

Committee February 2022

Drew Simmons, Owner, Pale Morning Media

Testimony in Support of a \$35.2 Million FY23 Appropriation for the Vermont Housing and Conservation Board through the Property Transfer Tax

I'm Drew Simmons, president and founder of Pale Morning Media, a public relations and strategic communications agency specializing in the outdoor sector. We've been based in Waitsfield since 2004, and we currently have four full time employees and represent 14 brands and organizations nationwide, including numerous leading brands in skiing, backpacking, paddling and bicycling, as well as Grassroots Outdoor Alliance – which is a group of 100 specialty independent outdoor retailers across the country.

I'm also the chair and a founding Board member of the Vermont Outdoor Business Alliance (VOBA), representing more than 100 Vermont businesses working to strengthen, expand, attract, and retain outdoor recreation economy businesses; and I also have a Steering Committee seat on the Vermont Outdoor Recreation Economic Collaborative (or VOREC), which oversees the VOREC Community Grant Program that is currently fielding incredibly strong interest from 103 communities statewide who are hoping to invest in their outdoor recreation infrastructure.

Thank you all for your time, and thank you for allowing me to express my support for full statutory funding for the Vermont Housing & Conservation Board, including an appropriation of \$35.2 million supported by 50% of the Property Transfer Tax in Fiscal Year 2023. I'd also like to voice my support for this statutory formula for full funding on an ongoing basis as well.

In my opinion and experience as an outdoor business owner and outdoor recreation economy advocate, Vermont's natural areas and the Vermont workforce's ability to access affordable housing are key components of our economic infrastructure – and should be fully supported through ongoing investments in the same way we support other infrastructure, particularly when it's experiencing significant stresses from heavy increases in demand and usage.

Outdoor-recreation centered businesses like mine and other members of VOBA are considered part of the "Outdoor Sector," which contribute an estimated \$1.8 billion per year in economic activity in Vermont according to the most recent national and state data released by the U.S. Bureau of Economic Analysis (BEA). This BEA data measures both direct and indirect spending generated by a wide variety of activities including snow sports, fishing, camping, hiking, boating, bicycling among many others. In 2020, which was the most recent reported data, the contribution of Vermont's outdoor recreation to state gross domestic product (GDP) was ranked the 3rd highest in the nation.

Yet while the Outdoor Sector in Vermont is recognized as a sizable and positive economic driver, it's also a much more diversified collection of businesses than many realize. It certainly includes a handful of noteworthy global gear manufacturers like Burton and Darn Tough and international destinations like Kingdom Trails and Jay Peak, but it also includes hundreds of small businesses, like local general stores that sell fishing and camping gear as well as local restaurants and specialty retailers whose business success or failure is directly hinged to nearby outdoor recreation infrastructure.

These businesses – many of whom are VOBA members – are located throughout Vermont and are seeing a convergence of economic trends that are putting significant stress on their ability to hire and retain employees, as well as their ability to be confident in the future of Vermont's high quality outdoor recreation infrastructure.

These current challenges stem from the onset of the pandemic in 2020, when a combination of "shelter in place" orders and "work from home" flexibility enabled a massive relocation and rearrangement of urban residents to more rural areas, particularly those near outdoor recreation resources and other natural amenities. At the same time, year-round residents as well as weekend visitors also have been drawn to Vermont's natural amenities for both mental and physical health benefits.

Unfortunately, with this increased awareness and increased population has come significantly increased impacts. What used to be weekend traffic is now an everyday occurrence for popular Vermont rivers and trails, and the weekends are frequently simply off limits due to large crowds. In 2021 Vermont State Parks saw more than 1 million visitors, an increase of nearly 35% over 2020. The Vermont Mountain Bike Association (VMBA) reports a 22% increase in new membership in 2021, but is also facing \$1.1 million in needed maintenance and repairs statewide. According to the Catamount Trail, two of their key backcountry skiing zones near Brandon Gap and Stowe doubled in usage between 2018 and 2020, and have likely doubled again since then. And at Warren Falls, a popular riverside spot in the Mad River Valley, parking issues have become legendary, as summer days are easily filling the 35 car parking lot as well as counting additional 40 cars per side of route 100 in a ½-mile stretch. LINK

It's definitely a "good news/bad news" story for outdoor friendly communities – the good news is that demand has surged for virtually everything in recreation-dependent towns – housing, products, services, and access to outdoor activities.

The bad news is that this demand has put significant and unprecedented stress on our local businesses, our outdoor recreation infrastructure, and our ability to attract and retain employees due to lack of accessible housing.

From the VOBA perspective, the presence and access to natural lands and waters are at the core of our businesses and are essential to the products and services that we design, build, sell and use. Recognizing this, we support the full spectrum of public lands – urban parks and town forests near populated areas, multi-use areas that can support a wide variety of uses and access, and blue sky pristine areas that have been wisely preserved.

We appreciate how VHCB funding also serves as matching dollars for the Land and Water Conservation Fund – a federal program that is well known to outdoor recreation businesses for its half century of support of public lands ranging from local parks to open spaces, trails and boat launches. These funds have enabled projects in every corner of the state, including significant economic and public health

success stories in my own town such as the Mad River Park fields, where generations of families including my own have gathered to play, and the Blueberry Lake multi-use recreation area, which is both a destination for Vermont visitors as well as a prized public health asset for locals.

At VOBA, we're also in support of direct investments in affordable housing, particularly in the rural village centers and downtowns of outdoor communities, as it is essential to our ability to sustain a year-round workforce. "Help wanted" signs are everywhere in outdoor communities right now. A local restaurant owner in my town told me he was hiring dishwashers for \$25 an hour, but was unable to find anyone willing to even apply. A ski area general manager told me that they were offering \$500 signing bonuses for lifeguards and front desk employees, but were still unable to find applicants.

One constant in all outdoor communities right now is the rising importance of the high school age workforce – they are invaluable to our local businesses because they keep things running, but they are only available because they live with their parents and thus have "affordable" housing. When it comes to attracting and retaining employees, there is no actionable solution to the workforce crisis in Vermont that doesn't also include addressing the lack of affordable housing in our communities.

In summary, both affordable housing and conservation are key parts of economic infrastructure for outdoor businesses statewide, and we must invest in both on a long-term sustainable basis.

On behalf of Pale Morning Media as well as the Vermont Outdoor Business Alliance, I ask once again for your support of the full \$35.2 million in VHCB funding – so that it can fully support these two critical components of our economic infrastructure long into the future.

Thank you for your consideration and for the opportunity to speak with you today.

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