

Market and Feasibility Study for the Proposed **National Loon Center**

2018 | By: Elliot Charette, Research Assistant and Dr. William Gartner



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The Department of Applied Economics is part of the University of Minnesota College of Food, Agriculture and Natural Resource Sciences. The faculty includes nationally and internationally recognized economists, and many who worked in industry or public-policy positions. The department has a long history of producing some of the finest economists in the region, including two who have served as the official state economist of Minnesota.

The National Loon Center Foundation is dedicated to the survival and protection of the Common Loon. The foundation's mission is to restore and protect loon habitats, enhance environmental recreation, and construct a research and education center for migratory wildlife.

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Executive Summary

Methods

The primary method used in this market feasibility study is compiling existing surveys and studies, accounting data, census data, and estimates of visitation potential. Ideally, existing surveys and studies would be limited to the Crosslake area and focused on tourism. However, these types of surveys are sparse specific to the Crosslake area, so studies in the greater Brainerd Lakes area and from the State of Minnesota are used. Accounting data focuses on revenue, expenses, and the balance sheets generated by nonprofits similar to the National Loon Center Project (NLCP), such as the National Eagle Center. This will help provide a baseline for the National Loon Center Foundation of what to expect with revenue, but also the total costs of running a facility. Tourist potential is estimated from visitors to the Brainerd Chamber of Commerce and from campers at the United States Army CORPS of Engineers (US-CORPS) site. This campground is located adjacent to the Army CORPS Recreation Area where the NCL is expected to be built.

Market

Characteristics of potential visitors to the NLCP appear to be consistent across age, income, educational background, and race. Potential visitors are generally older, non-Hispanic white, majority have attained at least a bachelor's degree, and they earn upper middle and high-class incomes.

Visitation Potential

The majority of potential visitors fit into three groups: regional tourists, regional residents, and Minnesota wildlife viewers. Regional tourists are state bicycle trail users, US-

CORP campers, general tourists, and state park users. Regional tourists are a large proportion of the potential visitors. Regional tourists are estimated to be 719,738.

Regional residents include three subgroups: the general population in Crow Wing county and adjacent counties, Minnesota school aged children and teens (K-12) population, and seasonal residents. Regional residents not including seasonal residents is estimated to be 168,544, K-12 population makes up 26,980 of the estimated 168,544 population, and seasonal residents are estimated at 126,844. Regional residents including seasonal residents is estimated to be 295,388.

Birders will be an important piece of the total visitor potential. In 2011, 1.1 million people observed birds around their home and on trips in the state of Minnesota. 931,000 people observed wild birds around the home. Of the 1.1 million, 408,000 observed birds away from home. This last figure will be used in the total estimation.

Total visitation is the sum of the above base estimates. To avoid duplication, total visitation is reduced by 70 percent. Due to the variability nature of tourism, such as weather and economic cycles, a range of total visitation estimates are provided from 64,041 to 170,775 visitors per year.

Operating Budget

The operating budget is created based on expenses from the National Eagle Center in 2008, revenue from the National Eagle Center in 2008, and wages and salaries from various wildlife tourism nonprofits based throughout Minnesota. The operating budget adjusts according to three visitation scenarios. The total operating expenses ranged in value from \$178,730 to \$301,182. Total wages and salaries for the National Loon Center project are estimated to be a range of values from \$270,907 to \$362,509. Total operating revenues are estimated to be

\$366,713 to \$870,568. The operating budget range is -\$82,924 to \$206,872. This operating budget does not account for grants and contributions, which could be large drivers of revenue.

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Introduction

Nature based recreation and tourism are becoming an increasingly popular tourist activity, and birding is one of the fastest growing hobbies in North America (Kozicka 2015). Birders are some of the wealthiest tourists and travel great distances to their destinations, even across continents to view unique species of birds (Stevens et. al. 2015). In Minnesota in 2011, about 1.4 million people fed, observed, or photographed wildlife close to their home (within one mile) and 509,000 Minnesotans drove further away than 1 mile to feed, observe, or photograph wildlife. About 1.1 million Minnesotans viewed birds around their home or away from home, while Minnesota has a population of around 5.5 million (U.S. Department of the Interior 2013 and U.S. Census Bureau 2017). Birding is an incredibly popular activity in Minnesota.

Purpose

The National Loon Center Foundation is dedicated to the survival and protection of the Common Loon. The foundation's mission is to restore and protect loon habitat, enhance environmental recreation, and construct a research and education center for migratory wildlife. The National Loon Center Foundation is interested in creating a facility in Crosslake, Minnesota to help achieve their mission.

The primary purpose of this report is to provide information to help determine the feasibility of the National Loon Center Project. This report outlines demographics and characteristics of potential visitors. From that information, projections are created based on potential visitation scenarios. Finally, using information from similar nonprofits throughout Minnesota, profiles are created to inform expectations on revenue and expenses for the members of the National Loon Center Project. This helps in creating an operating budget for the National Loon Center Project for different visitation scenarios.

Market Characteristics

The success of the National Loon Center Project (NLCP) depends on attracting customers from existing markets that already visit and spend money in the Crosslake area. Not only does the success depend on these potential customers, but it also depends on enticing people who are interested in state parks, bicycle trails, and other markets. A survey of previous studies in Minnesota identify several markets that make use of the North Central area of Minnesota's resources, such as kayakers, second home homeowners, boaters, bikers, and state park visitors. The studies below highlight demographics and other valuable information about these potential markets. The first study focuses on second homeowners in the Crosslake area.

Second Homeowners in Central and West Central Minnesota Survey

In 2014, University of Minnesota Extension conducted a survey of second homeowners in eight counties, including Crow Wing, Aitkin, Cass, and five other counties not adjacent but close to Crow Wing county. This survey has a response rate of 48% with 573 responses. In the eight-county area, 31% of housing units are vacant for some time of year, attributed to seasonal, occasional, and recreational use. The vacated rate exceeds 45% in Aitkin and Cass county. The Second Homeowners study focuses on these seasonal visitors.

Demographics of Second Homeowners

Most of the seasonal visitors are aged in their 50s and their 60s. About 88% of the respondents are aged 50 or greater. 40% of the respondents are identified as being retired. Three quarters of them earned an income larger than Minnesota's median household income of \$59,126 (American Community Survey 2008-2012, cited in Pesch & Bussiere 2014). This statistic makes sense, because they are a well-educated group, where 60% of them have attained a bachelor's degree or higher. These higher than median income levels are achieved while 40% of the

respondents are retired. Of the 60% who have attained a bachelor's degree, about 33% of them have attained some form of a graduate degree. To see a more detailed breakdown of the age of respondents, educational backgrounds, and income, view figures 5, 6, and 7 in the appendix.

Additional survey findings related to demographics from the Profile of Second Homeowners survey are most of the respondents are male at 60% and female at 39%. 53% of the respondents possess important skills and expertise in owning, operating, or playing a significant management role in a business.

Use of Second Homes

Second homeowners in the north central area of Minnesota vary with how long they have owned their second homes. 34% have owned their second homes for more than 20 years, 31% have owned their property for 11-20 years, and the remainder (35%) have owned their second home for 10 years or less.

The survey asked, "What is the current use of your second home property?" This question is about property ownership. These homes are primarily used by the owner at about 76% and about 19% of the second homes are used for shared family use. The 19% who reported shared ownership for their second home, share it with an average of 6.5 people.

Respondents were also asked how many people utilize their property while in use. The survey asked, "How many people typically occupy your second home when in use?" Respondents report an average of four people utilizing the property when in use. Figure 8 summarizes the number of people utilizing properties while in use.

Additional Characteristics of Second Homeowners

There was a question of how attached second homeowners feel to the community of their second home. Second homeowners feel much more attached to their second home property, than

their second home community. 56% of respondents feel attached to their second home community, while 17% do not know and 27% disagree. Knowing this statistic is important for potential volunteers in the future along with potential board members and volunteers for the National Loon Center.

In regards to communication preferences, figure 9 shows how second homeowners typically receive communications and which type of communication they prefer. They most prefer communication over the internet, but second homeowners receive communication most by word of mouth. Knowing this, it is integral that the NLCP creates excellent experiences for visitors, so visitors can spread positive feedback about their experience at the NLCP via word of mouth.

Respondents could fill in an “other” category for the communication question on how they typically receive communication and how they prefer to receive communications. The other category yielded the counts shown in figure 10. This figure shows that lake and civic associations play a large role in the communication preferences of second homeowners. The second highest communication in “other” is from shoppers, flyers, and magazines. Note that the total count for the bars shown in figure 10 make no distinction between typical and preferred, as figure 9 did. This means each bar is the sum of these two categories.

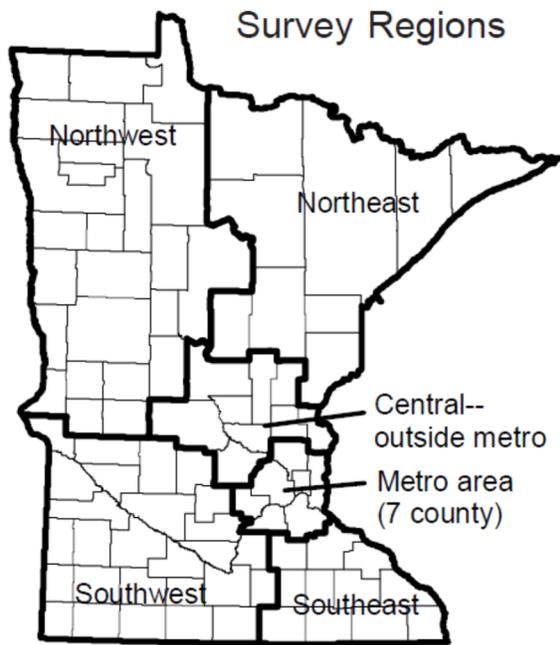
Minnesota Canoe and Kayak Study

The most recent Minnesota Canoe and Kayak Study was conducted by the Minnesota Department of Resources (DNR) in 2005. This study draws on data from the Outdoor Recreation Participation Survey of Minnesotans (2005). Recreational boating, which includes fishing from a boat, is ranked second most popular in outdoor activities in Minnesota, only exceeded by walking. At the time of this study in 2005, one-in-five registered boats were a

canoe or kayak. In 2004, the total number of registered canoes and kayaks in Minnesota was 172,442. Crosslake has access to several lakes and the Pine river, which makes it an attractive area for canoers and kayakers.

The Minnesota DNR sent out a mail survey across the state for various regions, which are shown below. Crosslake and Crow Wing county fall into the DNR's area denoted as the Northeast region.

Figure 1: Survey Regions for Canoe and Kayak Study



From figure 3 shown above, we can tell that Cross Lake within Crow Wing county is placed in the Northeast region for the survey. The study provided details for the sample sizes for each region. From table 14, we know that there were 25,613 canoe registrations and 3,347 kayak registrations in the Northeast region. From table 15, there were 153 survey returns for the Northeast region. Further observe that Crow Wing county is very close to the Northwest and Central regions, so being mindful of boater registrations in those regions is important.

Unfortunately, the report does not provide county level registration data for canoe and kayak registrations, likely because of the small sample size for each region.

Demographics and Characteristics of Canoers and Kayakers in Minnesota

The median age for canoers and kayakers is 28 years of age across the entire state of Minnesota. In regard to homeownership, 23% have a permanent home on a lake or river and 27% have a second (vacation) home on a lake or river. The top three radio stations are public radio, rock and roll, and easy listening/lite. For education, canoers and kayakers are a well-educated group, where most of them have attained at least a four-year degree. 22% have attained a bachelor's degree and 31% have attained a postgraduate degree or have completed some graduate school. This study does not double count educational degrees, so 31% of respondents having some graduate school or attaining post graduate degree is a high rate for pursuing graduate school. Likewise, more than 45% of households make over \$75,000. Keep in mind these statistics are from 2004, so the income measurement should be adjusted for inflation. Adjusting the income measurement for an inflation rate of 3% over 14 years, the \$75,000 household income number becomes about \$111,000. There is additional demographic information presented in table 16 in the appendix.

Use of Canoes and Kayaks

This research paper also provides data on kayak use for the various regions in Minnesota. Table 17 shows the number of registered craft for each region and their respective use in the last 12 months. The region that has the most use days is the metro region followed by the northeast region.

Reasons for Canoeing and/or Kayaking

While the study has many statistics that are important to boating, not all the information is important and related to the market for the NLCP. Characteristics of canoers and kayakers from the survey that will help a tailored marketing campaign for canoers and kayakers are highlighted below.

Canoers and Kayakers ranked several categories about why they kayak or canoe. The most important category to respondents was enjoying nature. The reasons they list for why they enjoy nature are: enjoy natural scenery at 89%, view wildlife 66%, and enjoy smells and sounds of nature 62%. The second highest category was to escape personal, social, and physical pressures. The top three reasons in this category are: experience silence and quiet at 71%, get away from life's usual demands at 62%, and get away from crowds at 54%. The top six categories ranked are presented in the appendix as table 18.

User Characteristics and Use Trends Since the 1990s on Paved State Bicycle Trails

There are three major bicycle trails that are located nearby to Crosslake, Minnesota. Further down in the report is the visitation potential section, where estimates of trail use are provided for the Paul Bunyan trail, the Cuyuna Lakes State Trail and the Cuyuna Mountain Bike Trail System. The Paul Bunyan trail is a paved trail that begins in Brainerd, is the longest MN Bike trail at 120-miles, and it connects the Heartland Trail, the Blue Ox Trail and the Cuyuna State Trail. The Cuyuna trail starts in Ironton and passes through the Cuyuna Country State Recreation Area, which also encompasses the 25-mile single track mountain bike trail system. The Cuyuna Mountain Bike Trail System is a silver-level International Mountain Biking Destination, recognized by the International Mountain Bicycling Association as one of the country's greatest mountain biking destinations (Blick 2018). Mountain bikers are a different

demographic group and that are not included in this study, but are used in the visitation potential section.

This report provides a summary of all the studies the Minnesota Department of Natural Resources (DNR) conducted from the early 1990s until 2014. Nature based outdoor recreation grew in popularity for about 50 years after World War II. However, since the 1990s there has been a declining participation in outdoor activities on a per capita basis. The author Tim Kelly attributes trend to the generational challenge. Young adults under the age of 45 are not involved in as many outdoor activities as older generations. Another challenge Tim Kelly mentions is the race/ethnicity challenge. Historically, most of the participants in outdoor activities in Minnesota are non-Hispanic whites, which account for nearly 97% of the outdoor activity in Minnesota as of 2014.

Demographics and Characteristics of State Bicycle Trail Users

Table 19 in the appendix provides demographic information on Minnesota Trail Users. The report does not mention a sample size, but it is combined across several studies that were conducted in different years. Generally, it seems the trail users are older, where the median is 46.5 compared to the general US population median of 37.4. Trail users achieve higher educational degrees than the US population. Specifically, trail users have attained a bachelor's degree or higher at 63% while the US population has attained a bachelor or higher at a rate of 32%. Trail users also have higher incomes than the general US population.

Trail Use and Characteristics of The Paul Bunyan Trail

Unfortunately, there is no demographic data on Cuyuna Trail users, but there is information relevant to the Paul Bunyan Trail. Some noteworthy trends are most state trails from the first study period (late 1990s) to the second study period (around the 2010s) experienced

large declines in user hours (anywhere from 20% loss to 54% loss). Total summer use dropped from 651,544 hours to 471,308 hours. This means trail users are not using the specific trails in the study as much as they use to or perhaps they use these trails in shorter sessions. For the Paul Bunyan trail segment out of Brainard, user hours dropped from 148,760 hours to 69,838 hours, which is a 53% decline. Only the Douglas trail reported large growth in use from 45,810 to 64,869 summer hours.

A reason why there could be drops in summer use for trail users is they may be shifting to newer trails that are not part of the samples in the study. This means there is no comparison to be made, but merely trail users are shifting to other understudied trails.

Travel Characteristics for Using State Trails

Travel distances for various trails are shown in table 20 in the appendix. This table shows median miles traveled to various state trails throughout Minnesota. Tourists travel long distances to the Paul Bunyan trail. The median travel distance to the Paul Bunyan trail is 120 miles.

2017 Minnesota State Parks Visitor Survey

The purpose of this study is to understand park visitors. The Minnesota State Parks and Trails Division collects data on demographic characteristics, trip characteristics, and data related to in-park experience. Printed surveys are given to parties when they exit the park and respondents are encouraged to return surveys by mail or online submittal. Park staff send postcard reminders to park visitors who provided their address information when they exited various state parks. 1,735 surveys were given out and 934 surveys were completed for the 2017 study.

Demographics of State Park Visitors

State park visitors are generally older, which is shown in the appendix in figure 11. 46% of the people who visit state parks are 41 years of age or older. Children, who are aged 12 and younger, make up the second largest population at 24%.

Income levels are shown in the appendix as figure 12. Park visitors generally have higher incomes than the general Minnesota population. Figure 13 shows educational degrees attained. It appears that state park visitors also attain higher levels of education. There appears to be two themes throughout all the demographic studies. All the groups have higher levels of education and income.

The region that park visitors come from within Minnesota is according to the Explore Minnesota Tourism regional definitions shown in figure 14 in the appendix. The largest group of park visitors are from the metro region at 45% followed by park visitors who come from outside of Minnesota at 19%. Additional region of origins for state park users is shown in figure 15.

Travel Characteristics of State Park Visitors

Figure 16 provides information on visitors who visit far away from home (greater than 50 miles away from home), close to home (less than 25 miles), and campers who stay overnight at a state park. One sample is from 2017 and the other is from 2012. Park visitors who traveled away from home increased about 5% in 2017. The park visitors that are considered tourists are 51% of the type of state park visitors in 2017, which is calculated by summing campers (14%) and visitors far away from home (37%). This calculation will be used later to adjust state park visitation estimates.

Figure 17 provides data on travel distance for campers and day users. The major observation here is that campers travel much greater distances than day users. In the 101 to 200 miles range, campers are at 38% while day users are at 21%.

2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation Minnesota

This survey provides estimates on the number of anglers, hunters, and wildlife viewers in Minnesota. The survey also provides demographic information on fisherman, hunters, and wildlife viewers. The demographic information is presented in the appendix as table 21 and table 22 respectively. It could also be true that many anglers canoe or kayak. For the most part, education and income figures seem to be in line with other outdoor tourists. Incomes of wildlife viewers tend to be less than park visitors. 30% of wildlife viewers earn \$75,000 or more. 34% of wildlife viewers have attained at least a bachelor's degree.

Visitation Potential

Visitation potential to the proposed NLCP will depend on the quality of the visitor's experience. Marketing efforts should focus on the potential visitors that are most likely to visit the NLCP. This group of most likely visitors includes regional tourists that already visiting Crosslake and the surrounding counties.

Visitation potential will be estimated by summing three groups of people that visit or are from the Crosslake area. The first group is regional tourists, which includes bicycle trail users, campers at the US-CORP site in Crosslake, visitor count data from various welcome centers close to Crosslake, and visitors to state parks close to Crosslake. The second group is regional residents, which is identified by the population of Crow Wing county, adjacent counties, and seasonal residents. The final group is identified from the Minnesota Wildlife Viewers.

Regional Tourists

Previous research on potential markets and feasibility for centers similar to the one proposed by the National Loon Center Foundation have indicated that regional tourists would supply a substantial proportion of the potential visitors to the NLCP. If the NLCP makes use of Crosslake and other natural amenities in the area, attracting visitors who enjoy the outdoors will enhance the success of the NLCP. Several categories are identified for potential visitors who will likely enjoy the NLCP, which are visitors who make use of trails, campgrounds, and state parks. The following table provides the total visitation estimate for regional tourists. Details of the estimates for each item (each row of the table) is given below the visitation estimates for each group.

Table 1: Annual Visitation and Counts by Tourists to Regional Attractions

	Distance (miles)	Travel Time (minutes)	Annual Visitation	Tourist Visitation
Paul Bunyan Trail	20	25	19,042	19,042
Cuyuna Park/Trail/Recreation Area	22	28	219,023	122,482
US-CORPS Campground	0	0	205,684	205,684
Crosslake Welcome Center	0	0	5,399	5,399
Brainard Welcome Center	36	44	148,591	148,591
Pequot Lakes Welcome Center	15	21	14,972	14,972
Crow Wing State Park	36	42	104,492	53,291
Mille Lacs Kathio State Park	51	60	132,210	67,427
Schoolcraft State Park	53	61	8,116	4,139
Savanna Portage State Park	57	72	59,616	30,404
Father Hennepin State Park	65	75	94,719	48,307
Total			1,011,864	719,738

Note: Distance and travel time measurements are calculated with Google Maps. All the state parks are 2017 estimates, except Father Hennepin is a 2016 estimate. Tourist visitation is an adjusted estimation based on the Park Survey.

Paul Bunyan Trail

The Minnesota Department of Natural Resources (DNR) periodically estimates non-motorized traffic counts for the 18 bicycle trails across Minnesota. However, as of 2015 they have only conducted 3 trail count studies since 2010. The Parks and Trails Council of Minnesota (P&TC), which is a nonprofit group, conducts trail count estimates for various trails across Minnesota using a strong methodology (Parks & Trails Council of Minnesota 2015).

The estimates for trail counting are traffic counts. The traffic counts are during non-winter months, where non-winter is defined as November through April for a given month. The Paul Bunyan Trail visitation estimate is for year 2017, which is the most up to date estimate (Parks & Trails Council of Minnesota 2018).

Cuyuna Park/Trail/Recreation Area

The Cuyuna Park/Trail/Recreation Area is unique and complex, because it attracts several different types of visitor groups. The Cuyuna Park/Trail/Recreation Area attracts anglers, canoers and kayakers, bicyclists (mountain and paved), campers, and park visitors. Ideally, there would be estimates for all these groups and a method to eliminate duplicates. We found three estimates for the Cuyuna Trail, the Cuyuna State Park, and the Cuyuna Country State Recreation Area.

The first estimate is for the Cuyuna Trail. This estimate is from the Parks & Trails Council of Minnesota. The Cuyuna Trail count estimate is for year 2015 and should be interpreted with caution, because the observation of trail users was weak for the Cuyuna Trail. Specifically, the amount of time counting traffic was less than the normally accepted time of 10 hours, which appears to be standard for methodologies counting trail users. The authors

provided a range for their estimate and the lowest value for the range is used in the average calculation. This estimate is 22,000 (Parks & Trails Council of Minnesota 2015).

The second estimate is sourced from the DNR and is for state park visitation. They provided an estimate for the Cuyuna state park at 11,410 in year 2017. This DNR estimate is adjusted by 51%, because 51% of state park visitors are tourists (campers and park visitors who travel over 50 miles). The tourist adjusted DNR estimate is about 5,819.

A third estimate, attributed to the Cuyuna Country State Recreation Area, is added to the total for the reported value in the table. The unadjusted estimate from the DNR is 185,613, which is adjusted by 51% assuming recreational visitors are like state park tourists. This adjusted value is about 98,259.

For the tourist visitation value reported in the table, we summed 22,000 from the Cuyuna Paved Trail, 5,819 from the state park, and 98,259 from the Cuyuna Country State Recreation Area, which equals 122,482 (Minnesota Department of Natural Resources 2017).

Welcome Centers

In Crosslake, Brainerd, and Pequot Lakes, there are welcome centers that have tickers that measure people coming through. The welcome centers are synonymous with local chambers of commerce. The ticker counts for each welcome center are reported in the annual visitation table.

State Parks

The state park data estimates originate from total attendance measures estimated by the Minnesota DNR. This is total visitation estimates for the most recent year of 2017, except for the Father Hennepin park, which was estimated in 2016. Tourist visitation in the last column is annual visitation that is adjusted based on the percentage of park visitors who are campers or

take trips away from home (distances greater than 50 miles). Each total park estimate is adjusted by multiplying by 51%. This DNR estimate is adjusted by 51%, because 51% of state park visitors are tourists (campers and park visitors who travel over 50 miles).

Area Residents

Area residents are those that reside in Crow Wing County and adjacent counties to Crow Wing County. The total population for Crow Wing and the adjacent counties is shown below.

Table 2: Area Population of Adjacent Counties

County	Population 2010*	Population 2017 (estimate)**	K-12 Public School Enrollment 2016***	Estimated Seasonal Residents	Including Seasonal Residents
Crow Wing	62,500	64,424	9,508	47,680	112,104
Cass	28,567	29,355	4,231	47,232	76,587
Morrison	33,198	33,064	5,242		33,064
Mille Lacs	26,097	25,872	6,125		25,872
Aitkin	16,202	15,829	1,874	31,932	47,761
Total	166,564	168,544	26,980	126,844	295,388

*: The 2010 population numbers are from the US Census Bureau Decennial Census

** : The 2017 estimates are based off the US Census Bureau's Population Estimate Program (PEP)

***: K-12 Public School Enrollment originate from the US Census Bureau, but are from fact sheets

from the Children’s Defense Fund. This number is included in the population estimates.

The total population in Crow Wing and the surrounding counties is 166,564. This number increases if we include seasonal residents that usually come during the summer months.

The bottom right cell of 295,388 is the visitation estimate that includes seasonal residents. The seasonal resident estimate is 126,844 and is from the Second Homeowners Study presented earlier. The authors assume that each seasonal home has a family the size of four.

The K-12 figures are a portion from within the population estimates for 2017. The total K-12 population is 26,980. The NLCP can draw upon these students for their programming activities.

Minnesota Wildlife Viewers

Wildlife viewers represent an important category of potential visitors to the NLCP. 509,000 Minnesotans drove further away than 1 mile to feed, observe, or photograph wildlife. 408,000 Minnesotans took trips away from home to watch birds. This estimate will be used for finding total visitation potential to the NLCP.

Total Visitation Potential and Visitation Scenarios

Total visitation potential will depend heavily on three main categories of visitors: current regional tourists, regional residents, and Minnesota wildlife viewers. Base estimates were calculated above throughout the visitation potential section. Duplication was accounted for, assuming that about 70% of the visitors are the same people. For this reason, the base estimate is adjusted by 30%. Due to a variety of factors influencing visitation, each estimate is further adjusted for low, medium, and high estimates. Possible total potential visitation is shown in the last row of table 6, ranging in value from 64,041 to 170,775.

Table 3: Total Visitation Potential

	Base Estimation	Percentage of total	Adjusted Base (70% Duplication)	Low (15%)	Medium (25%)	High (40%)
Visitors to Current Attractions	719,738	51%	215,921	32,388	53,980	86,369
Regional Residents	295,388	21%	88,616	13,292	22,154	35,447
MN Wildlife Viewers	408,000	29%	122,400	18,360	30,600	48,960
Total Potential	1,423,126	100.00%	426,938	64,041	106,734	170,775

Profiles of Wildlife Tourism Nonprofits in Minnesota

This section of the report highlights nonprofits in the market of wildlife tourism that are similar in both mission and structure to the National Loon Center. There are similar nonprofits that are based throughout Minnesota such as the International Owl Center, the International Wolf Center, the North American Bear Center, and the National Eagle Center. A profile is generated for the International Owl Center, the North American Bear Center, and the National Eagle Center. Each profile highlights aspects of their business, total revenue, and total expenses. Revenue and expense statements are provided in the appendix for each profile. These profiles will help gauge expectations for the future with respect to revenue and expenses the NLCP will eventually experience in its operation. An additional goal of these profiles is to generate ideas for revenue generation. Unless otherwise noted, all the information and data for each profile originates from the GuideStar database. GuideStar publishes data derived from tax form 990s for nearly all nonprofits in the United States.

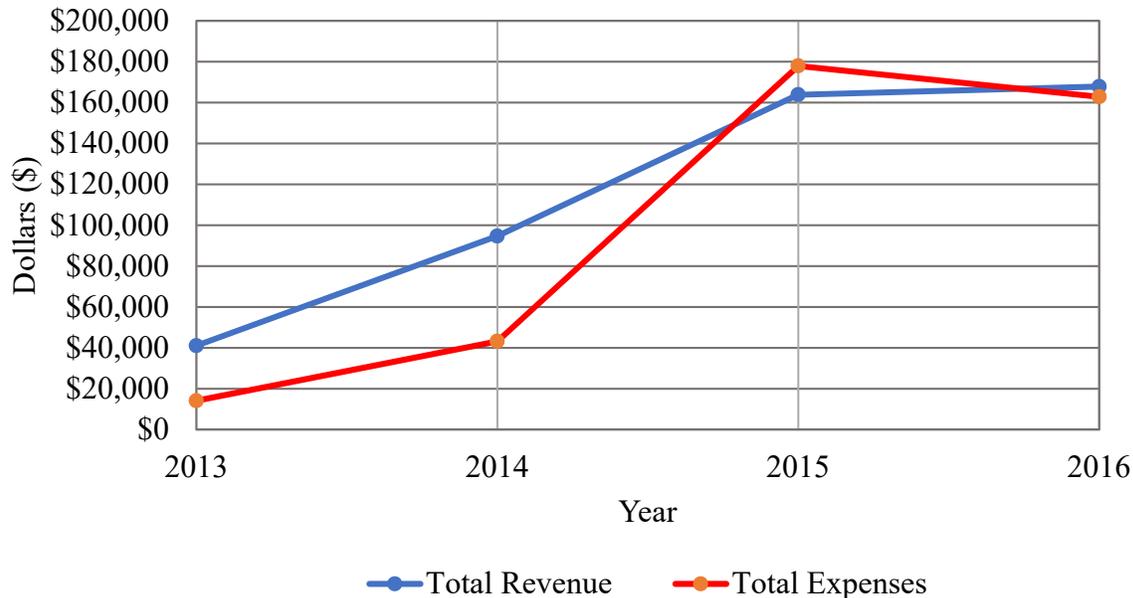
International Owl Center

The International Owl Center's (IOC) mission is to make the world a better place for owls through education and research. The IOC hosts events related to owls throughout the year, such as the International Owl Festival and the Hoot Scoot to generate revenue. The Hoot Scoot is a night running activity that uses the nearby Root River Trail where runners are encouraged to dress up as owls. The IOC hosts a yearly breakfast event to disseminate information about owls to the public. Creating a sense of community with the above activities has been a large contributor to the success of the IOC. The IOC also rehabilitates injured owls. The IOC provides live cameras so you can view owls over the internet at your convenience (International Owl Center).

Revenue and Expense Analysis for the International Owl Center

The total revenue and total expenses of the IOC are graphed below from 2013 to 2016.

Figure 2: Total Revenue and Total Expenses for International Owl Center



When the blue line labeled total revenue is above the red line labeled total expenses, the IOC is generating a positive net gain (profit). We can observe that the IOC experienced rapid growth in both revenue and expenses from 2013 to 2014. The percentage changes for total revenue and total expenses are calculated below.

Table 4: IOC Percentage Change in Revenue and Expenses

	2013	2014	2015	2016
Total Revenue (\$)	\$41,085	\$94,719	\$163,820	\$167,807
Percentage Change in Revenue	-	131%	73%	2%
Total Expenses (\$)	\$14,174	\$43,245	\$177,907	\$162,808
Percentage Change in Expenses	-	205%	311%	-8%
Net Gain/Loss (\$)	\$26,911	\$51,474	-\$14,087	\$4,999
Percentage Change in Net Gain/Loss	-	91%	n/a*	n/a*

*: The percentage changes are not reported. Accountants generally do not report percentage change when there is a change from a positive result to a negative result.

During year 2015, the IOC had a net loss on operations. This is mostly because of the large increase in salary expenses and occupancy costs, which is detailed in table 14 in the appendix.

It is important to expound on which factors contributed to total revenue and total expenses for the IOC. Two pie charts are generated and shown in the appendix to detail the major contributors to total revenue for years 2014 (figure 18) and 2015 (figure 19). Year 2013 was ignored because it was the first year of operation.

The largest change from 2014 to 2015 for contribution to total revenue is the percentage contribution from the contributions category (which includes gifts and grants). It decreased as a contributor to total revenue by about 19 percentage points from 2014 to 2015. In 2015, programming activities and fundraising events contributed to total revenue much more than they did in 2014. This makes sense, because the IOC was becoming more established and hired more staffing than in 2014. Programming activities continued to increase in 2016 as well (see table 23). This should be expected, because more staff means the IOC could host and create more programming activities. Another noteworthy observation is the addition of gross profit or loss from sales of inventory in 2015. This category didn't exist in 2014. This category is synonymous with gross profit from a gift shop, so the IOC began operation of its gift shop in fiscal year 2015.

Contributions to total expenses for years 2014 and 2015 are compared below. The pie charts are labeled figure 20 and 21 respectively. The largest increase in contributions to total expenses is the salaries category jumping from 7% in 2014 to 61% in 2015. This large increase in the salaries category contribution to expenses is occurring because the IOC was becoming more established and became less reliant on professional contractors and consultants for labor. The NLCP might experience a similar scenario when needs of the organization need to be filled with additional employees as the NLCP business becomes more established.

North American Bear Center

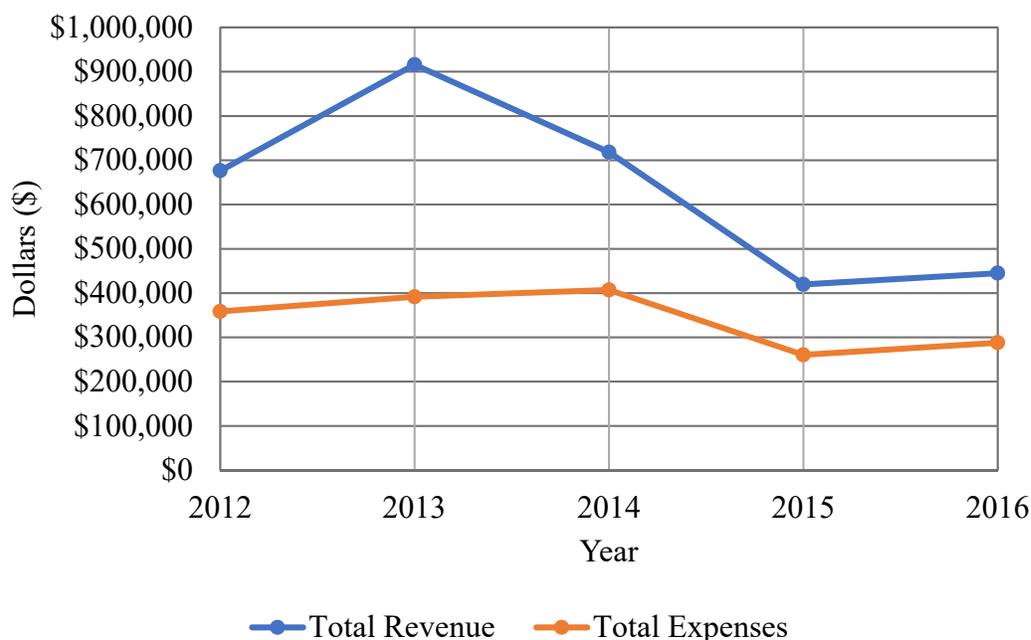
The mission of the North American Bear Center (NABC) is to advance the long-term survival of bears worldwide by replacing misconceptions with scientific facts about bears, their role in ecosystems, and their relations with humans. The NABC offers several courses for students for grades kindergarten through grade twelve on their website at no charge. They have live cameras trained on several of the bears at their facility. The primary drivers of revenue are the gift shop, admissions, membership fees, and educational programming (North American Bear Center).

The North American Bear Center's organizational structure is a bit different from the other nonprofits in this study. The NABC has a sister nonprofit known as the Wildlife Research Institute, which conducts research on black bears and other wildlife. The research is on the bears that reside at the NABC. The exact relationship between the two organizations is not clear. It appears the Wildlife Research Institute primarily gains their revenue through course fees, lectures, membership fees, donors, and merchandise sales. To avoid complexity, the NABC form 990 will be analyzed, not the Wildlife Research Institutes even though they share similar missions and close organizational ties (Wildlife Research Institute).

Revenue and Expense Analysis for the North American Bear Center

The NABC experienced rapid growth in both total revenue and total expenses, but then a sharp drop off in both revenue and expenses in 2015. A line graph is plotted below showing this trend.

Figure 3: Total Revenue and Total Expenses of North American Bear Center



Another observation from the above graph is the shrinking of net gains in 2015 and 2016, as total revenue and total expenses converge.

The percentage changes in revenue and expenses are shown below for fiscal years 2013 through 2016. Year 2013 is a windfall for total revenue, where it increased 35% to \$915,846 from \$676,439 in the previous year. This large amount of revenue generation was not maintained, which explains why total revenue and total expenses seem to approach each other in the figure above in years 2015 and 2016.

Table 5: NABC Percentage Change in Revenue and Expenses

	2012	2013	2014	2015	2016
Total Revenue (\$)	\$676,439	\$915,846	\$718,252	\$419,577	\$444,901
Percentage Change in Revenue	-	35%	-22%	-42%	6%
Total Expenses (\$)	\$358,511	\$391,585	\$407,063	\$260,453	\$287,969
Percentage Change in Expenses	-	9%	4%	-36%	11%
Net Gain/Loss (\$)	\$317,928	\$524,261	\$311,189	\$159,124	\$156,932
Percentage Change in Net Gain/Loss	-	65%	-41%	-49%	-1%

Pie charts are a good way to visually see contributions to revenue and growth. However, gross profit on sales is negative, because the cost of inventory exceeded sales, so a table highlighting contributions to revenue to year 2016 is shown below. This means that decreasing sales brought down revenue in 2016.

Table 6: NABC Contributions to Revenue in 2016

Category	Contribution
Contributions	65%
Government Grants	0%
Program Services	44%
Investments	0%
Special Events	0%
Sales	-10%
Other	2%

The contributions category includes membership fees and donations. Program services include educational programming and admissions. As we can tell in the table, declining sales brought down revenue by 10%, where cost of inventory exceeded sales.

For contributions to expenses, refer to figure 22 in the appendix. Administration costs accounted for 28% of expenses and program services account for the rest at 72%. Program expenses are any expenses entailed by a nonprofit to perform its tax-exempt activities.

National Eagle Center

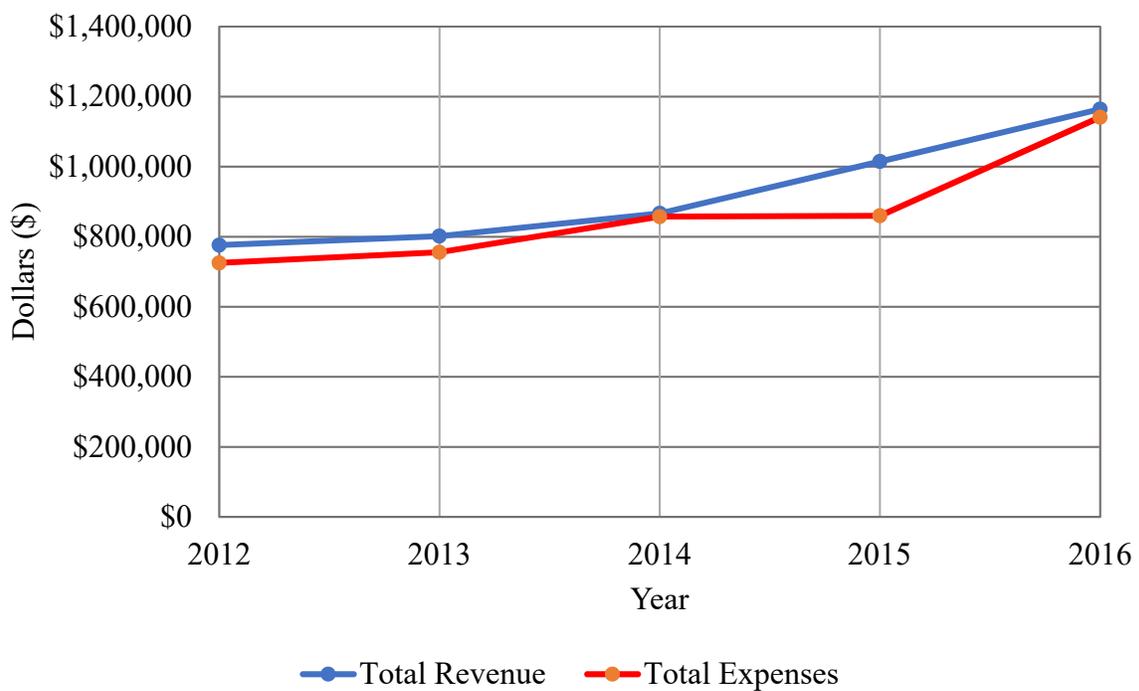
The National Eagle Center (NEC) has the largest operations compared to the other nonprofits. The eagle is a national symbol of pride for American people. The NEC provides rehabilitation to injured eagles. Their location is on the Mississippi, where you can observe eagles catching fish in the river. They have programming activities for visitors providing education about eagles. They have a museum that shows different types of eagles and provides

information on how Native Americans view eagles. They are also planning to expand their operations into a new building to house pieces of art featuring eagles. They have a gift shop to supplement their income. They have a yearly event called SOAR with the eagles usually in March, which draws in many tourists to Wabasha. This is when spring eagles are migrating, so similar events could be created around loon migration cycles.

Revenue and Expense Analysis for National Eagle Center

The NEC experienced low and consistent growth for both revenue and expenses, which is graphed below. The NEC has the highest revenues and expenses in comparison to the IOC and the NABC.

Figure 4: Total Revenue and Total Expenses for National Eagle Center



The percentage change in both total revenue and total expenses is shown below.

Table 7: NEC Percentage Change in Revenue and Expenses

	2012	2013	2014	2015	2016
Total Revenue (\$)	\$776,197	\$801,768	\$866,649	\$1,014,767	\$1,164,256

Percentage Change in Revenue	-	3%	8%	17%	15%
Total Expenses (\$)	\$725,350	\$755,624	\$857,450	\$859,793	\$1,141,309
Percentage Change in Expenses	-	4%	13%	0%	33%
Net Gain/Loss (\$)	\$50,847	\$46,144	\$9,199	\$154,974	\$22,947
Percentage Change in Net Gain/Loss	-	-9%	-80%	1585%	-85%

The large percentage change for year 2015 in net gains is very high, as the previous year was a very low number in comparison.

In terms of contributions to revenue, only the last year 2016 is presented. The largest contributor to revenue was program services at 31%. The next largest category was contributions at 31%. Sales contributed to revenue at 14%. This is presented as figure 23.

For percentage contributions to expenses, program services was the largest category at 77% followed by administration at 18%. This is referenced from the appendix in figure 24. Program services tends to be the largest expense because it includes salaries.

Additional Information about Wildlife Tourism Nonprofits

Table 26 in the appendix provides the admissions rate for the various wildlife tourism nonprofits across Minnesota. Wildlife tourism nonprofits in Minnesota differentiate between young children, children, adults, seniors, and sometimes veterans and seniors. Some of the nonprofits provide discounts for groups of eight or more people. This would make sense for nonprofits that have larger educational programming activities such as the National Eagle Center.

Operating Budget

This section of the report lays out the potential operating budget based on the various visitation scenarios presented in the visitation potential section. The profiles generated above help to discern revenues and expenses that some wildlife tourism nonprofits experience across Minnesota. This section will primarily focus on operating expenses, salary for staff, and operating revenue, while considering the visitation scenarios presented earlier. The final step after those values are created is to estimate an operating budget.

The NEC currently experiences about 80,000 visitors a year. The NEC's accounting information from 2008 will thus be used to create an operating budget to reflect a high level of visitation. Around 2008, the NEC built a new facility and experienced higher levels of revenue and expenses. It is extremely important to be mindful that the NLCP will be operated differently than the NEC. For example, if the NLCP intends to be a smaller operation, it might be better to base an operational budget on the Owl Center's information presented above.

General Operating Expenses

General operating expenses are calculated using accounting data from the NEC in 2008. General operating represents nearly half of the total expense of an operating budget. These expenses include utilities, occupancy, information technology, live animal (if needed), administration, and various other items. Some of these expenses are variable and are adjusted proportionality according to the visitation scenarios while other items are constant and do not change for visitation scenarios. The proportionality assumption is strong, because it assumes a linear trend in growth based on visitation, which is unlikely to be the case for revenue and expenses. Nonetheless, it is used here for simplicity and for estimation purposes.

Table 8: Summary Total General Expenses Under Different Visitation Scenarios

Expense Item	Visitors		
	64,041	106,734	170,775
Building Expense/Occupancy	\$49,487	\$49,487	\$49,487
IT Expense	\$2,460	\$4,100	\$6,560
Live Animal Expenses	\$6,287	\$6,287	\$6,287
Program Events	\$53,277	\$53,277	\$53,277
Administration Expense	\$15,375	\$25,625	\$42,708
Advertising, Promotions	\$11,556	\$19,260	\$32,099
Professional Expenses	\$644	\$644	\$644
Insurance	\$7,123	\$11,872	\$19,786
Misc. Supplies	\$7,986	\$13,310	\$22,183
Travel	\$1,672	\$2,787	\$4,644
Consulting/Contracting	\$22,863	\$38,105	\$63,507
Total	\$178,730	\$224,752	\$301,182

Salary & Wages

The following salary information is from form 990s for year 2016, where each form reports the executive director's salary. The average is calculated from the various wildlife tourist nonprofits across Minnesota. This helps to provide a range of salaries for executive director pay.

Table 9: Average Salary for Executive Director

Wildlife Nonprofit	Salary
International Owl Center	\$54,475
North American Bear Center	\$91,408
International Wolf Center	\$89,774
National Eagle Center	\$112,572
Average Executive Director Salary	\$87,057

The salary for executive directors for the various wildlife tourism nonprofits ranges from \$54,475 to \$112,572. The average pay for an executive director is \$87,057. The highest salary for an executive director comes from the NEC. As mentioned earlier, the NEC is the highest revenue operation of the nonprofits mentioned.

The NLCP may want to fill other positions based on needs of the organization. Some of the other positions shown in form 990s are detailed below. Most of the salary data originates from the NEC. The adjustment column is to adjust salary by a 3% rate every year until 2018.

Table 10: Salary for Various Other Managerial Positions

Position	Salary	Form 990	Year	Adjustment	Adjusted Salary
Senior Director of Operations	\$29,004	NABC	2016	1.06	\$30,770
Education Manager*	\$44,471	NEC	2008	1.34	\$59,765
Gift Store Manager	\$45,644	NEC	2009	1.30	\$59,555
Office Director*	\$52,977	NEC	2009	1.30	\$69,123
Finance Director	\$52,300	NEC	2015	1.09	\$57,150

*: Positions are assumed to be part of the NLCP operations.

The final step is to estimate total expenses incurred from labor. This is calculated below for each visitation scenario. The average salary for executive director pay is used for the executive director salary. The three managerial positions listed are assumed to be constant.

Table 11: Salary and Wage Expenses Under Visitation Scenarios

Salary Item	Visitors		
	64,041	106,734	170,775
Executive Director	\$87,057	\$87,058	\$87,059
Education Manager	\$59,765	\$59,765	\$59,765
Office Director	\$69,123	\$69,123	\$69,123
Non-Salary	\$54,961	\$91,601	\$146,562
Total	\$270,907	\$307,547	\$362,509

Admissions, Gift Shop Sales, Memberships, and Program Revenue

This section focuses on the revenue side of the operating budget. There are four main categories for revenue generation. The first category is admissions revenue. Assume the NEC charges \$6 for adult admission, which it did in 2008. They generated a profit of \$3.57 per visitor for admissions. The \$3.57 figure is much lower than the admissions rate. The differential between admissions rate and the profit figure reflects the cost of advertising and promoting the

NEC. The second source of revenue comes from gross profit on gift shop sales. The NEC in 2008 had a net profit margin of about 31% (which is in line with newer financial statements from the NEC) with an average profit of \$1.04 per visitor. Average revenue per visitor is about \$4.60. The per visitor figures for admissions revenue (\$3.57) and gift shop revenue (\$1.04) are multiplied by the baseline of 59,155 potential visitors. This revenue is shown in the table below and is adjusted proportionality for the other visitation scenarios. The third revenue category is educational programs. This is assumed to be constant at \$50,659. The last category is membership revenue. This category has a baseline estimate of \$21,465 and is adjusted proportionality based on visitation scenarios. Total revenue ranges in value from \$366,713 to \$870,568.

Table 12: Operating Revenue for Visitation Scenarios

	Visitors		
	64,041	106,734	170,775
Admissions	\$228,626	\$381,040	\$609,667
Profit from Gift Shop	\$65,962	\$109,936	\$175,898
Educational Programs	\$50,659	\$50,659	\$50,659
Memberships	\$21,465	\$35,775	\$34,344
Total	\$366,713	\$577,410	\$870,568

Net Budget

Now that we have an idea of operating expenses, salary expenses, and operating revenue, we can create a net gain/loss estimate for the operation of the NCLP. The net budget includes additional revenue categories for grants and personal contributions. These two revenue streams depend heavily on the ability of the executive director and managerial staff. In 2007, the NEC generated about \$35,000 from personal contributions and \$50,000 in grants.

The proposed budget has a net loss on operations of \$82,924 when there are only 64,041 visitors. If we add in the additional funding from personal contributions and grants, this scenario

generates a small net gain on operations. For the 106,734 visitation scenario, we can observe that it creates a net gain on operations of \$45,109. Due to the uncertainty of business conditions and variability nature of operating a nonprofit, this scenario presents a challenge. Revenues could drop and the net gain could quickly become a net loss. Additional revenue from grants and contributions would help supplement revenue and help guarantee feasibility. The final scenario generates a large positive net gain of \$206,872. This scenario appears to be easily sustainable without dependency on grants or personal contributions. Our recommendation is to identify grants and large contributors to lessen the risk of a net loss on operations.

Table 13: Net Operating Budget for Visitation Scenarios

	Visitors		
	64,041	106,734	170,775
Revenue	\$366,713	\$577,410	\$870,568
Salary/Wages	\$270,907	\$307,547	\$362,509
Operating Expenses	\$178,730	\$224,754	\$301,187
Contributions	???	???	???
Grants	???	???	???
Net Gain/Loss	-\$82,924	\$45,109	\$206,872

Discussion

This report outlines the demographic characteristics, potential visitors, profiles of some wildlife nonprofits in Minnesota, and the operating budget for the proposed National Loon Center facility. A theme arises from the demographic characteristics of people who utilize state parks, bicycle trails, canoes and kayaks, and second homeowners. They generally earn high incomes, are well educated, are older, and are white.

Loons are unique in that they are migratory birds that live on the water. This means there are additional parties to consider in comparison to the other wildlife tourism nonprofits. For

example, planners for the NLCP should consider anglers and boaters in addition to other potential customers that are attracted to wildlife conservation.

The proposed site for the NLCP at the US-CORP Recreation Area site has many benefits. The first benefit is that it draws nearby campers to supplement a stream of revenue for the NLCP. The US-CORP campground was one of the largest estimates provided, so these potential visitors will be crucial for the feasibility of the NLCP. Furthermore, being close to the lake helps draw in boaters, anglers, and canoers/kayakers. There is a launch point for canoers and kayakers relatively close in Pine River to the NLCP proposed site.

There are inherent risks to the tourism industry that could affect the NLCP's operations. Recessionary cycles would impact the operation of the NLCP. Grants might be cut from state and federal budgets during recessionary cycles, making it difficult to compete and receive grants. During a recessionary cycle, potential visitors may be less likely to visit, spend money on gift store items, and less likely to become members and donate money.

There are several limitations to this study. The visitation method is used by summing various estimates from previous studies. Those potential visitors from each estimate could be shifting their tastes and may not bicycle as much or use parks as often. To work around this limitation, a range of total visitation was provided. Another limitation is duplication. Some visitors might belong to the multiple groups used for the total visitation estimate. 70% of the total visitation estimate was removed to account for duplication. Another limitation are the major assumptions. For example, the proportionality assumption used in the operating budget assumption is very strong. It is unlikely that a nonprofit experiences linear growth in revenue or expenses as visitation increases.

There are additional potential visitors not mentioned in this study. For example, Crosslake, located on the Whitefish Chain of Lakes, is known as a destination city. This means the NLCP can draw upon visitors who come from the Twin Cities and Duluth, which are both about a 2.5 hour drive. Some of the estimates from the second homeowners study may have included visitors from the Twin Cities. There are also additional potential visitors from the various campgrounds and resorts in the Brainerd Lakes area that the NLCP can draw upon.

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Appendix

Figure 5: Age of Second Homeowners (n=561)

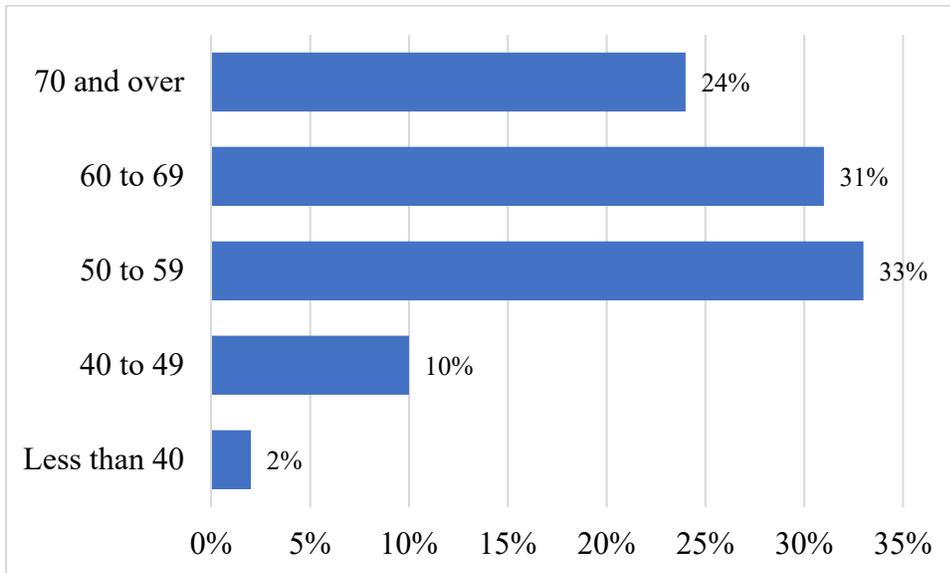


Figure 6: Education Level of Second Homeowners (n=565)

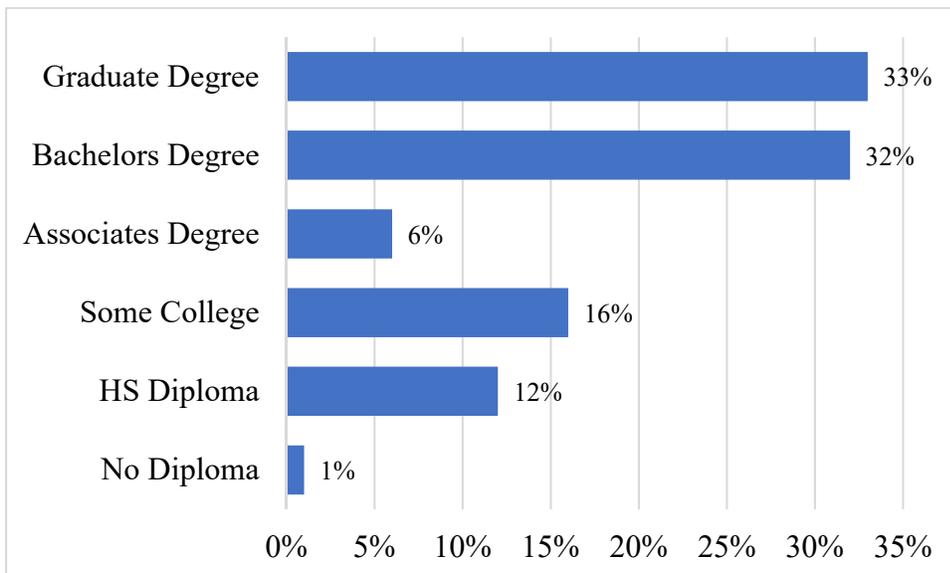


Figure 7: Household Income of Second Homeowners (n=512)

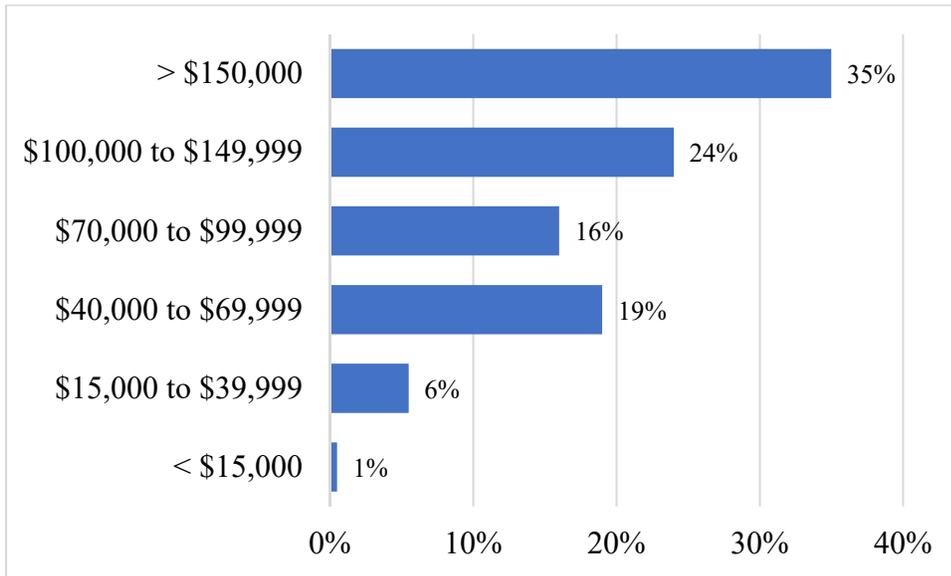


Figure 8: Number of People Utilizing Second Home While in Use (n=517)

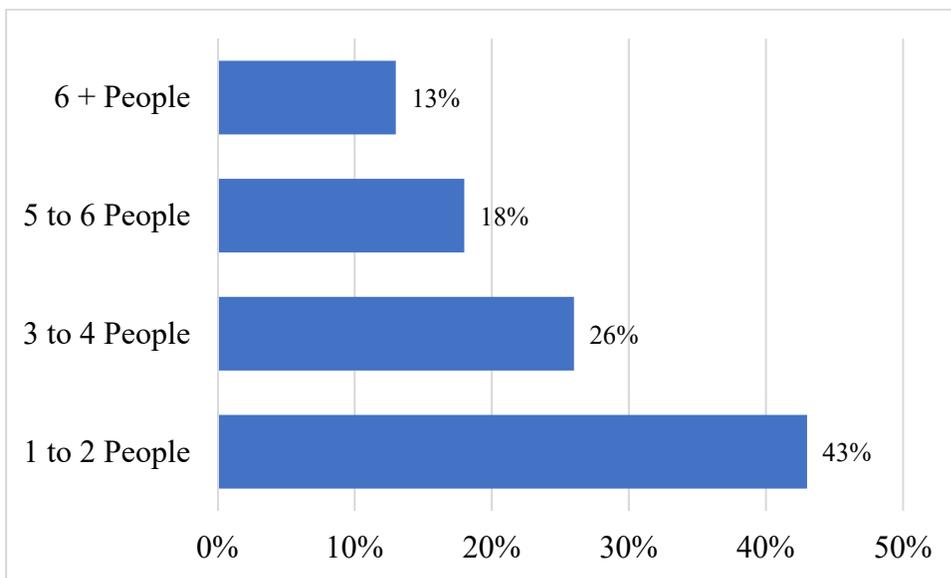


Figure 9: Typically Receive and Preferences for Communication for Second Homeowners (n=559)

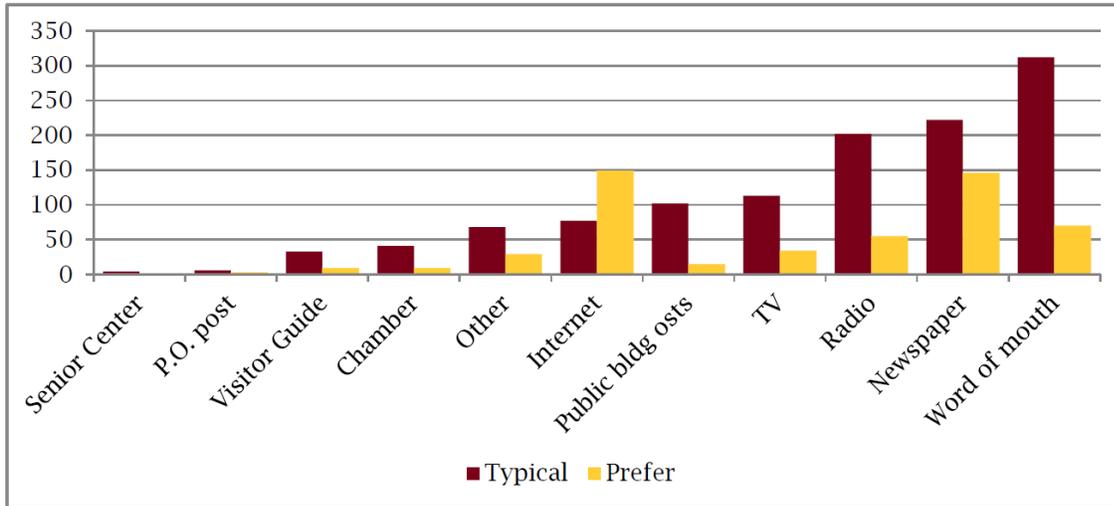


Figure 10: “Other” Form of Communication Specified by Second Homeowner Respondents

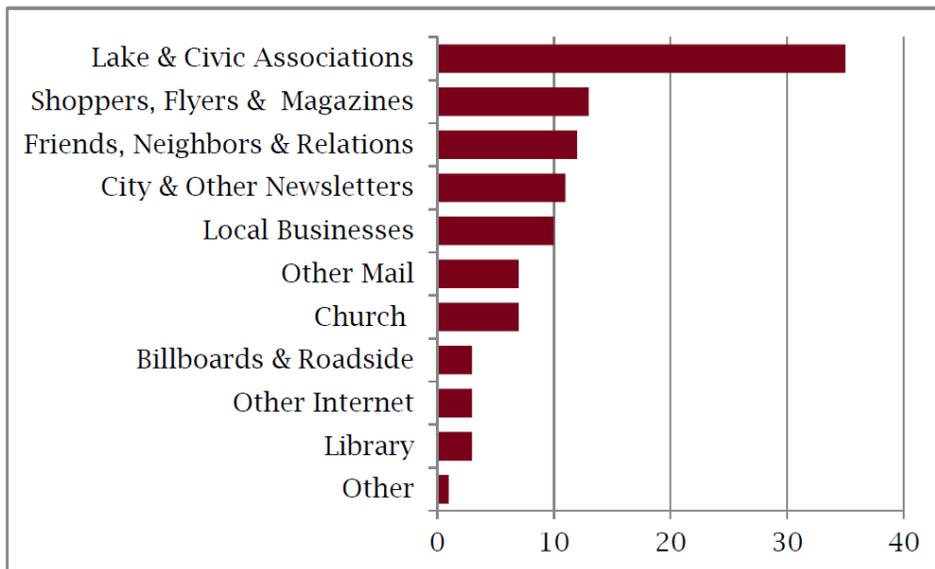


Table 14: Sample Sizes and Total Registrations for Canoe/Kayak Survey, 2004

Region	Sample Size for Survey by Craft Type			2004 Registrations from Minnesota		
	Canoe	Kayak	Total	Canoe	Kayak	Total
Northwest	165	60	225	13,164	1,566	14,730
Northeast	165	60	225	25,613	3,347	28,960
Southwest	165	60	225	8,621	1,295	9,916

Southeast	165	60	225	9,936	1,507	11,443
Central	165	60	225	15,850	1,735	17,585
Metro Area	275	125	400	59,370	11,639	71,009
Totals	1,100	425	1,525	132,554	21,089	153,643

Table 15: Survey Returns and Return Rates

Regions	Number Returned*	Return Rate	Adjusted Return Rate**
Northwest	153	68%	72%
Northeast	132	59%	65%
Southwest	149	66%	71%
Southeast	134	60%	64%
Central	135	60%	63%
Metro	241	60%	63%
Total	944	-	66%

*: The total return by craft type are as follows: canoe at 698 and kayak at 246.

** : The MN DNR adjusts the return rates based by a combination of craft type (canoe, kayak) and region (six regions). This sample weighting ensures that any disproportionate representations in the survey returns by craft type or region are removed before the survey results are presented.

Table 16: Demographics and Characteristics of Canoe and/or Kayak Owners, 2004

Characteristic	Overall	--- Type of craft ---		----- Region of craft owner -----					
		Canoes	Kayaks	Northwest	Northeast	Southwest	Southeast	Central	Metro
Experience canoeing/kayaking									
Median years anywhere	30	30	15	30	30	25	25	25	30
Median years in MN	28	30	10	28	30	22	25	25	25
Motorboat in household?									
Percent "yes"	57%	59%	50%	68%	64%	52%	42%	55%	55%
Percent of canoe/kayak owners who have a . . .									
. . . permanent or second home on a lake or river	45%	45%	44%	57%	49%	37%	25%	46%	44%
. . . permanent home on a lake or river	23%	23%	23%	47%	36%	24%	13%	33%	12%
. . . second (vacation) home on a lake or river	27%	27%	26%	18%	20%	19%	16%	19%	36%
Have you ever visited the Minnesota DNR website (www.dnr.state.mn.us)?									
Percent "yes"	56%	55%	61%	50%	48%	48%	49%	61%	62%
Percent who primarily listen to this type of radio station:									
public radio	26%	26%	28%	25%	23%	20%	27%	25%	29%
rock & roll	16%	14%	23%	19%	16%	20%	12%	21%	13%
easy listening/lite	13%	13%	12%	15%	19%	14%	21%	8%	10%
country	13%	14%	6%	28%	17%	14%	14%	14%	6%
talk	12%	13%	11%	6%	12%	14%	12%	14%	14%
religious radio	7%	7%	4%	2%	3%	4%	2%	4%	11%
classical	5%	5%	6%	2%	5%	2%	5%	0%	7%
sports	2%	2%	1%	1%	3%	1%	1%	3%	3%
jazz	1%	0%	4%	0%	0%	1%	1%	3%	1%
other (please specify)	5%	5%	5%	1%	3%	7%	4%	9%	5%
Gender of canoe/kayak owner (%)									
Male	78%	80%	68%	79%	78%	84%	81%	78%	78%
Female	22%	20%	32%	21%	22%	16%	19%	22%	22%
How old are you? (%)									
34 or younger	5%	4%	12%	7%	5%	11%	6%	5%	5%
35 to 44	17%	16%	24%	16%	13%	18%	21%	26%	17%
45 to 54	36%	35%	40%	34%	39%	23%	32%	37%	37%
55 to 64	26%	28%	18%	26%	24%	25%	24%	23%	28%
65 or older	15%	17%	6%	17%	20%	23%	17%	9%	13%
Median age	52	53	48	52	53	53	50	50	52
Race/ethnicity (%)									
White/non-Hispanic	98%	98%	97%	98%	96%	99%	99%	99%	97%
Non-white and/or Hispanic	2%	2%	3%	2%	4%	1%	1%	1%	3%
What is the highest level of education you have completed? (%)									
Some high school	1%	1%	2%	1%	1%	1%	1%	2%	1%
Graduated from high school or GED	10%	10%	5%	10%	8%	17%	16%	15%	7%
Some vocational or technical school	5%	5%	3%	7%	5%	5%	6%	5%	4%
Graduated from vocational or technical school	11%	11%	10%	12%	13%	13%	10%	13%	9%
Some college or AA college degree	20%	19%	22%	20%	26%	20%	15%	15%	19%
BA, BS college degree	22%	22%	26%	18%	14%	13%	24%	25%	27%
Some postgraduate study or postgraduate degree	31%	31%	32%	31%	32%	31%	29%	26%	32%
Including you, how many adults, teens, and children live in your household?									
Total people (mean number)	2.7	2.7	2.7	2.5	2.7	2.5	2.9	2.7	2.7
Adults (mean number)	2.0	2.0	2.0	2.0	2.1	1.9	2.1	2.0	1.9
Teens (mean number)	0.4	0.3	0.4	0.3	0.4	0.2	0.4	0.4	0.4
Children (mean number)	0.3	0.3	0.3	0.2	0.3	0.4	0.4	0.3	0.4
Please indicate below your total household income before taxes last year. (%)									
Under \$30,000	9%	9%	6%	14%	16%	9%	5%	8%	5%
\$30,000 - \$39,999	7%	7%	6%	8%	10%	14%	12%	4%	5%
\$40,000 - \$49,999	11%	12%	7%	14%	19%	12%	8%	17%	6%
\$50,000 - \$59,999	11%	11%	9%	17%	6%	23%	11%	16%	8%
\$60,000 - \$74,999	18%	18%	16%	25%	13%	19%	21%	18%	17%
\$75,000 - \$99,999	18%	18%	16%	12%	16%	15%	26%	17%	20%
Over \$100,000	27%	25%	40%	10%	20%	8%	18%	20%	38%

Table 17: Canoe/Kayak Day Use Statistics

Item	Region of Craft owner					
	Northwest	Northeast	Southwest	Southeast	Central	Metro
Days used in the last 12 months/Number of craft	14,730	28,960	9,916	11,443	17,585	71,009
Zero	23%	31%	27%	23%	23%	25%
1 to 5	27%	26%	36%	32%	31%	33%
6 to 10	20%	19%	18%	24%	15%	24%
11 to 20	16%	14%	12%	17%	20%	12%
21 to 50	9%	8%	5%	4%	10%	4%
51 or more	4%	1%	2%	0%	1%	1%
Total days used in last 12 months	183,645	252,679	78,328	76,527	159,814	516,050

Table 18: Reasons for Canoeing and Kayaking

Category	Reason	Overall	Canoers	Kayakers
Enjoy nature				
	Enjoy natural scenery	89%	88%	93%
	View wildlife	66%	66%	68%
	Enjoy smells and sounds of nature	62%	61%	69%
Escape personal, social, and physical pressures				
	Experience silence and quiet	71%	70%	73%
	Get away from life's usual demands	62%	60%	76%
	Get away from crowds	54%	52%	64%
	Experience fresh clean air	53%	51%	60%
	Experience solitude	50%	49%	58%
	Rest mentally	43%	42%	51%
Be with family and friends				
	Spend leisure time with family	65%	66%	54%
	Be with members of my group	21%	21%	17%
Feel connected to nature				
	Experience a feeling of wildness	50%	50%	51%
	Feel connected to nature	50%	49%	55%
	Experience dark night skies (no artificial lights)	24%	23%	29%
Catch/harvest game or fish				
	Catch or harvest some game or fish	46%	51%	18%
Exercise and feel healthier				
	Get/keep physically fit	45%	40%	77%

Feel healthier	40%	37%	58%
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Table 19: Demographic Characteristics of Minnesotans who use State Trails, 2007 - 2013

Characteristic	MN Trail Users	MN Population, 2010
Age Class		
Children (under 13)	12%	17%
Teens (13 - 18)	6%	8%
Adults (19 - 40)	22%	29%
Adults (41 - 65)	51%	33%
Adults (over 65)	9%	12%
Median Age	46.5	37.4
MN Trail Users		
MN Population, 2010		
Race and Ethnicity		
White, Non-Hispanic/Latino	97%	83%
Non-white and/or Hispanic/Latino	3%	17%
MN Trail Users		
MN Population, 2010		
Educational Attainment (age 25+)		
High School graduate or higher	99%	92%
Bachelor's degree or higher	63%	32%
Graduate degrees	22%	10%
MN Trail Users		
MN Population, 2010		
Household Income		
under \$30,000	9%	26%
\$30,000 to \$39,999	7%	10%
\$40,000 to \$49,999	8%	9%
\$50,000 to \$59,999	11%	8%
\$60,000 to \$74,999	15%	11%
\$75,000 to \$99,999	19%	14%
over \$100,000	33%	21%
Median Income	About \$75,000	\$55,459

Table 20: Change in Travel Characteristics of Trail Users from 1996-98 to 2007-13

Travel Characteristics in 1996-98 period								
Trail Use Statistic/ Trail	Tourist Trails			Local Use Trails		Mix Local/Tourist Trails		
	Paul Bunyan	Heartland	RR- HPV*	Douglas	Luce Line	Glacial Lakes	Sakatah**	PB- BSP***

Median Miles from Home	-	105	105	5	4	15	25	8
Percent of use within 10 miles of trail	-	25%	6%	80%	72%	48%	40%	56%
Percent of use from over 50 miles trail	-	65%	71%	8%	2%	24%	23%	29%

Travel Characteristics in 2007-13 period

Trail Use Statistic/ Trail	Tourist Trails			Local Use Trails		Mix Local/Tourist Trails		
	Paul Bunyan	Heartland	RR-HPV*	Douglas	Luce Line	Glacial Lakes	Sakatah**	PB-BSP***
Median Miles from Home	120	125	120	3	4	4	6	5
Percent of use within 10 miles of trail	33%	29%	9%	83%	80%	71%	60%	71%
Percent of use from over 50 miles trail	59%	62%	70%	7%	3%	17%	19%	21%

*: Root River and Harmony-Preston Valley Trail

** : Sakatah, Sakatah Singing Hills Trail

***: Paul Bunyan segment near Lake Bemidji State Park and City of Bemidji

Figure 11: Age Demographics of Minnesota State Park Users

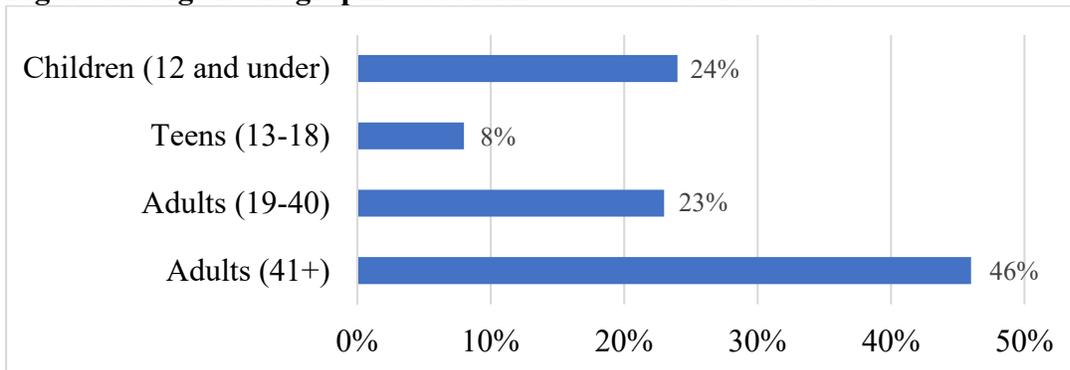


Figure 12: Household Income for MN Households and MN State Park Visitors

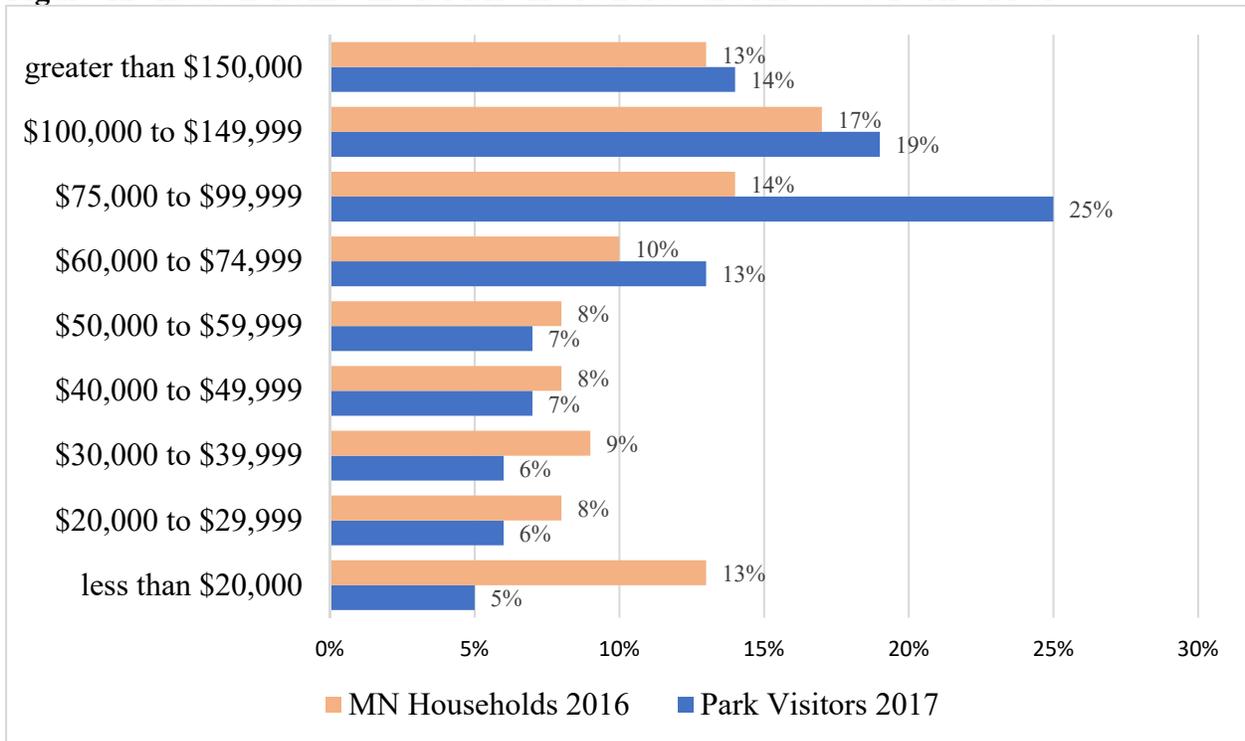


Figure 13: Educational Levels for MN Population and Park Visitors

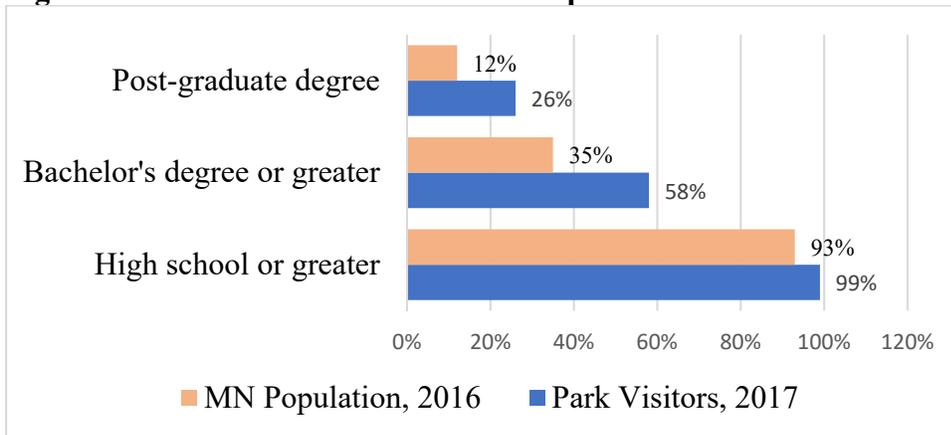


Figure 14: Explore Minnesota Tourist Regions



Figure 15 : Region of Origin Minnesota State Park Visitors

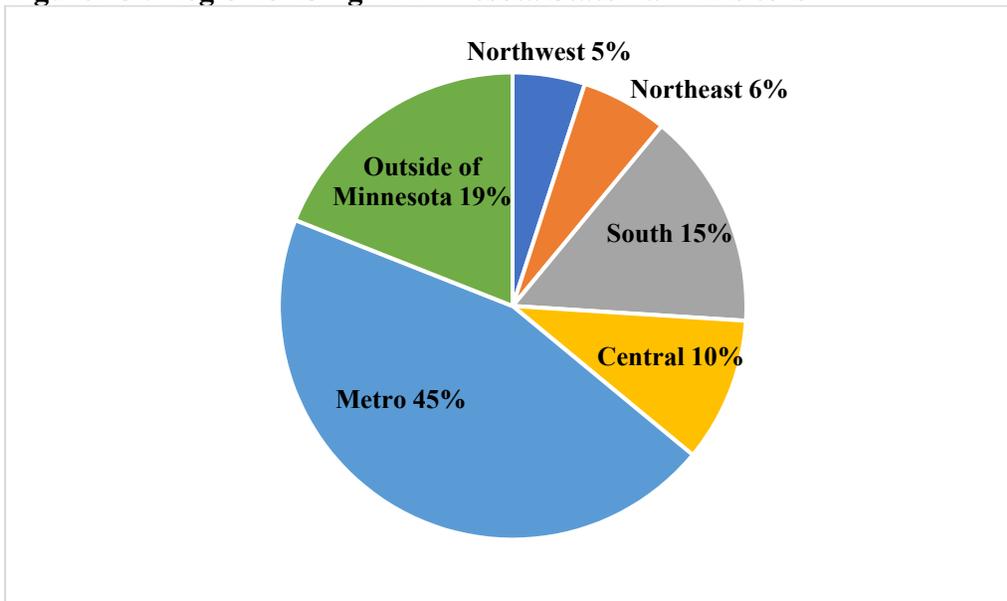


Figure 16: Type of State Park Visitor

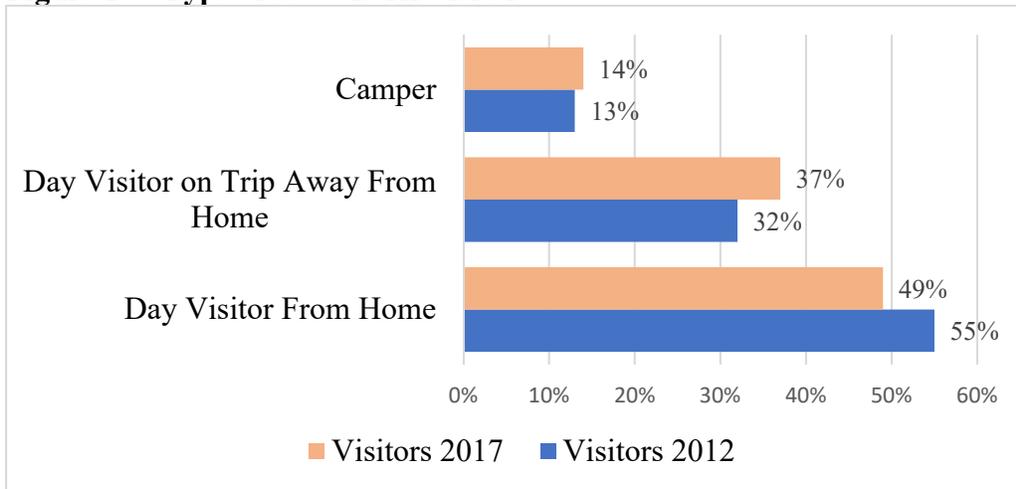


Figure 17: Travel Distance from Home for Minnesota State Park Visitors

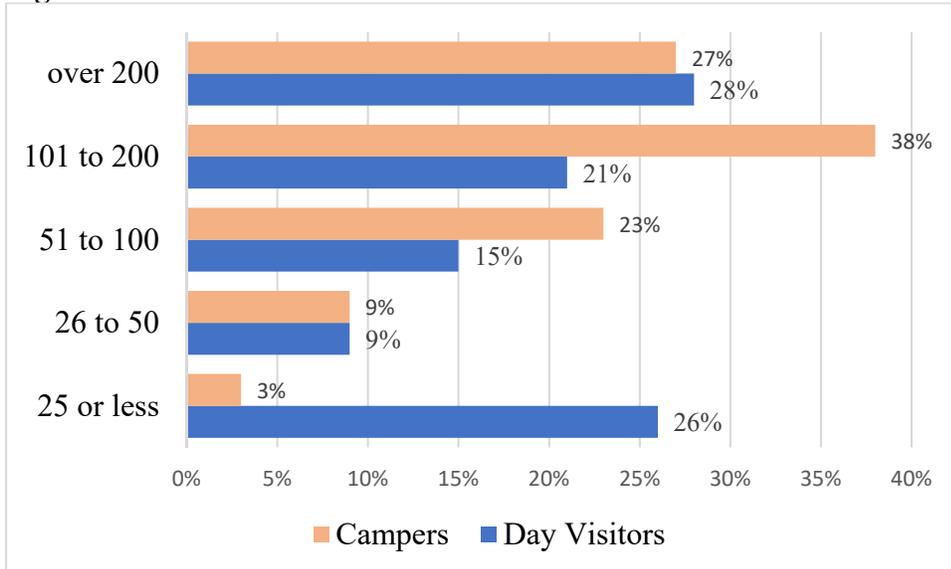


Table 21: Characteristics of Hunters and Anglers in Minnesota, 2011

Characteristic	Population		Sportspersons (fished or hunted)			Anglers			Hunters		
	Number	Percent	Number	Percent who participated	Percent of sports- persons	Number	Percent who participated	Percent of anglers	Number	Percent who participated	Percent of hunters
Total persons	4,133	100	1,400	34	100	1,328	32	100	475	11	100
Population Density of Residence											
Urban	2,832	69	870	31	62	855	30	64	*230	*8	*49
Rural	1,302	31	530	41	38	474	36	36	244	19	51
Population Size of Residence											
Metropolitan Statistical Area (MSA)	3,634	88	1,235	34	88	1,194	33	90	378	10	80
1,000,000 or more	2,145	52	650	30	46	650	30	49	*137	*6	*29
250,000 to 999,999	114	3	*62	*54	*4	*54	*47	*4	*47	*41	*10
50,000 to 249,999	1,374	33	523	38	37	490	36	37	*194	*14	*41
Outside MSA	500	12	*164	*33	*12	*135	*27	*10	*96	*19	*20
Sex											
Male	2,119	51	938	44	67	875	41	66	447	21	94
Female	2,014	49	462	23	33	454	23	34	...	...	...
Age											
16 to 17 years	*73	*2	...	...	...	...	...	...	...	...	...
18 to 24 years	554	13	...	...	...	...	...	...	...	...	...
25 to 34 years	563	14	*109	*19	*8	*100	*18	*8	...	...	...
35 to 44 years	713	17	*308	*43	*22	*297	*42	*22	*147	*21	*31
45 to 54 years	770	19	326	42	23	*306	*40	*23	*124	*16	*26
55 to 64 years	835	20	376	45	27	358	43	27	*91	*11	*19
65 years and older	624	15	*102	*16	*7	*94	*15	*7	...	...	...
65 to 74 years	322	8	*86	*27	*6	*83	*26	*6	...	...	...
75 and older	303	7	...	...	...	...	...	...	...	...	...
Ethnicity											
Hispanic	*166	*4	...	...	...	...	...	...	...	...	...
Non-Hispanic	3,967	96	1,392	35	99	1,324	33	100	471	12	99
Race											
White	3,609	87	1,381	38	99	1,310	36	99	475	13	100
African American	*155	*4	...	...	...	...	...	...	...	...	...
All others	369	9	...	...	...	...	...	...	...	...	...
Annual Household Income											
Less than \$20,000	532	13	*319	*60	*23	*319	*60	*24	...	...	...
\$20,000 to \$29,999	325	8	...	...	...	...	...	...	...	...	...
\$30,000 to \$39,999	615	15	*146	*24	*10	*139	*23	*10	...	...	...
\$40,000 to \$49,999	262	6	...	...	...	...	...	...	...	...	...
\$50,000 to \$74,999	469	11	*161	*34	*12	*137	*29	*10	*96	*21	*20
\$75,000 to \$99,999	553	13	*308	*56	*22	*298	*54	*22	*155	*28	*33
\$100,000 to \$149,999	436	11	*194	*44	*14	*180	*41	*14	*95	*22	*20
\$150,000 or more	243	6	*105	*43	*8	...	...	...	...	...	...
Not reported	698	17	*74	*11	*5	*74	*11	*6	...	...	...
Education											
11 years or less	460	11	*153	*33	*11	*146	*32	*11	...	...	...
12 years	1,058	26	379	36	27	347	33	26	*151	*14	*32
1 to 3 years of college	1,224	30	392	32	28	380	31	29	*121	*10	*25
4 years or more of college	1,392	34	476	34	34	454	33	34	*189	*14	*40

* Estimate based on a sample size of 10–29. ... Sample size too small (less than 10) to report data reliably.

Note: Detail does not add to total because of multiple responses. Percent who participated columns show the percent of each row's population who participated in the activity named by the column (the percent of those living in urban areas who fished, etc.). Remaining percent columns show the percent of each column's participants who are described by the row heading (the percent of anglers who lived in urban areas, etc.).

Table 22: Characteristics of Wildlife Viewers in Minnesota, 2011

Characteristic	Population		Participants								
	Number	Percent	Total			Away from home			Around the home		
			Number	Percent who participated	Percent	Number	Percent who participated	Percent	Number	Percent who participated	Percent
Total persons	4,133	100	1,498	36	100	483	12	100	1,419	34	100
Population Density of Residence											
Urban	2,832	69	932	33	62	*379	*13	*79	853	30	60
Rural	1,302	31	566	43	38	...	...	...	566	43	40
Population Size of Residence											
Metropolitan Statistical Area (MSA)	3,634	88	1,278	35	85	*463	*13	*96	1,200	33	85
1,000,000 or more	2,145	52	786	37	53	*269	*13	*56	739	34	52
250,000 to 999,999	114	3	...	...	...	...	...	...	...	...	...
50,000 to 249,999	1,374	33	*434	*32	*29	...	...	...	*408	*30	*29
Outside MSA	500	12	*219	*44	*15	...	...	...	*219	*44	*15
Sex											
Male	2,119	51	759	36	51	*266	*13	*55	712	34	50
Female	2,014	49	739	37	49	*217	*11	*45	707	35	50
Age											
16 to 17 years	*73	*2	...	...	...	...	...	...	...	...	...
18 to 24 years	554	13	...	...	...	...	...	...	...	...	...
25 to 34 years	563	14	...	...	...	...	...	...	...	...	...
35 to 44 years	713	17	...	...	...	...	...	...	...	...	...
45 to 54 years	770	19	*399	*52	*27	...	...	...	*386	*50	*27
55 to 64 years	835	20	*343	*41	*23	...	...	...	*343	*41	*24
65 years and older	624	15	*354	*57	*24	...	...	...	*354	*57	*25
65 to 74 years	322	8	*195	*61	*13	...	...	...	*195	*61	*14
75 and older	303	7	*159	*52	*11	...	...	...	*159	*52	*11
Ethnicity											
Hispanic	*166	*4	...	...	...	...	...	...	...	...	...
Non-Hispanic	3,967	96	1,485	37	99	483	12	100	1,407	35	99
Race											
White	3,609	87	1,460	40	97	*461	*13	*95	1,386	38	98
African American	*155	*4	...	...	...	...	...	...	...	...	...
All others	369	9	...	...	...	...	...	...	...	...	...
Annual Household Income											
Less than \$20,000	532	13	...	...	...	...	...	...	...	...	...
\$20,000 to \$29,999	325	8	...	...	...	...	...	...	...	...	...
\$30,000 to \$39,999	615	15	...	...	...	...	...	...	...	...	...
\$40,000 to \$49,999	262	6	...	...	...	...	...	...	...	...	...
\$50,000 to \$74,999	469	11	*177	*38	*12	...	...	...	*164	*35	*12
\$75,000 to \$99,999	553	13	*200	*36	*13	...	...	...	*152	*28	*11
\$100,000 to \$149,999	436	11	*252	*58	*17	...	...	...	*239	*55	*17
\$150,000 or more	243	6	...	...	...	...	...	...	...	...	...
Not reported	698	17	*316	*45	*21	...	...	...	*316	*45	*22
Education											
11 years or less	460	11	...	...	...	...	...	...	...	...	...
12 years	1,058	26	*300	*28	*20	...	...	...	*300	*28	*21
1 to 3 years of college	1,224	30	*420	*34	*28	*122	*10	*25	*376	*31	*27
4 years or more of college	1,392	34	581	42	39	*227	*16	*47	547	39	39

* Estimate based on a sample size of 10–29. ... Sample size too small (less than 10) to report data reliably.

Note: Detail does not add to total because of multiple responses and nonresponse. Percent who participated columns show the percent of each row's population who participated in the activity named by the column (the percent of those living in urban areas who participated, etc.). Percent columns show the percent of each column's participants who are described by the row heading (the percent of those who participated who live in urban areas, etc.).

Table 23: International Owl Center Revenue and Expenses

Revenue	2013	2014	2015	2016
Contributions	\$41,075	\$68,391	\$86,123	\$54,630
Program services	\$0	\$2,000	\$18,548	\$49,485
Membership dues	\$0	\$12,534	\$26,181	\$27,332
Investment income	\$8	\$52	\$5	\$70
Net income from fundraising events	\$0	\$3,243	\$17,540	\$0
Gross profit or loss from sales	\$0	\$0	\$7,000	\$0
Other revenue	\$0	\$8,499	\$8,423	\$36,290
Total Revenue	\$41,085	\$94,719	\$163,820	\$167,807

Expenses	2013	2014	2015	2016
Salaries	\$0	\$3,192	\$109,251	\$110,633
Professional fees	\$5,472	\$11,688	\$2,885	\$0
Occupancy, rent, utilities, and maintenance	\$1,831	\$16,009	\$49,493	\$18,418
Printing & Publications	\$708	\$3,665	\$10,236	\$6,109
Other expenses	\$6,163	\$8,691	\$6,042	\$52,175
Total Expenses	\$14,174	\$43,245	\$177,907	\$162,808

Net Gain/Loss	2013	2014	2015	2016
Net Gain/Loss	\$26,911	\$51,474	-\$14,087	\$4,999

Figure 18: Percentage Contribution to Total Revenue for IOC, 2014

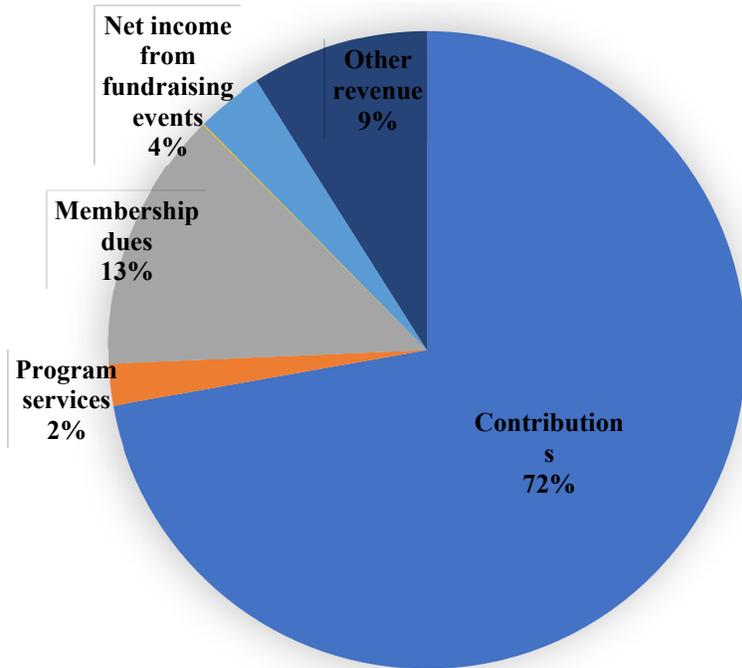


Figure 19: Percentage Contributions to Total Revenue for IOC, 2015

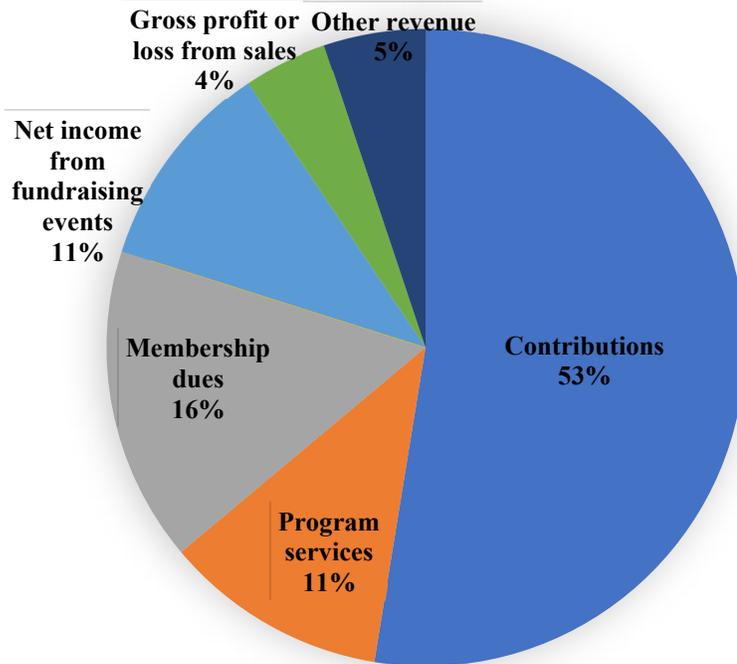


Figure 20: Percentage Contributions to Total Expenses for IOC, 2014

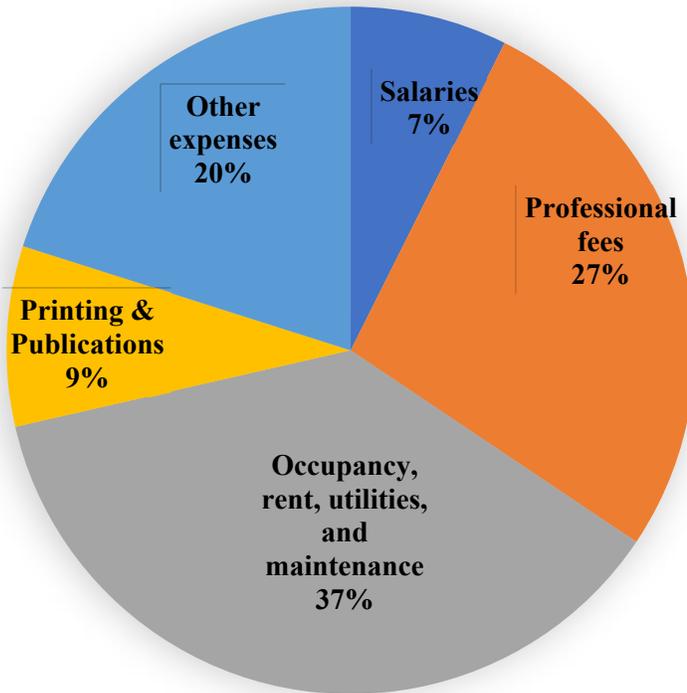


Figure 21: Percentage Contributions to Total Expenses for IOC, 2015

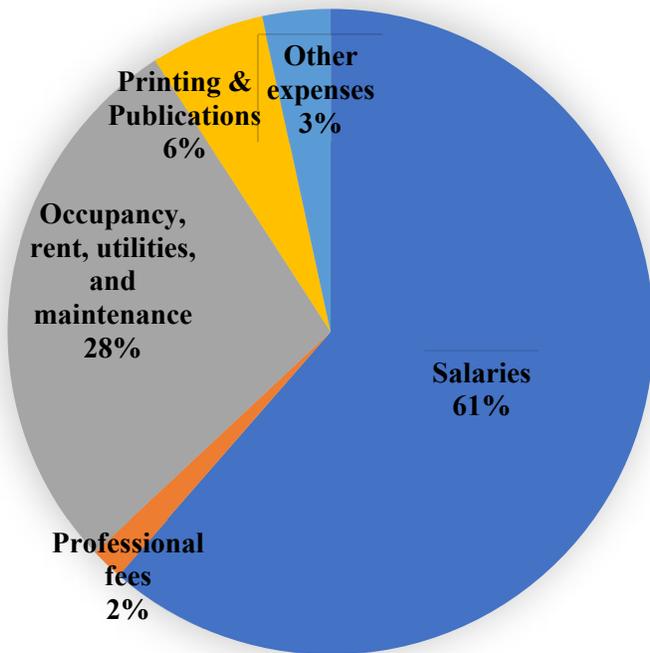


Table 24: North American Bear Center Revenue and Expenses

Revenue	2012	2013	2014	2015	2016
Contributions	\$299,453	\$604,334	\$463,247	\$286,026	\$287,444
Government Grants	\$0	\$0	\$0	\$0	\$0
Program Services	\$219,912	\$198,371	\$179,353	\$169,025	\$193,640
Investments	\$424	\$3,047	\$2,075	-\$8,993	\$81
Special Events	\$0	\$0	\$0	\$0	\$0
Sales	\$150,121	\$108,389	\$73,577	-\$26,481	-\$43,119
Other	\$6,529	\$1,705	\$0	\$0	\$6,855
Total Revenue	\$676,439	\$915,846	\$718,252	\$419,577	\$444,901

Expenses	2012	2013	2014	2015	2016
Program Services	\$279,829	\$314,916	\$332,688	\$187,742	\$208,143
Administration	\$77,918	\$75,896	\$74,276	\$71,813	\$79,826
Fundraising/Other	\$764	\$773	\$99	\$898	\$0
Total Expenses	\$358,511	\$391,585	\$407,063	\$260,453	\$287,969

Net Gain/Loss	2012	2013	2014	2015	2016
Net Gain/Loss	\$317,928	\$524,261	\$311,189	\$159,124	\$156,932

Functional Expenses	2012	2013	2014	2015	2016
Accounting Fees	\$13,100	\$14,850	\$15,450	\$16,050	\$19,969
Advertising & Promotion	\$25,258	\$11,974	\$22,224	\$22,624	\$12,555
Information Technology Expenses	\$16,830	\$0	\$13,682	\$0	\$5,541
Insurance Expenses	\$11,956	\$17,251	\$19,365	\$4,353	\$15,633
Interest Expense	\$1,731	\$26	\$35	\$61	\$101

Figure 22: Percentage Contribution to Expenses for NABC, 2016

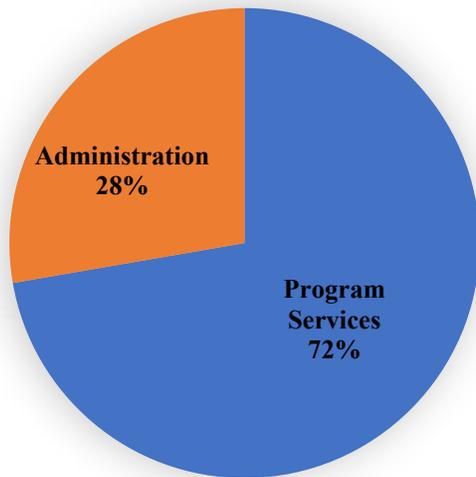


Table 25: National Eagle Center Revenue and Expenses

Revenue	2012	2013	2014	2015	2016
Contributions	\$71,074	\$107,366	\$133,429	\$255,830	\$360,632
Government Grants	\$23,275	\$20,734	\$42,134	\$20,110	\$14,839
Program Services	\$511,823	\$507,086	\$506,754	\$543,625	\$617,043
Investments	-\$666	\$1,271	\$1,625	\$7,057	\$1,197
Special Events	\$19,111	\$18,010	\$23,827	\$28,731	\$10,680
Sales	\$151,113	\$144,645	\$158,875	\$159,061	\$159,782
Other	\$467	\$2,656	\$5	\$353	\$83
Total Revenue	\$776,197	\$801,768	\$866,649	\$1,014,767	\$1,164,256

Expenses	2012	2013	2014	2015	2016
Program Services	\$564,506	\$609,095	\$680,694	\$688,743	\$880,116
Administration	\$117,773	\$105,953	\$130,559	\$122,574	\$207,267
Fundraising/Other	\$43,071	\$40,576	\$46,197	\$48,476	\$53,926
Total Expenses	\$725,350	\$755,624	\$857,450	\$859,793	\$1,141,309

Net Gain/Loss	\$2,012	\$2,013	\$2,014	\$2,015	\$2,016
Net Gain/Loss	\$50,847	\$46,144	\$9,199	\$154,974	\$22,947

Functional Expenses	2012	2013	2014	2015	2016
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Accounting Fees	\$14,565	\$9,810	\$9,996	\$10,086	\$10,075
Advertising & Promotion	\$18,327	\$20,601	\$16,796	\$15,540	\$25,522
Information Technology Expenses	\$1,747	\$743	\$3,249	\$3,323	\$3,159
Insurance Expenses	\$20,492	\$14,962	\$27,261	\$21,591	\$21,032
Interest Expense	\$0	\$0	\$0	\$0	\$0
Investment Management Fees	\$0	\$0	\$0	\$0	\$0
Legal Fees	\$0	\$392	\$8,534	\$3,681	\$6,501
Pension Plan Contributions	\$0	\$0	\$0	\$0	\$0
Printing & Publications	n/a	n/a	n/a	n/a	n/a
Professional Fundraising Expenses	\$0	\$0	\$0	\$0	\$0
Printing, Publication, Postage and Shipping	n/a	n/a	n/a	n/a	n/a
Professional Fees and Payments to Contractors	n/a	n/a	n/a	n/a	n/a

Figure 23: Percentage Contributions to Revenue for NEC, 2016

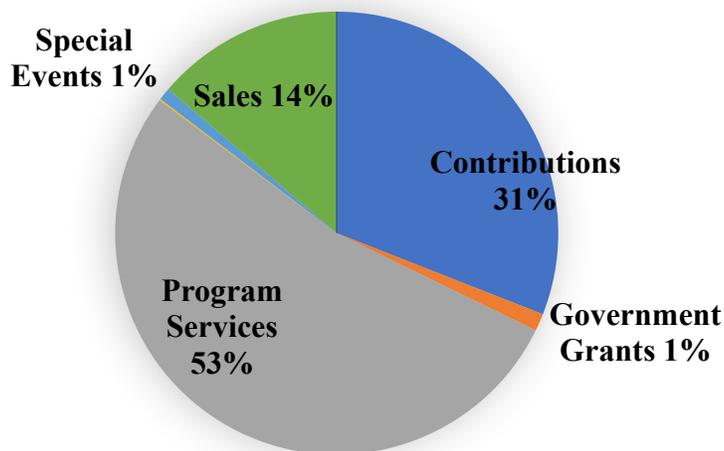


Figure 24: Percentage Contribution to Expenses for NEC, 2016

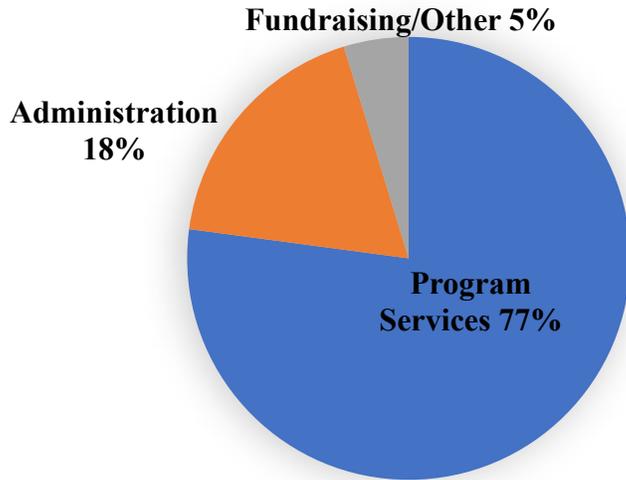


Table 26: Admission Rates for Wildlife Tourism Nonprofits in Minnesota

Wildlife Tourist Nonprofit	Admissions Rate
International Owl Center	
Adult	\$7
Child	\$4
International Wolf Center	
Adults	\$13
Seniors (60+)	\$11
Child (4-12)	\$7
Child (3 and under)	Free
Group, 8 or more Adult	\$11
Group, 8 or more child/student	\$5
North American Bear Center	
Adults and teens	\$13
Seniors (60+)	\$12
Children (ages 3-12)	\$8
Children under 3	Free
Members	Free
Group, 15 or more	Discounted
National Eagle Center	
Adult	\$10
Veterans	\$9
Youth (4-17)	\$7

Children (3 and under)	Free
Members	Free