as a mountain bike destination with Mountain Bike Action, Outside, National Geographic, Bike, Bicycling, Trail Runner and Running Magazine.
- **Internet Marketing**
  - Gain national presence by posting trail maps, pictures and videos on prominent mapping websites such as IMBA's MTBProject, Pinkbike's TrailForks, Travel Oregon's RideOregonRide as well as Discover Klamath's proposed website called RideKlamathRide.
  - Link KTA's website to prominent mountain biking sites to provide more information such as newsletters, trail conditions, photos, etc.
  - Develop 2-3 day itineraries to increase length of stays.
- **Social Media**
  - Initiate Facebook advertising to reach potential out of county visitors.
- **Organize Events**
  - Spence Mountain will provide an excellent venue for competitive trail running and mountain bike races. Emphasis will be put on holding these events during the shoulder season to encourage discounted lodging. Competitive events draw out of town guests through different marketing channels such as Active.com.

We will track additional days through lodging partners and event participants.

**6. Describe your organization/project management team. How are these individuals qualified to lead this project?**

Currently we have an eight-member team overseeing the Spence Mountain Trail Project. Qualifications of the team include project management, construction management, engineering, event-organization, trail construction, bicycle store operations and trail running/mountain biking race participants.

Drew Honzel – prior General Manager, Columbia Forest Products  
Ed Beverly – prior Superintendent, Amuchastegui Builders  
King Burgett – prior Plant Engineer, Columbia Forest Products  
Josh Nelson – Owner, Asana Yoga & Sole  
Grant Weidenbach – Recreation Manager, BLM  
Eric Andrews – Owner, EcoSolar & Electric  
Zach Gilmour – Manager, Hutch’s Bicycles  
Adam Burwell – Engineer, Solar Tech Consultants

**7. Describe your team’s experience in operating past or similar projects.**

The team successfully completed the first phase of the Spence Mountain project last year. Key elements in the project included: securing landowner approval and developing a 10 year trail use agreement; securing \$50,000 in private grant funds; preliminary approval from ODOT for highway approach; approval from Oregon Department of Forestry to use their land for a trailhead; preliminary engineering of the trailhead; competitively bidding the trail construction job; supervising three miles of trail construction and organizing volunteer labor. The project came in on-time, on-budget and was well received by all user groups.

**8. How will you give credit to Klamath County for its support in our event or project?**

Credit will be given to Klamath County on our website’s sponsorship page, in media articles, our newsletter and posted at the proposed Kiosk at Spence Mountain.

**9. Who is the target market? What is your strategy for reaching the target market? If yours is an infrastructure project, you still need a marketing component.**

The demographics of the destination mountain biking target market, per the 2012 Dean Ruyan Report, are as follows:

- Gender 77%, male
- Age 69%, 35-54 years old
- Education 80%, bachelor’s degree or higher
- Household Income 65%, \$75,000 or higher

Our strategy for reaching this market is detailed in question 5 above.

**10. Describe specifically how you will market the project to your target audience?**

Our strategy for reaching this market is detailed in question 5 above.

**11. How will you measure the success of the project? (Be specific.)**

From a tourism standpoint, success all comes down to increased spending in lodging, food and entertainment. During events we will be able to measure the lodging component through discounted rooms booked during the events. Measuring spending in restaurants and entertainment can best be done with a year-to-year monthly comparison of key establishments such as The Creamery, Running Y, The Leap of Taste, Hutch's and others to interpret the economic impact.

**12. Describe any in-kind, barter, volunteer labor or discounted services you expect to receive in support of this project. Volunteer labor hours will be valued at \$10.00 per hour for purposes of completing the budget form.**

KTA has been overwhelmed by the community support for this project. Oregon Department of Forestry donated land and cleared an area for our trailhead. Rhine-Cross Engineering is providing engineering services for the trailhead as gift-in-kind. Adkins Engineering is discounting their services by 30% for the highway approach. Last year 30 volunteers worked an entire day to hand-build the first ¼ mile of trail. Two weeks later, 25 volunteers worked four hours to groom the newly built machine trail. We expect similar volunteer support in 2015. Financially, we raised over \$24,000 from the community at the end of 2014 from 62 individuals, businesses and foundations.

**13. List your potential sponsors and partners and how they contribute to the event or project.**

**Financial Sponsors** – EcoSolar & Electric, Linkville Lopers, Great Basin Insurance, Windermere Realty, Isler of Klamath Falls, Rodeo's Pizza, Hutch's Bicycles, Tucker, Tucker & Gailis Dental Group, Asana Yoga & Sole, Jeld-Wen Foundation and Sky Lakes Foundation.

**Gift-in-Kind Sponsors** – Rhine-Cross Engineering, Adkin's Consulting Engineering, Oregon Department of Forestry, Running Y Ranch Resort, Base Camp Brewing.

**Partners** – JWTR (landowner), Dirt Mechanics (professional trail builder), Discover Klamath (marketing), IMBA (education and training).

**14. If this is a regular recurring event or ongoing project, identify your marketing network and how it contributes to or enhances your success.**

There are several phases of the Spence Mountain Project that will make it an ongoing project. Marketing will be a multi-year process as outlined in question 5 as the trail system builds out to capacity.



2/25/15

Klamath Trails Alliance  
P.O. Box 347  
Klamath Falls, OR 97601

Dear Klamath Trails Alliance,

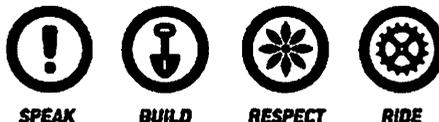
On behalf of International Mountain Bicycling Association, we would like offer this letter of support for KTA's Large Tourism Grant Request for their Spence Mountain Trail Project.

As an area with vast outdoor potential, the development of trails has the potential to transform the community. Not only will these new trails provide a great place for locals to recreate, creating a healthier community, we have seen trails attract new residents to areas once a purposefully built trail system is developed. Trail development, especially in an area like Klamath Falls that is conveniently located in a state that is capitalizing on bike tourism, has the potential to attract trail users from all over the region to visit the trails. As mountain bikers, we know just how exhilarating and enjoyable it is explore new great areas like Klamath Falls.

After traveling the country working with local trail advocates, we were very impressed with Klamath Trails Alliance. Their level of organization, forethought, and extensive community outreach has created the perfect formula for positive community development through trails. We hope you see the potential for trails to showcase the natural wonders Klamath Falls has to offer while also helping to create a healthier, more vibrant community.

Sincerely,

Jordan Carr and Leilani Bruntz  
Subaru-IMBA Trail Care Crew





**Klamath Falls Store**  
808 Klamath Ave.  
Klamath Falls, OR 97601  
541-850-2453  
[klamath@hutchsbicycles.com](mailto:klamath@hutchsbicycles.com)

Klamath Trails Alliance,  
P.O. Box 347  
Klamath Falls, OR 97601

Ref: Letter of Support – KTA's Tourism Grant Request

Dear Klamath Trails Alliance,

On behalf of Hutch's Bicycles I would like to offer this letter of support for KTA's Large Tourism Grant Request for their Spence Mountain Trial Project. This project is an exciting new addition to our growing cycling community. It not only gives users more variety and more mileage of trails, it gives them a taste of professionally built trails. This is the kind of thing that Klamath Falls needs to not only draw out of town people, but to make them stay.

We have already seen a dramatic increase in not only new riders, but also in the frequency of seasoned riders giving our store business. It is clear to me that the hype of just the short trail that has already been built has increased the activity of our community. Growth of this trail into a trail network would certainly continue to grow this community in a healthy and prosperous way.

The Spence Mountain Trail Project also offers something else much of the rest of the mountain bike facilities in the area have overlooked. It will foster progression and improvement by offering areas for everybody from beginner to advanced mountain bikers. This is a key component in making this area a destination for people to ride.

This trail system is being designed and built by one of the best. Paul Thomasberg has over 20 years of experience working with the Centrail Oregon Trail Alliance building trails. He has proven that fun, fast and sustainable trails can be turned into tourism dollars. Paul puts every bit of passion into the trails he builds, ensuring that we end up with an amazing trail system.

It should go without saying that Hutch's Bicycles supports all efforts that the KTA has done and will do to improve the mountain bike infrastructure in the Klamath Falls area. We see a direct benefit from these improvements and hope to see them continue.

Thank You,

Jim Lewis

A handwritten signature in black ink, appearing to read "Jim Lewis", is written over a light blue horizontal line.



2636 Blehn Street  
Klamath Falls, OR 97601

February 25, 2015

**Sent via electronic mail**

Klamath Trails Alliance  
P.O. Box 347  
Klamath Falls, Oregon 97601

Re: Letter of Support – Tourism Grant Request

Dear Klamath Trails Alliance:

Please consider this letter an enthusiastic Letter of Support by the landowner for Klamath Trails Alliance's Spence Mountain Project tourism grant request.

The tourism and economic development opportunities for the Klamath Basin in the vision KTA has shared with us for Spence Mountain is very persuasive. Likewise, we consider our Spence Mountain property to be a unique and very beautiful piece of property and we are delighted to work with KTA to develop ways to share that beauty with more of our community and out of town guests.

In addition to the tourism draw of Spence Mountain this project will provide easy access to healthy recreational activities for all who live here and will make our community more livable.

It is for these reasons and all of the benefits that come with providing outdoor recreational opportunities that I support this project.

Very truly yours,

Samuel D. Porter  
President



Dennis M. Taugher  
President  
Klamath Trails Alliance  
P.O. Box 347  
Klamath Falls, OR 97601

February 24, 2015

Dear Dennis,

The Running Y Ranch Resort enthusiastically supports Klamath Trails Alliance (KTA) efforts to secure a Large Klamath County Tourism Grant to develop your Spence Mountain Trail Project. It is our understanding that these funds will be used to professionally build more trails.

We were pleased to work with your group's IMBA clinic this past October. We provided meeting space and food for the participants. We understand that this event went quite well.

It is the intent of the Running Y Ranch Resort to become a world-class destination for outdoor sports to include mountain biking, hiking and bird watching. We want to partner with you on future events. Your efforts should bring in out-of-area people who will want to spend more than one day here.

Thank you for your leadership in helping promote trail use and bringing awareness to the varied outdoor recreational activities we have in the Klamath Basin.

Sincerely,

A handwritten signature in black ink, appearing to read "JR", is written over a faint, larger version of the signature.

Jeri Riggs, Interim General Manager



February 20, 2015

## Klamath Trails Alliance

Mr. Dennis Taugher, President

Mr. Dan Gailis, Vice-President

Mr. Drew Honzel, Secretary

Ms. JoAnn Clifton, Treasurer

PO Box 347

Klamath Falls, Oregon 97601

Dear Dennis, Dan, Drew, and JoAnn,

With enthusiasm, Discover Klamath Visitor and Convention Bureau - the official tourism agency for Klamath County, Oregon - supports your efforts to secure a **Large Klamath County Tourism Grant** from Klamath County, for the express purposes of (i) Further development of trail infrastructure at the Spence Mountain site, and, (ii) Signage/promotion and other marketing initiatives to be determined that will generate out of county awareness and interest for using Spence Mountain's recreational trails.

Our organization's mission is to attract more tourism to the Klamath Basin. Our region, like much of rural Oregon, is in need of new revenue sources to support community programs. Your proposal, which seeks to improve the trail system in our area via development of Spence Mountain, is likely to generate new tourism activity when it reaches a more developed state, e.g. 15-20 miles plus interpretive signage. This grant will accelerate your plans to achieve critical mass, which in turn should allow you to more aggressively market the trail system to cyclists outside our area.

As you've correctly pointed out in your initial Letter of Intent, 20% of Americans over 16 (over 50 mm) classify themselves as mountain bikers. Combine this with the 2013 Dean Runyon study which showed \$38mm in annual bicycling tourism revenue hits southern Oregon, and you've got a growing cycling infrastructure that is likely to attract riders and (hopefully cyclocross, enduro, all-mountain and cross country) tournaments to the area.

Thank you for your leadership on this initiative to grow tourism in our community.

*Jim Chadderdon*

Jim Chadderdon  
Executive Director

2/26/15

Klamath Trails Alliance  
P.O. Box 347  
Klamath Falls, OR 97601

Re: Spence Mountain Trail Project - Letter of Support

Dear KTA,

Linkville Loper's is excited to see more trails being built in Klamath and we strongly support KTA's tourism grant request for the Spence Mountain Trail Project.

As the local running club in Klamath we see a vibrant and growing running community. Currently we use existing trails for the Sole Trail Running Series and the Moore Mountain Trail Run. Growing the network of trails will only enhance our ability to put on more events.

Spence Mountain offers some of our Basin's finest scenery with beautiful lake and mountain views surrounded by a diverse forest. We think it would provide an excellent venue for a 15K trail run at some point!

Other reasons to support trails:

- Provides easy access to healthy recreational activities
- Makes our community more livable
- Attracts and retains businesses and families
- Outdoor recreation attracts tourism dollars improving our local economy

It is for these reasons and all the other benefits that come with providing more outdoor recreation opportunities that we support this project.

Sincerely,



Homer Garich  
President  
Linkville Lopers

# Spence Mountain Trail Partnership Agreement

This agreement outlines key provisions, between Klamath Trails Alliance and JWTR, to develop a successful trail system on Spence Mountain in a way that does not inhibit or interfere with JWTR's intended purpose of growing and harvesting timber.

## **General**

1. Trails are for non-motorized recreationalists of all types such as hikers, mountain bikers, trail runners, snowshoers and cross country skiers.
2. Trails will be open for public access. Under Oregon's Recreational Use Statute JWTR will be protected from liability issues.
3. Trail closures will be necessary from time to time for logging and thinning operations. KTA will work with JWTR to close sections of trail through user group communications, signage at trailhead and "on-the-ground" trail closures.

## **Trail Design, Construction & Maintenance:**

1. Trail design and construction will be carried out to IMBA standards to ensure that the trails are safe, sustainable, and require relatively little maintenance.
2. Trail construction will be done in phases and will require JWTR's approval for the preliminary layout, "on-the-ground" flagging and timing of construction. If a trail needs to be re-routed for any reason JWTR approval will be required.
3. Non-disturbance of bald eagle nesting sites will be accomplished by maintaining a minimum 300' buffer from each identified bald eagle nest tree, including alternate nest trees. If there is line-of-sight from the nest tree to the trail it is recommended to move the trail farther than 300 feet if possible to reduce potential disturbance. KTA will work with Oregon Department of Fish & Wildlife in trail layout in order to provide adequate protection of bald eagle habitat.
4. The main trailhead location will provide safe access for cars entering and exiting the highway and be approved by both JWTR and ODOT. Kiosk design and any amenities such as bathrooms will also require JWTR's approval.
5. Trail signage will be marked with international symbols for difficulty (circle for beginner, square for intermediate and diamond for advanced) to improve the trail user experience. Signage will also help direct users back to trailhead.
6. Trail construction will be accomplished through volunteers and/or third party trail builders. All outside contractors will be licensed, bonded and insured.
7. Klamath Trails Alliance will maintain trails in order to keep them safe, litter free and to prevent erosion.

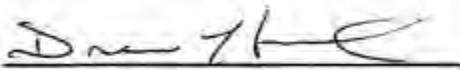
# Spence Mountain Trail Partnership Agreement

## Terms of Agreement

1. This written agreement will be granted for 10 years with 5 year extensions mutually agreed to by both parties.
2. Failure to abide by the conditions outlined in the Spence Mountain Trail Partnership Agreement may cause JWTR to revoke public use and access of its property.

AGREEMENT DATE: April 19, 2013

### Klamath Trails Alliance:

By: 

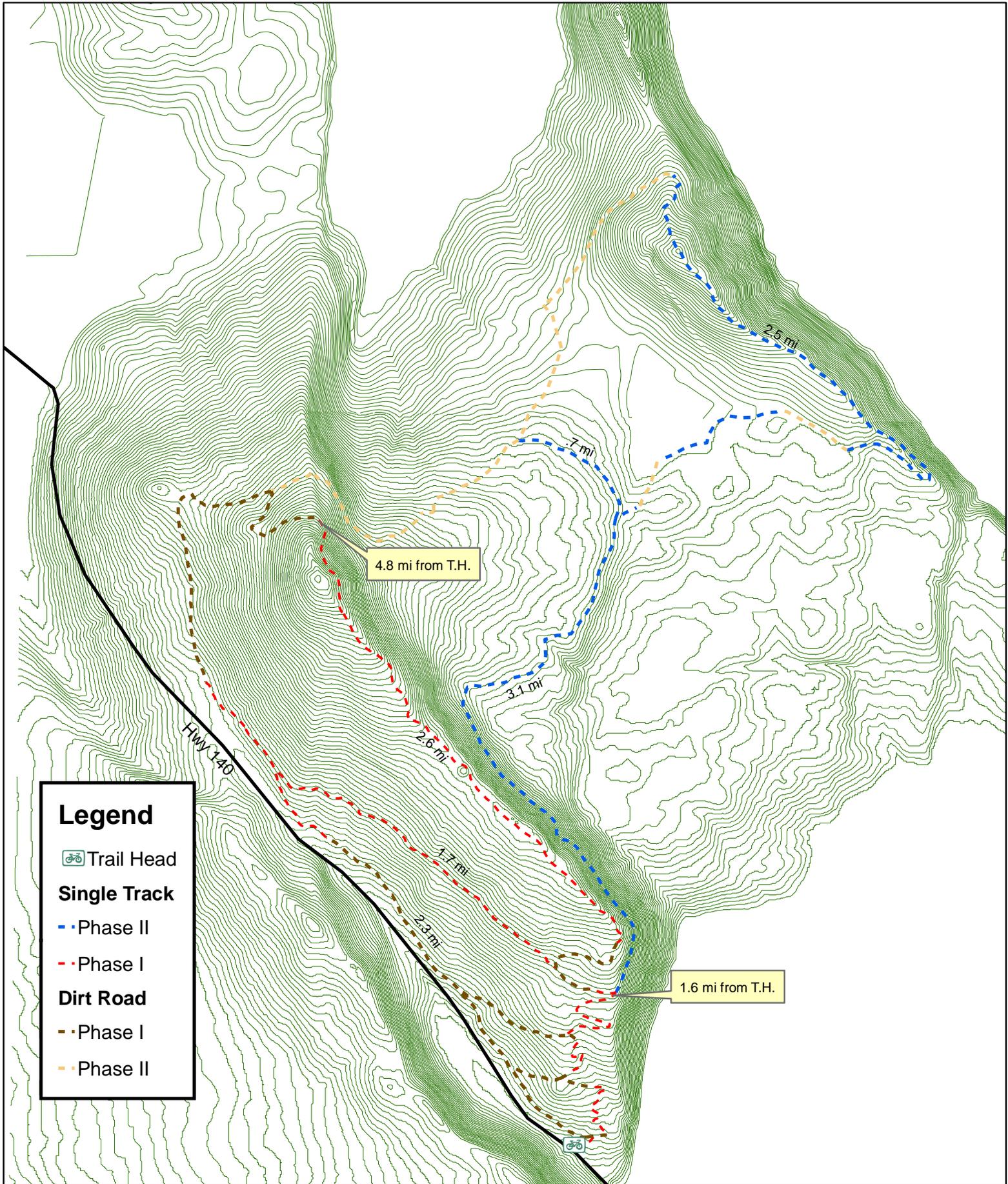
Name: Drew Hunzel

### JWTR:

By: 

Name: Samuel D. Porter  
President

# Spence Mountain Trails: Howard Bay T.H.



## Legend

Trail Head

### Single Track

Phase II

Phase I

### Dirt Road

Phase I

Phase II

1 inch = 3,000 feet

0 1,875 3,750 7,500 Feet

