

**TRADITIONAL TOURISM GRANT APPLICATION COVER PAGE**

Title of Project: Spence Mountain Trail Project  
Funds Requested: \$25,000  
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 professionally build trails at Spence Mountain. Trails are being designed to attract mountain bikers but will also accommodate all types of non-motorized trail users. Trail construction is planned to start this summer and be completed by the end of the year.

**Attachments:**

Budget  
Spence Map  
(3) Letters of Support

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 Drew Honzel Date 5/01/16

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

Signature of Organization \_\_\_\_\_ Date \_\_\_\_\_

## PROJECT DESCRIPTION

### 1. Provide a detailed description of the project and activities.

Type of Project: Infrastructure  
Use of Funds: Professionally Build Trails  
Target Market: Destination Mountain Biking

Klamath Trails Alliance was formed as a 501(c)(3) non-profit in 2012 to lead the charge in non-motorized recreational trail development, maintenance and advocacy. We are a membership-based organization, 80 members strong, comprised of hikers, runners, cyclists and outdoor enthusiasts.

The Spence Mountain Trail Project involves a phased development of a 50-mile trail system on a beautiful 7,400-acre private parcel of land. The property is only 15 miles from Klamath Falls offering easy access to community amenities. Trails will be purpose built for mountain biking but are well used by other groups such as trail runners, hikers and even cross-country skiing and snowshoeing in the winter.

We have contracted with Dirt Mechanics, a professional trail building contractor from Bend Oregon, who has demonstrated their ability to design and build trails that provide a high quality experience while minimizing environmental impact.

Two years into the project we've grown the system to 10 miles and plan to complete another 8 miles in 2016, bringing total trail mileage to 18 miles. This is an aggressive but doable goal assuming the weather and fire restrictions work in our favor.

Phase 3 will start this summer with a 4-mile "easy" trail named Mazama connecting the South side of Spence to Shoalwater Bay. Dirt Mechanics will return in late fall to build a 4-mile Black Diamond or "most difficult" trail called Spence North Ridge. At the end of 2016 the Spence Mountain Trail network will offer trails for all skill levels. The average cost to build a mile of trail in Phase 3 is \$12,000 per mile and our total trail building cost for 2016 is estimated at \$121,000.

Other aspects of the project include completion of the Spence Mountain Trailhead, installation of highway signage on Hwy 140, trail signage and a second trailhead at Shoalwater Bay. These additional expenses add another \$56,000 to our 2016 budget (see enclosure). If grants are not fully funded the second trailhead at Shoalwater Bay will be delayed and we'll reduce trail mileage.

Currently KTA has \$77,702 in our capital account and an additional \$25,500 committed from Sky Lakes Medical Center. Klamath County's Tourism Grant will be used to help defray the cost of building Phase 3 trails. We also plan to submit an application to Travel Oregon's Community Matching Grant Program.

## **PROJECT GOALS**

- 2. 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 20 miles of trail in Phase 3. Out of town visitor stays should increase each year as our trail network grows and the word gets out.

We plan to track visitors by installing a simple trail survey tool at our Kiosk as well as working with our hotel/motel partners and registration information from trail events.

- 3. 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 easiest way to increase visitor's length of stay will be to keep adding trail mileage. Once we build Spence out to approximately 20 miles an intermediate rider can enjoy the better part of a day riding and exploring the mountain. Events such as trail running or mountain bike races will also encourage early arrival to checkout the venue before the event.

Another way to attract multi-day tourist will be through development of itineraries showcasing other great outdoor recreational opportunities such as our new Zip Line, Crater Lake National Park and local hiking trails.

Extra days will be tracked through our trail survey tool and hotel rate codes from events.

## **QUALIFICATIONS OF APPLICANT**

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

We have a five-member management team overseeing the Spence Mountain Project with a broad range of skills. Backgrounds include project management, construction superintendent, bike shop manager, plant engineer and recreation manager.

- 5. Describe your team's experience in operating past or similar projects.**

The team successfully managed the first two phases of the Spence Mountain project. Key elements of the project include: securing landowner approval; developing a 10 year trail use agreement; ODOT permitted highway approach; agreement with Oregon Department of Forestry to use their land for a trailhead; engineering the trailhead; competitively bidding the trail construction job; supervising 10 miles of trail construction; organizing volunteer labor and securing funds to build this project.

## PROJECT PLAN

6. How will you give credit to Klamath County for its support in your event or project?

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

7. Provide a detailed timeline of your marketing efforts leading up to the event or project.

Spence Marketing Plan		Timeline
<b>A. Unearned Media</b>		
	Bend Bulletin Article	Sept. 2016
<b>B. Internet Marketing</b>		
	Ride Klamath Ride - updated maps, descriptions & photos	June 2016
	Trail Forks – updated maps, descriptions & photos	June 2016
	MTB Project - post maps, descriptions & photos	July 2016
	Ride Oregon Ride - post maps, descriptions & photos	July 2016
<b>C. Events</b>		
	Hold a Sanctioned Trail Race or MTB Race	2017

8. Describe your target market/audience.

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.

The demographics of the destination mountain biking target market, per the 2012 Dean Runyan 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

**9. Describe specifically how you will market the project to out of county visitors.**

The biggest challenge is building awareness that Klamath is a great place to mountain bike. Recently we garnered attention from a specialty mountain biking publication called Pinkbike that will help our cause. Here is what they had to say...

*"When people talk about mountain biking in Oregon, locations like Bend, Hood River and McKenzie River will without a doubt be mentioned. These areas offer mountain bikers world class trails and spectacular landscapes. Klamath Falls is another location you'll definitely start hearing more about in the very near future."*

Medford's Mail Tribune also featured Spence Mountain in an article in early January. Another media target for this year is the Bend Bulletin. They profile new areas to mountain bike weekly through the summer and fall. Bend is a Mecca for destination mountain bikers so this should help gain exposure beyond the Bend market.

Online mapping sights such as IMBA's MTBProject, Pinkbike's TrailForks, Travel Oregon's RideOregonRide as well as Discover Klamath's new website called RideKlamathRide offer another marketing tool. These sites are used by destination mountain bikers looking for places to ride.

Our last marketing initiative includes organizing an event in 2017 in order to draw the race-oriented crowd to Klamath.

**10. How will you measure attendance in drawing out of county visitors to the project? Examples: Hotel Rate Code, Ticket Sales, Trail Counts (Be Specific).**

We plan to install a manual survey form at our Kiosk asking users basic questions like (1) Type of trail activity (2) Local or Visitor (3) If visitor, where are you from and how many nights are you staying in Klamath?

From an event standpoint we'll be able to track these visitors through ticket sales.

**11. If your project is already underway, explain how this award will increase your likelihood of success.**

The goal is to reach 20 miles of trail in order to attract overnight stays. Continued investment in the Spence Trail Project will enable us to reach our goal quicker.

**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 provided engineering services for the trailhead as gift-in-kind. Adkins Engineering discounted their services by 30% for the highway approach. In 2014 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.

In 2015 KTA recorded almost 1,000 hours of volunteer labor to build and maintain local trails. That's the equivalent of one person working 10 hours every day for over three months.

**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, Hutch's Bicycles, Tucker, Tucker & Gailis Dental Group, Asana Yoga & Sole, Muffler King, Chancellor Drilling, Jeld-Wen Foundation, Klamath County Tourism Grant, Private Foundation Grant, Sky Lakes Medical Foundation and Sky Lakes Medical Center.

**Gift-in-Kind Sponsors** – Rhine-Cross Engineering, Adkin's Consulting Engineering, Oregon Department of Forestry, Nesting Well, Abbey's Pizza, Running Y Ranch Resort, Base Camp Brewing, Rodeo's Pizza, Dirt Mechanics and Gaucho Collective.

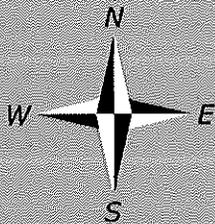
**Partners** – JWTR (landowner) Dirt Mechanics (professional trail builder), Discover Klamath (marketing), IM3A (education and training).

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

Travel Oregon and Discover Klamath have specific strategies around bike tourism so promoting Spence is aligned with their direction. Second, Internet mapping sites offer more targeted marketing to our demographic and good online reviews will help build our brand. Third, event organization will eventually bring notable athletes to Klamath and will help Spence Mountain's reputation as a great trail system.

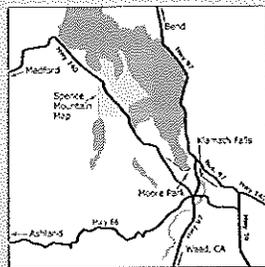
<b>Spence Mountain Trail Budget for 2016</b>			
	<b>Budget</b>	<b>Actual</b>	<b>BALANCE</b>
<b>Funds Available:</b>			
Current Bank Balance (5/1/16)	\$77,702		
Sky Lakes Donation (committed)	\$25,500		
KC Tourism Grant (proposed)	\$25,000		
Travel Oregon Community Grant (proposed)	\$50,000		
<b>Total Funds Available</b>	<b>\$178,202</b>		
<b>Expenses:</b>			
<b>Trail Head</b>			
Asphalt Approach off Hwy	\$10,000		
Highway Signage	\$3,000		
Miscellaneous Kiosk	\$1,000		
Shoal Water Bay Trailhead (grade & gravel)	\$32,000		
<b>Trail Construction</b>			
Complete Phase 2 (4 miles @ \$8,000)	\$32,000		
Trail Layout (\$850/mile x 7.6 miles)	\$6,460		
Mazama Trail Build (\$9,240/mile x 3.7 miles)	\$34,188		
North Ridge Trail Build (\$12,408/mile x 3.9 miles)	\$48,391		
<b>Trail Signs</b>	<b>\$2,000</b>		
<b>Contingency @ 5%</b>	<b>\$8,452</b>		
<b>Total Expenses</b>	<b>\$177,491</b>		
<b>Difference:</b>	<b>\$711</b>		

# Spence Mountain Trail System



Shoalwater Bay

Upper Klamath Lake  
El. 4143



**Legend**

<b>Trails - Complete:</b>	Roads	Elevation Marker
Easy	Trailhead	One-way Marker
More Difficult	Distance (mi)	Junction
Most Difficult	Park Boundary	
<b>Trails - Proposed:</b>		
Easy		
More Difficult		
Most Difficult		

Scale: 0.2 mi / 0.5 mi

Howard Bay

You are Here

People entering and using privately owned lands for recreational purposes are responsible for exercising due care in their use of the land. Please stay on the trails. Don't disturb, develop or tamper with trails. Exercise caution on uneven terrain. Yield to oncoming trail users and don't litter. Pack it in, pack it out.

Ref: Oregon Recreational Use Statute: ORS 105.672 to 105.696



April 28, 2016

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

Dear Klamath Trails Alliance,

On behalf of JWTR, LLC, we would like to offer this letter of support for the KTA's Tourism Grant Request for its Spence Mountain Trail Project.

JWTR has supported the Spence Mountain Trail Project since its inception, as we strongly believe that in order to attract tourists to an area, it must have high quality activities and recreational opportunities for those tourists to enjoy. Trail systems that have a reputation for a high quality user experience, whether for hiking, biking, skiing or other recreational pursuits, have been shown to be a significant draw to an area, and to positively impact land values in those regions. While we have natural beauty in abundance in Klamath County, we do not have a critical mass of high quality recreational amenities that attract tourists in the numbers in the way that areas with similarly scenic landscapes and developed tourist activities do. The design of the Spence Mountain trail complex, which utilizes professionally built and laid out trails and maximizes the natural beauty of the property, creates an exceptional user experience and is sure to become a recreational amenity that will encourage tourists to visit the area.

As the owner of the property where these trails will be built, we see the benefit of the trail system to us as developing the recreational value for unique pieces of properties in the area such as ours. The KTA has been an excellent partner in this project, as it has carefully planned the trail system with the input and cooperation of a variety of trail user groups and stakeholders to ensure the trails are of the highest quality, can be used for multiple activities, and are built in accordance with all applicable regulations. Most importantly, this has all been done with great respect for our property and our concerns as the landowner.

We look forward to the continued development of the Spence Mountain trail system and working with KTA as it progresses.

Sincerely,

Matthew R. Wendt  
President  
JWTR, LLC



May 1, 2016

Dear Tourism Grant Committee Members,

I am writing to express support for the Klamath Trails Alliance in general and the Spence Mountain Trail Project specifically. I believe the project and applicants should be funded on the following grounds: merit, vision and historical success.

***Merit***

As a business owner and active member of the community, I have attended KTA meetings and spoken with its leadership. I am always impressed by their professionalism and organization. As an avid trail runner, skier and mountain biker I have experienced, first-hand, the work they have done improving and building trails. I have been so impressed by their work that I donate product regularly to their support their trail work days and meeting functions because I want my business to be associated with such progress, professionalism and efficiency. The Klamath Trails Alliance is one of the most efficient and effective organizations I have worked with.

***Vision***

The KTA leadership has both a creative vision for what is possible in the Klamath Falls area and a sharp and detailed vision for what works well in drawing tourism. The Spence Mountain Trail Project is exemplary of this. Proposed trails will add (regionally) unprecedented access for an underexploited cadre of recreational tourists seeking fun, beautiful and challenging outdoor exercise.

***Historical Success***

First, KTA's work in Moore Park has increased trail usage there. Second, in fewer than two years KTA's work at Spence Mountain already draws people from the Medford/Ashland area. Third, positive reviews of the Spence Mountain trails are already appearing in mountain bike blogs and forums on the internet. Momentum and buzz about the Spence Mtn. trails is growing regionally and on the web.

As a small business owner, I understand the importance of investing in the right things at the right time with the right people. Outdoor recreation tourism is a big and growing sector. The time is right to invest in mountain biking trails and the Spence Mountain system is right-sized for both single day and multi-day exploration, and both extreme and casual recreation. Spence Mountain is the right place to invest Klamath County tourism dollars and KTA exemplifies what any non-profit should be: effective, visionary, and successful. I strongly support funding KTA for the Spence Mountain Trail Project.

Regards,

A handwritten signature in black ink that reads "David Scott". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

David Scott

Owner & Manager, Rodeos Pizza & Saladeria  
1215 Main Street, Klamath Falls, OR  
[rodeospizza@gmail.com](mailto:rodeospizza@gmail.com)

# CHANCELLOR

## DRILLING AND PUMP

April 27, 2016

Dear Tourism Grant Selection Committee,

We at Chancellor Drilling and Pump could not be more enthusiastic in our support for Klamath Trail Alliance's Spence Mountain Trail Project. As lifelong residents of Klamath County, and avid cyclists ourselves, it is wonderful to see such a beautiful area near our home being developed for public use.

Even in its beginning stages, this trail system is being well used and enjoyed by groups of hikers, runners, dog walkers, families, birders, and mountain bikers alike. Spence's location makes the great outdoors easily accessible to Klamath County residents, and it is easy to find for those coming from out of town. Spence Mountain has been getting a lot of buzz in the Oregon mountain biking community, notably after an article on pinkbike.com highlighted the Trail Project's success and went on to predict Klamath Falls to be "ranked as one of the top trail destinations in Oregon, if not North America."

As mountain bikers, this is thrilling! As business owners, it is equally exciting to see how this project will contribute to the local economy, particularly our downtown. By bringing more tourists to Klamath Falls, the trails will be supporting Klamath Falls businesses, old and new.

And Finally, as long time residents, it is heartwarming to see people coming together to build and use these trails. This is a worthy endeavor that has already changed lives for the better. Thank you for your consideration and potential support.

Sincerely Yours,



Colter and Lisa Chancellor



5437 ALTAMONT DR KLAMATH FALLS, OR 97603 (541)884-7907