

THE PRAIRIE SPIRIT RAIL TRAIL: AN ECONOMIC IMPACT STUDY OF PHASE I

by

CYNTHIA R. PAULS

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A REPORT

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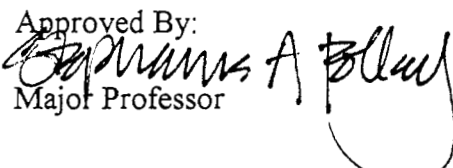
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Approved By:


Major Professor

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ABSTRACT

The Prairie Spirit Rail Trail is the first significant rail-trail project in Kansas. This study, which is based on the first phase of the rail-trail through Garnett, Kansas, was established to provide two separate services to help address specific concerns raised regarding the development of a rail-trail in Kansas. The first service, which is provided in the first two chapters of this report and the appendices, is the use of this report as an educational tool to provide further understanding of the rail-trail concept and process. The second service, which is provided in the 3rd, 4th and 5th Chapters, is to provide support for the development of future rail-trails in Kansas.

The research reflected within this report, which was developed to support the development of future rail-trails in Kansas, includes the comparison the following data from 1994, prior to ground breaking on the trail, and 1996, after establishment of the trail in the community:

- 1) Property values of adjacent land owners.
- 2) Annual gross revenue of adjacent and directly affected businesses.
- 3) Average number of full and part-time employees of these businesses.
- 4) Total number of adjacent and directly affected businesses.

Due to the unique nature of this project and the growing interest in the development of rail-trails in Kansas, this study is considered useful in the promotion and education of the rail-trail concept. This study has also revealed issues which should be considered in future research projects that had not been uncovered in previous related studies.

TABLE OF CONTENTS

Table of Contents	i
Appendices	iv
List of Figures	v
Acknowledgments	vi
Chapter 1: Introduction	
Why This Project was Chosen for Study	1
History of the Prairie Spirit Rail Trail	2
Report Structure	4
Background	4
The Research Project	5
Chapter 2: Background	
In the Beginning	6
The Effect War had on the Railroad	8
Railway Abandonment	9
Regulated Abandonment Process	10
Notice of Exemption Abandonment Process	11
Petition for Exemption Abandonment Process	12
Important Terms	12
What is a Rail-Trail?	14
How Did Rail-Trails Begin?	14
Is Citizen Participation Important?	15
How to Involve the Public	16
Examples of State Wide Citizen Participation	18
Examples of Local Citizen Participation	19
Kansas Land Owner Perspectives	21
Conservation Issues Surrounding the Rail-Trail	22
The Need for Conservation	22
Designing a Conservation Corridor	24
Conservation Comments	28
Using Rail-Trail Projects to Promote Economic Development	29
What is Economic Development?	29
Why Use a Rail-Trail to Promote Economic Development?	30
History of Greenway Inspired Economic Development	31
Sustainable Economic Development	35
Tourism	35
Manufacturing	37
Sustainable Development Comments	38

Analysis Methods	39
Travel Cost Method	41
Contingent Valuation Method	41
Tree Pricing Method	42
Hedonic Pricing Method	42
Resource Evaluation Method	43
Issues to be Considered Regarding Valuation	44
Economic Development Comments	46
ISTEA (Intermodal Surface Transportation Efficiency Act)	47
Transportation Enhancements	47
ISTEA Category Breakdowns	49
Categorical Exclusions and Federal Regulations	51
Other Funding Sources	52
ISTEA - 2	54
ISTEA Comments	54

Chapter 3: Methodology

Title	56
Problem	56
Proposition	56
Hypothesis	57
Null-Hypothesis	57
Scope and Method	57
Research Subject	58
Trail Habitats	58
Natural Connections	60
Historical Connections	60
Management	61

Chapter 4: Results

Property Values of Adjacent Land Owners	63
Annual Gross Revenue of Adjacent and Directly Affected Businesses	64
Average Number of Full and Part-Time Employees	68
Total Number of Adjacent and directly Affected Businesses	70
Summary of the Results	71

Chapter 5: Conclusion

Future Considerations	73
Timing Issues	73
Outside Factors	74
Conclusion	75

Afterward	77
References Cited	81
Additional Recommended Reading	86

Appendices

A)	Section 8(d) of the National Trails System Act	88
B)	Property Value Analysis	90
C)	Survey Form and Letter	95
D)	Kansas Department of Transportation Traffic Count	103
E)	Study Related Correspondence	107
F)	Location Maps	117
G)	Rail-Trail Maintenance Sources Listing	120
H)	Annotated References	130
I)	Resources	135

List of Figures

1)	Growth and Decline of the Railroad	8
2)	Map of Railways	9
3)	Table of Historic Economic Results	33
4)	ISTEA Authorization Breakdown	49
5)	Enhancement Funds Awarded	50
6)	Distribution of Enhancement Funds	50
7)	Trail User Count	61
8)	Bar Chart for Gross Revenue Results	66
9)	Pie Chart for Gross Revenue Percentage Results	67

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CHAPTER 1

INTRODUCTION

The Prairie Spirit Rail Trail is a rail-trail development project in Kansas which runs from the north end of the Marais des Cygnes River bridge in Ottawa to just south of Miller Street in Iola. This 50.2 mile corridor crosses seven named water courses, including the Marais des Cygnes River and Pottawatomie Creek. “The right-of-way also passes through eight communities, including Ottawa, the county seat of Franklin county; Garnett, the county seat of Anderson county; and Iola, the county seat of Allen county (KDWP, 1994).”

WHY THIS PROJECT WAS CHOSEN FOR STUDY

The Prairie Spirit Rail Trail is the first significant rail-trail project in Kansas. When complete, the rail-trail will travel through three rural counties connecting eight communities (See Appendix F for location map). When Mike Engeman began developing “Friends” groups (see Chapter 2 *How to Involve the Public*) in Garnett and Ottawa to support the rail-trail concept, the resistance of local farmers and ranchers was nearly overwhelming. Opponents of the rail-trail unanimously agreed that “Kansas is different.” Just because the development of rail-trails in other Mid-West and Great Plains States has proven to be successful does not mean the same success will occur in Kansas. This same sentiment has continued through legal battles over property rights, and Kansas Senate hearings regarding the Prairie Spirit Rail Trail.

This project was proposed by Mary Mae Hardt, the Regional Trails Coordinator with the Rivers, Trails and Conservation Assistance Department of the National Park Service, as a way to determine if Kansas really is different. Are trail enthusiasts justified in their claims that trails will improve the economic viability of rural communities in Kansas? There is also concern over the involvement of State agencies in the development of rail-trails. Should the Kansas Department of Wildlife and Parks, and the Kansas Department of Transportation be involved in supporting a venture that has not been proven in Kansas?

This study was established to provide two separate services to help address these concerns. The first service, which is provided in Chapter 2 and the appendices, is the use of this report as an educational tool to provide further understanding of the rail-trail concept and process. The second service, which is provided in the 3rd, 4th and 5th chapters, is to provide support for the development of future rail-trails in Kansas. This support is established through the development of a research framework which compares specific data before and after the trail is opened. Timing issues and outside factors which may have influenced the study results will be discussed in Chapter 5.

HISTORY OF THE PRAIRIE SPIRIT RAIL TRAIL

The following description of the historical development of the Prairie Spirit Rail Trail was published in the Prairie Spirit Rail Trail Development Transportation Enhancement Grant Proposal, dated September 9, 1994 (KDWP, 1994):

Shortly after the Civil War, 19th century entrepreneurs believed railroads were the most profitable method for crossing the central plains, tapping coastal markets and developing new towns and settlements.

Enterprising Kansans believed developing rail lines within Kansas would bring riches to the Sunflower State. In 1867, the Leavenworth, Lawrence and Galveston Railroad (LL&G) was created for the purpose of constructing a north-south trade route, running from Leavenworth, Kansas to Galveston, Texas.

The LL&G was viewed as the primary competition to rail lines running south from Kansas City into Texas, Arkansas, the Oklahoma Territory and the southwest. Investors and politicians believed, that a successful railroad, based on astute planing, creative financing and efficient operations, would shift the economic base from Kansas City, Missouri to Lawrence, Kansas, leading to immeasurable wealth, power and prestige for the state.

Corporate officers, bankers and politicians urged towns, cities and counties, along the proposed route, to issue bonds and land grants for the new railroad. Bitter, nearly violent, arguments erupted over issuing bonds. Nevertheless, town fathers, believing the railroad a harbinger of prosperity and civilization, promoted the issuing of bonds to finance the railroad. Douglas County subscribed for \$300,000, Franklin County called for \$200,000 and Anderson County committed to over \$100,000.

Working at a frenzied pace, railroad civil engineers and construction crews graded rail bed and laid track from south of Lawrence to Ottawa. As the construction continued, arguments persisted over railroad financing. To meet financial obligations and secure more bonds, the railroad had to be in Ottawa by the end of the year.

On January 1, 1868, 'Ottawa,' a steam locomotive, pulling three freight cars and a passenger car, rolled into the village of Ottawa, Kansas. It was a spectacular site and a festive occasion. Many believed the town would witness unheralded prosperity and affluence. Ambitious men gambled on the success of the railroad and constructed new hotels, buildings and shops.

As railroad construction continued, people marveled at the speed and agility at which the track was laid. By early 1869, the railroad had arrived in the small town of Garnett. The Garnett Plain Dealer reported that it was 'a new era in the business and commercial interest of our town and county' and 'all branches of trade and industry have received a new impetus here in consequence of the iron horse'.

Work started on new hotels, restaurants, shops and offices. Locomotives hauled in the newest farm equipment, Chicago dry goods, daily newspapers and mail. As immigrants arrived by the hundreds, the tiny

settlement, founded by the Kentucky Free-soilers in 1857, rapidly grew to over 2,000 people. Plans were quickly made to acquire an additional 80-acres for Garnett's expansion.

After Garnett, LL&G work gangs laid track south to Iola, Chanute and Coffeyville, while politicians and financiers called for additional monetary support. The LL&G went bankrupt, along with hundreds of other railroad companies, in the Great Panic of 1891. The LL&G was purchased by the Atchison, Topeka and Santa Fe Railroad Company in 1899. For over 90 years, Santa Fe Railroad owned and operated the railroad and in 1990 sold the line to KCT Railway Corporation.

In May, 1990, KCT Railway filed for abandonment. The Interstate Commerce Commission (ICC) approved the abandonment in November, 1990. In December of 1990, KDWP [Kansas Department of Wildlife and Parks] filed a public use condition with the ICC and began negotiations with KCT Railway to railbank the right-of-way. Final agreement was reached in 1992 and the deeds were filed in May transferring title of the railroad corridor to KDWP for development into a recreational rail-trail.

REPORT STRUCTURE

Background

Before there can be a "rail-trail" there has to be a railway. It is from this existing railway bed that the trail is developed. So why is that railway bed there in the first place? The first section of Chapter 2 briefly explores the history of the railroad, and the abandonment process that makes the development of rail-trails possible.

Now that a rail-trail is possible: what is it, how did the concept begin and what is the best way to start a conversion project? Chapter 2 answers these questions and explains the importance of citizen participation, responsible use, methods of analysis and available funding sources.

The Research Project

The methodology chapter introduces the research project and provides information regarding the economic value of preserving the rail corridor. This is followed by the results chapter which outlines the sample population, method of analysis, adjustments made and results of analysis for each area studied. The final conclusion chapter proposes considerations for future studies of this nature, provides a summary of the study results and reflects on the outcome of the research project.