PA Wilds Outdoor Recreation Industry Cluster Development
Concept Paper

VISION

The Pennsylvania Wilds region has grown over the last twenty years into a destination for outdoor enthusiasts thanks to catalytic anchor investments in our state parks and forests and surrounding infrastructure. These investments shifted towards a more diversified economy that benefits local communities and attracts visitors, provides quality jobs in local businesses, and prioritizes wealth building opportunities for current and new residents. PA Wilds Center for Entrepreneurship (PA Wilds Center), a regional nonprofit, acting in coordination with 13 counties, four Economic Development Districts, two state agencies and private-sector partners, seeks a Build Back Better Regional Challenge (BBBRC) investment to scale this emerging outdoor recreation industry cluster in the most rural part of Pennsylvania, an area of demonstrated historical underservice. This vision aligns needed community investments with the region’s most attractive assets to foster economic growth and competitiveness in a large rural, coal-impacted region of Pennsylvania, and rests on three complementary and unified efforts:

- **Construction** of new outdoor recreation infrastructure assets
- **Activation** of investments by supporting an entrepreneurial ecosystem, workforce development, and increasing community capacity
- **Scale** the impact by recruiting and leveraging private capital for new business and future investment

Seven Coalition Partners will implement this vision via five defined but interconnected projects: 1) Strategic Recreation Infrastructure Development, 2) Workforce Development, 3) Entrepreneurial Ecosystem Expansion, 4) Cluster Sustainability and Resilience, and 5) Profile Raising to Attract Private Investment.

Together, these investments will continue the growth fostered by the original PA Wilds investments of the last decade, and spur new industry growth resulting in an economic impact over the next ten years of:

- $362.6M in new spending
- $71.07M in new earnings
- $18.80M new state and local taxes
- $16.84M new federal taxes
This investment will result in the creation or retention of numerous good-paying jobs for this underserved rural area. As captured in the attached support letter from the Outdoor Recreation Roundtable, the nation’s leading coalition of outdoor recreation trade organizations, outdoor recreation is a giant -- and growing -- industry nationally. The types of businesses involved in the PA Wilds cluster are diverse and include small and mid-size enterprises (SMEs) from Agriculture, Forestry, Fishing, Hunting; Manufacturing; Wholesale Trade; Retail Trade; Information; Professional, Scientific, and Technical Services; Arts, Entertainment, and Recreation; Accommodation and Food Services.

Project 1 will create upwards of 100 jobs during construction. Project 2 will create or retain an estimated 200+ competitive jobs via SME startups and expansions within the cluster over five years; Project 3 will create or retain a minimum of 30 competitive jobs in tech, retail management, finance and communications. Projects 4-5 will perpetuate this cluster’s growth.

Aside from being a diverse cluster, the Coalition would challenge assumptions that service sector jobs created through this proposal are not good-paying for the area. To give one example, the per capita income in distressed Forest County, where more than 80 percent of the land is federally owned, is $24,000. Under BBBRC, PA Wilds Center would create a front-line service sector job there that pays 46 percent more than that to start, with paid time off and health benefits. Tourism currently makes up 11 percent of the region’s economy, so there is a long way to go before the region is overly dependent on the service sector aspect of its outdoor rec cluster. The attached Economic Context Data provides a level-set for wages and distress in this region and underscores the importance of investing in this emerging industry cluster.

Indeed, developing this cluster is seen as critical to helping major employers in the region attract and retain talent because it advances amenities that improve rural quality of life. The National Recreation and Park Association reports that 76% of corporate executives it surveyed say quality of life factors are “very important” or “important” in their site-location decisions, and that SMEs put even more emphasis on it. The attached support letter from Zippo Manufacturing, and other letters from SMEs and Coalition Partners in the region, echo that this cluster is important to such a highly rural region being able to attract and retain its workforce.

BACKGROUND

The PA Wilds is a 13-county region that is home to the greatest concentration of public lands in Pennsylvania – more than Yellowstone National Park -- and many economically-distressed rural communities. In 2002, local, state, and federal partners began working on a shared vision to establish the PA Wilds as a premier outdoor recreation destination to help diversify rural economies, create jobs, inspire stewardship, and improve rural quality of life. This “PA Wilds Conservation Landscape” effort has involved coordinated side-by-side investments in regional branding, marketing, small business development, community character stewardship, regional planning and capacity building, and investing in an initial, strategic suite of anchor recreation infrastructure facilities to “put the region on the map” in visitor’s minds.

The first major wave of infrastructure investment in the region’s outdoor economy started to come online with the opening of the Nature Inn at Bald Eagle State Park (2010), the Elk Country Visitor Center (2010), the Wildlife Center at Sinnemahoning State Park (2011) and the Kinzua Skywalk (2016). At some locations, visitation has grown into the hundreds of thousands annually, fueling dozens of small business startups and expansions and creating hundreds of full and part-time jobs at a variety of organizations and businesses on this highly rural landscape. Local, state and federal partners have intentionally invested in building rooted local wealth
through entrepreneurship, building and marketing the region’s place-based brand, and incentivizing community character stewardship. As a result of these investments, tourism industry spending in the region grew 46 percent from 2009 to 2019 -- from $1.27B annually to $1.85B, according to annual Tourism Economics reports released by the State Tourism Office.

MEETING THE CHALLENGE

Today, a new investment of this kind is needed to combat systemic challenges in the region. More than half of the PA Wilds’ counties are coal-producing, and all of the region’s counties have felt the impacts of the coal industry’s recent contraction, with five designated as “depressed,” and seven as “vulnerable,” according to the Economic Analysis of the Appalachian Coal Industry Ecosystem (CIE) studies released by the Appalachian Regional Commission (ARC). While the $1.85B annual tourism industry has seen record-setting growth in the three years leading up to the covid-19 pandemic, it is doing so against the backdrop of a highly rural region that is recovering from decades of divestment and population decline. Many gaps in visitor services exist, and communities face systemic capacity issues, making it challenging to address these gaps. The global pandemic has exacerbated the situation, with more people turning to public lands for recreation while the businesses, communities and organizations that host those visitors face major workforce and supply chain issues, and struggle to find resources to help them scale up.

Our region has laid critical groundwork from which to develop new economic opportunities. We envision an exciting opportunity to build from our previous successes, and address these economic challenges by transforming our rural region through strategic investment into the recreation industry cluster.

OUR FIVE TRANSFORMATIONAL CLUSTER PROJECTS

The BBBRC presents a once-in-a-lifetime opportunity to invest in next-level, transformative development of the recreation industry cluster in the PA Wilds. While construction of new recreation infrastructure is critical to advancing this outdoor recreation industry cluster, the key to lasting economic impact is ‘activation’ of these assets, and bringing in private dollars to support that. This proposal will accomplish all three.

Metrics to be tracked will include: jobs created/retained; annual tourism spending and employment; businesses started; private funds leveraged; and revenues generated. The five defined projects are:

1. **Construction: Strategic Recreation Infrastructure Development** - The outdoor recreation industry cluster requires catalytic investments in new outdoor recreation infrastructure assets. These assets will serve as anchor investments for the cluster to leverage. We have identified upwards of $40M in strategic development. These component projects include critical trail connections, trail hubs and anchor attractions that will be economic drivers for the cluster.

2. **Activation: Workforce Development** The PA Wilds region’s ability to support a successful cluster stems from having both a strong system in place to train new and support existing employees, as well as create pathways for collaboration for employers whose workforce may be attracted to the region’s recreation amenities.
   a. **Expanded Jobs Pipeline:** Grow the PA’s Outdoor Corps, a proven workforce training program sponsored by the Commonwealth that addresses critical workforce gaps, offers
young adults paid employment to steward natural resources, and provides a jobs pipeline into conservation, forestry, parks maintenance/operations and outdoor recreation fields.

b. **Industry Support:** Training via programming at the PA Wilds Media Lab for businesses looking to become licensors, vendors on ShopthePAWilds.com or at PA Wilds Conservation Shops. Professional development and other wrap-around services for rural businesses tied to the cluster, to include a mini grant program (via philanthropic investment) for makers + outfitters, and onramps to the Outdoor Industry Business Certificate (OIBC), a first of its kind program that brings together the Outdoor Industry Association’s industry knowledge with universities’ faculty to provide online, self-paced, non-credit certificates that address critical outdoor industry topics, including green product development, sustainable sourcing and building equitable companies.

c. **Employer and Workforce Recruitment:** Outreach and tools for HR departments of major employers to enable the region’s cluster to help attract and retain talent as population decline and related workforce issues are major challenges in this landscape.

3. **Activation: Entrepreneurial Ecosystem Expansion** - The types of businesses involved in the PA Wilds cluster are diverse and go beyond the service-sector. We will expand existing successful programs, and invest in technology that supports our region’s entrepreneurs.

a. **Commerce platforms:** Stand up or expand multiple units of the Center’s validated, place-based commerce platform to improve market access for rural entrepreneurs while filling gaps in visitor services, building regional capacity, and promoting stewardship. Some of the “PA Wilds Conservation Shops” will be considered for add-on outfitting services. Expand the reach of ShopthePAWilds.com, a marketplace developed with EDA support that allows rural makers to sell direct to consumers but with the added marketing power of the regional PA Wilds brand.

b. **New Technologies:** Invest in technology for our online marketplace that will allow rural makers to improve inventory management and user experience capabilities; and for the PA Media Lab, a business accelerator space that supports the Center’s growing commerce platform and entrepreneurial ecosystem. Digitize the *PA Wilds Design Guide for Community Character Stewardship*, an award-winning planning document that supports sustainable cluster development, to make it more accessible to rural communities that are the gateways to the region’s world-class recreation experiences.

c. **Marketing + Communications:** Grow the region’s outdoor rec cluster by promoting digital and physical foot traffic to the region through robust storytelling on pawilds.com and related social media channels, and through branding and interpretive displays at Coalition Partner sites. Deepen and increase the number of partnerships within the cluster by sharing news of the cluster and its successes at the local, state and national level.

4. **Activation: Cluster Sustainability and Resilience** - Capacity is a constraint in rural economies, particularly in those strained for resources. For each initiative, we will leverage partnerships, build capacity, and plan strategically for future funding and financing opportunities to ensure long-term impact.

a. **Sustainable Operations:** Conduct strategic business planning for sustainable operations of the PA Wilds Center, the hub cluster; develop a regional stakeholder group to shape future development of the Center’s entrepreneurial ecosystem. Seed permanent organizational capacity to support future cluster development, as well as advance
diversity, equity, inclusion and accessibility efforts. Expand the Center’s accounting and grants management capacity to position it for expanded retail operations and a more aggressive regional grant investment strategy (see: Sustainability Appendix).

b. **Increase Community Capacity and Resilience:** Research opportunities to use our ecosystem network and its economy of scale for health coverage and retirement plans to support family sustaining jobs at smaller maker enterprises and businesses in the cluster.

5. **Scale: Profile Raising to Attract Private Investment** - True economic growth and opportunity can only come if there is follow on investment from the private sector. Therefore, the cluster will set the conditions to enable these types of investments.

   a. **Private Capital for the Center:** Receive and utilize three types of capital: public funds from local, state, and federal governments, charitable dollars from philanthropic organizations, and private investment via impact investors (return seeking capital).

   b. **Private Capital for Partners:** With regional partners and governments, identify high-value recreation projects beyond the ARPA funding period so these can be positioned for regional support. Memorialize this process for future use so there are always shovel-ready projects on deck to meet new funding opportunities.

   c. **Private Capital for the Region:** Leverage impact capital to bridge the divide between public funds and market rate capital. Develop an Investment Prospectus for the Region to include leveraging incentives such as Opportunity Zones and New Market Tax Credits.

**COALITION PARTNERS**

This project relies on a broad coalition to achieve this holistic vision. The PA Wilds Center, the state’s designated lead nonprofit for the regional PA Wilds strategy, will serve as the lead applicant and hub, connecting key partners and spoke projects, and aligning visions to ensure economic development success.

PA Wilds Center is the Coalition Partner that will lead the Activation and Scale portions of the proposal (Projects 2-5), subcontracting with partner organizations (see Industry Appendix). Six Coalition Partners will implement the Construction aspect of the proposal (Project 1): The PA Department of Conservation and Natural Resources (DCNR); Jenks Township; City of Warren; Tioga County; Armstrong Trails; and the Keystone Elk Country Alliance. Each Coalition Partner has submitted a support letter detailing their project and stating that they have read this proposal and are committed to executing their component project of the regional growth cluster (see: Coalition Partner Support Letters).

**MATCHING FUNDS + TIMELINE**

Partners have identified upwards of $15M matching funds from a variety of sources to include: State Redevelopment Assistance Capital Program; Act 13 Funds; Jenks Township General Fund; DCED Greenways, Trails, and Recreation program; DCNR Community Conservation Partnerships Program; PennDOT Transportation Alternatives Set Aside, PennDOT Multimodal Transportation Fund, Richard King Mellon Foundation, Robert Wood Johnson Foundation, Google Ad Grants, PA Wilds Center, PA Wilds Planning Team.

Construction will be front-loaded to ensure implementation is completed ahead of the grant closeout deadline. The Activation and Scale strategies will also start immediately but will be scheduled to take place throughout the five-year application window.