



This building, a 100-year-old relic of the railroad industry, was transformed into the Whistle Stop Bike Shop (right) just months before the Heritage Rail Trail County Park reached New Freedom, Pa.

trails mean

Ed Hughes had no money. He had been out of work for a year and a half. His solution? Buy a 100-year-old building next to an abandoned railroad track in New Freedom, Pa., and open a bike shop.

Charles Ruen had farmed in Minnesota for nearly 30 years when the Milwaukee Road stopped running through his land. He tried to stitch his farm together by buying the right-of-way, but the state outbid him, planning to use the corridor for a rail-trail. His next move? Convert an old farmhouse near the new trail into a bed and breakfast.

Marc and Jeanne Sather were tired of constant cross-country plane rides and business meetings. What did they do? Buy an old jailhouse near an abandoned railroad spur in rural Minnesota and turn it into an inn.

The real estate adage “location, location, location” could be translated to “trail, trail, trail,” as several entrepreneurs and some who did not know they were entrepreneurs have found. They are demonstrating not only that trails are prime business locations but also that trailside businesses can transport entire regional economies.

NEW FREEDOM

It was a dozen years ago that Ed Hughes spotted the for-sale sign on the century-old ex-dime store building in New Freedom, Pa. To him it presented a perfect business opportunity. He had read about the proposed 21-mile Heritage Rail Trail County Park, which would run through rural York County, Pa., to link up with Maryland’s 20-mile Northern Central Railroad Trail. His first thought: Why not open a bike shop here?

For a while, Ed’s enthusiasm for the idea was not shared. His wife, Kay, tried to be supportive, but thought the bike shop plan unrealistic. “I told him, ‘You have no job and no money,’” she says. He also had no business experience. All he knew was that he could fix his bike better than any bike shop he’d been in.

At first, no bank would give him a loan to buy the building. The banks’



by Ed Hensley

business\$

the benefits of trailside enterprise

standard market evaluation techniques applied only to the local community, which would not support a bike shop.

Eventually Ed convinced the Small Business Administration that the trail was more than a means for people to pass his proposed store. It would effectively extend his economic “reach,” his market area. As soon as a bank, with the SBA’s backing, agreed in 1993 to lend the \$100,000, Ed and Kay signed the papers for the two-story, 8,000-square-foot building.

The tiny, two-street town of New Freedom was delighted. The town government was so eager to have someone in the empty building that it waived most of the required permits to expedite the remodeling phase. Vendors, including Canon-dale, the Pennsylvania-based bike company, supported the new busi-

ness by providing merchandise to the Hugheses on credit.

After a busy two months, Ed and Kay opened the Whistle Stop Bike Shop as a friendly, mom-and-pop store that emphasized good service. They were ready when, six months later, the Heritage Trail extended into New Freedom, ending right outside their store window. A few years later the trail had stretched to York, linking the Whistle Stop to another population center.

During the Whistle Stop’s first year, business was slow; the Hugheses accumulated a customer database of barely 100 names and addresses. Today that database has topped 8,000. Customers from New York to Maryland come to the Whistle Stop to buy new bikes and get their cycles serviced for the riding season, citing the honesty and attention at Whistle Stop they can’t find in the larger cities.

Some 250,000 people from Pennsylvania, Delaware, Maryland, New Jersey, New York and Ohio pass by on the Heritage Trail every year. That means business for New Freedom. Along with the bike shop, the town now boasts a couple of pizza places, a refurbished depot with museum and sandwich shop, and a bar that sells “great crab cakes,” says Kay.

Whenever the temperature is above freezing, a five-gallon jug of ice water with a “free water” sign sits outside the Whistle Stop. Kay says, “People are always sticking their heads in the door to say ‘thank you’ for the water,” and glance around the store. Many come in to buy things. “One guy came in to say thanks, saw the bikes and bought his girlfriend a new bike while she was next door eating a sandwich. He left the old clunker she had been riding and picked it up later.”



The Wharf District of the Mon River Rail-Trail in Morgantown, W.Va. The area was formerly an all-but-abandoned warehouse and industrial area. Now the economy thrives.

ECONOMIC BOOST

Support from state and local governments makes some trailside businesses possible. It certainly makes business success more likely. An alliance of the four counties traversed by the 72-mile North Bend Rail Trail in West Virginia developed an incentive program for just that purpose.

Kent Spellman, executive director of West Virginia's Ritchie County Economic Development Authority, helped develop the low-interest loan program for businesses that supported the trail. Local banks committed \$100,000 each. A committee was created to evaluate applications solely on the basis of services provided to support the trail and its users. Successful applicants were given interest-only payback plans for the first 18 months.

The way Spellman sees it, trailside businesses are important components of West Virginia's economic infrastructure because trails are threads that tie the state's tourism assets together.

"In West Virginia, tourism is the fastest growing industry," he says. "We have an asset in place that can offer two of the fastest growing segments in tourism—active outdoor recreation and visits to historic places. We have to stop thinking of trails and tourism as economic ends in themselves. They are means to a much broader goal of economic development. Trails are not a frill anymore."

A REAL TURNAROUND

To Ed Hughes, the economic benefit of a rail-trail was clear. It was a harder sell for a farmer whose fields were split by an abandoned railroad track and who wanted to "retire" the right-of-way to make farming the land more efficient.

That was Charles Ruen's situation when the Minnesota Department of Natural Resources (DNR) proposed to convert the old Milwaukee Road outside Lanesboro, Minn., into a trail. Ruen helped form an alliance of farmers along the entire 100-mile length of the abandoned rail line, across Minnesota. They pooled their money to try to buy back the right-of-way and farm it.

"Originally I was opposed" to the trail, admits the plainspoken Ruen. "Trails were quite new. I didn't think it was going to be used enough to take land out of production."

Even though the farmers were "outbid" by the DNR, the state worked out a compromise. It bought the middle portion of the line and farmers bought the more tillable sections, mainly in the plains to the west. The most scenic portion—running right through Ruen's land—became the Root River Trail.

Once the trail plan was settled, Ruen faced facts. The trail was going



Shops line the streets of Lanesboro, Minn., near the Root River Trail.

to cross his property, so he might as well make peace—and profit—with it. He converted an old farmhouse near the trail to a four-guest-room B&B, which he and his wife opened for business in 1987.

For 16 years, the B&B has provided a year-round supplement to the farm's income. Ruen says most patrons of the Carrolton Country Inn have been "cyclists who came for the trail. But it [has] worked the other way too. Some came for the B&B and discovered the trail and other features in the area."

Ruen has a message for owners of trailside land: "I'd reassure them. It's been good—I'll have to say that. It's brought a lot of benefit to this part of southeastern Minnesota. It far exceeded what I thought would happen around here."

LOCATION LOCKUP

Sometimes trails attract businesses, and sometimes businesses attract trails. When Marc and Jeanne Sather bought the Jailhouse Inn in Preston, Minn., in 1991, it was a hefty seven miles south of the Root River Trail. But it was just blocks from a couple of other abandoned rail lines that connected to the Root. Their successful hostelry plus their dedication to the development of trails in the area powered the effort in the late 1990s to convert both abandoned lines—the Harmony-Preston Valley Trail and the Trout Run Trail—into rail-trails.

The Sathers took over the former county jail and sheriff's residence when it was partially refurbished. Over a two-year period they finished restoring the 1869 structure as an inn, complete with a room that's an old cell with bars intact. Then they began advertising their inn, mostly in trail-oriented publications. The Jailhouse attracted the attention of travelers, who soon began booking rooms, and travel magazines, which ran features about its unusual history and configuration.

Today the nearby rail-trails draw so many cyclists and hikers that the inn is always busy. Marc talks about

**"If the trails weren't here,
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the synergy that helps both the trails and the inn do well. "If the trails weren't here, I don't think the inn would be here," he says. But visitors tend to return to the region, whether it was the inn or the trails that first brought them. "There is only one stoplight in the county and that's 14 miles from our town. There are no franchises. There are deep valleys, small farms, limestone palisades and fast-running trout streams. All are accessible from the nearby rail-trails. It's irresistible."

COMMUNITY VISION

Lanesboro, Minn., is the heart of the Root River Trail. Not only does it lie at the center of the 36-mile corridor through river-etched bluff lands but, according to Julie Kiehne, executive director of the Lanesboro Area Chamber of Commerce, it has blossomed into the entry point for the trail and all its associated attractions.

Kiehne's enthusiasm reflects the community-wide support for tourism that has propelled Lanesboro's success as a trailside town. Gene Mensing could sense the potential of Lanesboro 17 years ago, even before the trail had opened in 1989. That's when he moved his family to town to open the first B&B in the area. "This was a town where something was going to happen," says Mensing. "It had good leaders. It was in the air."

In anticipation of trail-generated commerce, the town fostered appropriate growth by renovating the historic downtown and offering incentives to business owners to set up shop. Lanesboro businesses include stores and eateries for trail users, as well as a theater and art galleries. There's an Amish community nearby, and a growing agricultural tours business. Kiehne describes the Root River Trail as the

backbone of the tourism industry in her part of Minnesota. The trail and its scenic surroundings draw tourists, and Lanesboro enriches their experience.

For this town of 788 people, the trail has been an undeniable boon. A state economic impact survey showed visitor spending at trailside businesses in Lanesboro alone totaled \$1.5 million in 2000. Business is even bigger today. "Before the trail," says Kiehne, "Lanesboro was nearly a ghost town." She adds that the business occupancy rate in the area is 80 to 90 percent today.

"Lanesboro has made itself the point of entry," says Kiehne. "Of all the small towns on the trail, Lanesboro offers the most—eating, lodging, outfitters, bike rentals. The numbers to support such businesses weren't here until the trail was here. But Lanesboro had vision and community leaders worked at revitalization."

"The trail has definitely filled the town," adds Mensing. "I can't believe all that's happened since [the trail opened]. I feel it's absolutely to the good. ... And the benefits are spreading from here. People who start with us end up eating in Fountain or Harmony, so the trail is feeding the towns around us."

Mensing's business is spreading too. A year after the trail came through, Mensing opened another business, this one right on the trail. The Little River General Store caters to trail users, offering bike sales and rentals plus general merchandise. Mensing's bike business now extends along the entire length of the trail: He places rental bicycles on consignment at other trailside retailers, from B&Bs to private parks.

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