



TO: Rep. Marcotte & Members, House Committee on Commerce and Economic Development
FR: Vermont Outdoor Business Alliance, Board of Directors
SUBJ: Vermont Economic Recovery Package Recommendations
DATE: June 4, 2020

The Vermont Outdoor Business Alliance (VOBA) and its 60 members (see list below) are dedicated to strengthening, expanding, attracting, and retaining outdoor recreation economy businesses in Vermont (see business types below).

VOBA's 5/1/20 impact report summarized significant impacts to the outdoor industry in operations, financial position, workforce, supply chain, markets, and infrastructure due to COVID-19 (see data below). Time is of the essence for those in the outdoor recreation industry hit hardest, latest to reopen, and the businesses and nonprofit organizations tied to seasonal cycles and management of recreation infrastructure and assets. Specialty retailers, recreation facilities, lodging, guiding and event companies, manufacturing brands, and non-profit recreation organizations have all shown to be significant economic drivers in Vermont's rural communities.

Recommendations: VOBA supports the Vermont Economic Recovery Package as proposed by the Governor and being discussed in your Committee as bringing needed financial and technical assistance and critical marketing support to Vermont's outdoor recreation industry. We respectfully request that legislation be passed quickly – or at least proceed first with grants so they can provide immediate relief to businesses who are at risk now.

Financial and Technical Assistance:

- We encourage maximum flexibility in terms, timelines, and a reduced minimum number of employees for the financial assistance programs in order to accommodate different business sizes and needs.
- Grants are preferred over loans.
- We hope that businesses would not be penalized for federal relief previously-accessed if the need still exists now.

Restart Vermont Promotional Marketing Campaign

- Although the outdoor recreation sector overlaps with tourism, it is also unique in its range of businesses (see below) and the responsibility for managing recreation infrastructure and assets (trail networks, waterway access points, wayfinding information, etc.) Therefore, we feel it is appropriate to specifically reference outdoor recreation as a target of support (for example, list "outdoor recreation facilities" alongside "tourism attractions" as a type of business targeted for increased customer activity.)
- We encourage the regional approach to consumer stimulus efforts, which will be especially beneficial to the more rural regions of the state that have been established as or are emerging as "outdoor hubs."
- We encourage multi-sector collaborations, customer targets of Vermonters and those outside Vermont. Consumer stimulus approaches that provide a short-term increase in spending should also be an investment in a system that can sustain customer patronage over a long-term.

VOBA Members: Darn Tough Vermont, Vermont Sports & Vermont Ski+Ride, Spruce Mortgage, Burlington International Airport, Killington Resort, Bolton Valley Resort, Turtle Fur, Burton Snowboards, GM Consulting, Outdoor Gear Exchange, Pale Morning Media, Proportion Design, Skida Headwear, Stoner//Andrews, Vermont Adaptive Ski & Sports, Mana Threads, Vermont Glove, Pinnacle Outdoor Group, Sam's Outdoor Outfitters, Mountain Road Outfitters, Bill Supple LLC, Height of Land Publications, SDR Clothing Company, Velocity Sales & Marketing, Skirack, Patagonia Burlington, Vermont Trailwear, Onion River Outdoors, Stowe Mountain Bike Academy, Alliecaps, Rochester/Randolph Area Sports Trail Alliance, Confluence Behavioral Health, Bicycle Express, M.E.T. Consulting, LLC, Renoun Skis, Kaden Apparel, Timber & Stone, LLC, Orvis, REI Coop, Burke Mountain, Place Creative, Power Play Sports, Waterbury Sports, Rasputitsa, Kingdom Trails Association, MADRIO, Terry Bicycles, Vermont Huts Association, Catamount Trail Association, Press Forward PR, Nor'east Trail Runs, Green Mountain Club, Woodstock Inn & Resort, Petra Cliffs, Craftsbury Outdoor Center, Equipe Sport, Vermont Businesses for Social Responsibility, HULA, Grassroots Outdoor Alliance, Lyndon Institute, SunCommon, Vermont Community Loan Fund, and Healthy Living Market & Café

Types of Businesses in Vermont's Outdoor Industry: Vermont's outdoor industry makes, sells, and provides outdoor recreation products, services, and experiences to Vermonters and visitors and includes retailers, manufacturers, suppliers/distributors, recreation facilities/resorts, trail builders, guiding and education services, recreation event companies, lodging and campgrounds, media, marketing, sales, and professional service businesses, and nonprofit organizations. Many outdoor recreation businesses and nonprofit organizations own and/or legally manage recreation infrastructure and assets.

VOBA's Impact Report Data: Significant impacts to the outdoor industry in the areas of operations, financial position, workforce, supply chain, markets, and infrastructure include:

<https://www.vermontoutdoorbusinessalliance.org/outdoor-recreation-economy-impacts-report>

- 54% of businesses reported losses between 25-75% despite the ability of limited sales and services through e-commerce (62%), curbside delivery (48%), remote working projects (67%), and manufacturing pivots to Personal Protective Equipment (PPE) (12%).
- Most losses are from a lack of sales, reservations, and/or events (86%), but businesses also acknowledged a 32% reduction in sponsorships, grants, and/or investment capital.
- Respondents stated their pursuit of financial options through SBA EIDL loans and emergency advance grants (50%) and negotiations with partners and lenders (40%).
- Although 77% applied for the Payroll Protection Program (PPP), businesses have concerns about unfavorable terms and forgiveness eligibility.

GDP Contribution: VT Nature-Based & Outdoor Recreation Activities - Headwaters Institute Analysis:

headwaterseconomics.org/economic-development/trends-performance/outdoor-recreation-economy-by-state/

- Outdoor recreation was shown to grow faster than the overall economy in Vermont, with state outdoor recreation GDP increasing by 15% between 2012 – 2017, while the state's total change in GDP was 3% during the same time period.
- In Vermont, outdoor recreation's **state** GDP contribution of \$1.5 billion exceeded the state-level contribution by the construction industry (\$1.1 billion), based on 2017 data.
 - Snowsports: \$188 million; Apparel/Accessories: \$75 million; Hunting: \$84 million; Boating/Fishing: \$41 million; Guided Tours/Outfitted Travel: \$19 million; Climbing/Hiking/Camping: \$11 million; Sporting Events/Festivals: \$9 million; Bicycling: \$5 million