

## **WRITTEN TESTIMONY**

Hearing of the U.S. House Subcommittee on Energy and Mineral Resources

Sarah Shrader

Owner and Co-Founder, Bonsai Design

President, Outdoor Recreation Coalition of the Grand Valley

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Chairman Lowenthal, Ranking Member Gosar, and distinguished Members of the Subcommittee, thank you for the opportunity to appear before you to discuss rural economic change in Western Colorado. I live in Grand Junction, which is the largest community between Denver and Salt Lake City. This “Grand Valley,” in Mesa County, Colorado — with Palisade to the east and Fruita to the west — is defined by vast red rocks and high desert vistas, an 11,000-foot snow-capped mesa home to 300 natural lakes, with the mighty Colorado and Gunnison Rivers flowing through its heart. The Grand Valley has been on the leading edge of a change that is playing out in rural communities across the western United States.

### **Economic History on the Western Slope**

Like many other western communities, our area has had an unsteady economic history throughout the 20th century, driven largely by the extractive fossil fuels industry. Historically, this industry has been the core economic driver in our community. This sector of economic activity has included oil, gas, shale development, coal mining, and the mining and milling of uranium and vanadium. Each of these waves of extractive development has provided jobs and prosperity when commodity prices have been high. Each period of prosperity has been followed by the inevitable bust when commodity prices fall or policies change. The damage in lost jobs, income, and associated social problems puts a tremendous strain on the community. This boom-and-bust cycle of extraction has taken a toll on not only the economy, but also the psychology of our community. Bust cycles create a sense of hopelessness that persists even into boom cycles, because it trains us to believe that economic prosperity is temporary. Furthermore, the pollution and other impacts to public land from the extraction industry threaten the quality of life and environmental attributes that are so closely connected to our region's emerging economic success as a center for outdoor recreation and magnet for new industries such as tech or advanced manufacturing.

The results over time have been devastating. Mesa County's median household income is \$13,000 below the state average. Fifty-six percent of jobs here pay less than \$17.50 per hour. A full 22 percent of children here live in poverty, compared to 15 percent for the state. And the cycle is very hard to break. Without quality workforce, it's hard to grow the economy, which makes it hard to improve schools, which makes it harder to improve the workforce. Furthermore, an inadvertent consequence of dependence on an extraction economy is that it temporarily diminishes the importance of diverse skill sets and a post-secondary education. Over time, communities like these end up with significantly less of the workforce having a higher education. Locally, the number of kids graduating high school who obtain any kind of post-secondary education is 20 percent below the national average. In a time when companies chase a skilled and educated workforce, we are at a significant competitive disadvantage.

Like many states in the U.S., Colorado's rural areas are struggling. Rural economies often depend on one industry. If that industry suffers economically, the entire community is left without a contingency plan. Sustainable economic success comes from a diversified economy, and many rural communities across the United States have not had these opportunities. Businesses are incentivized to grow and relocate to urban and suburban areas where there is a better workforce and more infrastructure and commerce. But this has left large swathes of our country, mostly in rural areas, behind.

The economic reliance on extraction industries — and the inevitable boom-and-bust cycle accompanying it — has been changing here in the past few years. A new trend is emerging as the Grand Valley shifts toward an outdoor-centric identity and economy that has potential to break the insidious cycle of poverty described above.

## **Bonsai Design**

In 2004, my family relocated to Grand Junction when my husband was offered a job as an airline captain with a regional airline. Shortly after, we started Bonsai out of our basement, deploying a small crew in the field to build aerial adventures, from ziplines to challenge courses, playgrounds, and canopy tours all over North America. To date, we've installed more than 500 ziplines, drawing tens of thousands of adventure seekers each year. We are a turnkey operation, providing everything from concept design to engineering, installation, training, inspections and maintenance, and component manufacturing.

As our company grew and the North American aerial adventure industry flourished, we began innovating, testing, and manufacturing our own components like braking systems, trolleys, and other equipment. We also have been a part of developing and creating regulations for safety and participant experiences in the United States. Our company continues to grow, designing and constructing projects across the country, and becoming a leader in creating standards and efficiencies within the industry. Our notable projects include the Boy Scouts of America Jamboree site at the Summit Bechtel Reserve in Mt. Hope, West Virginia, where we built 26 courses between 2011-2013. To this day, that property has the most ziplines in one place in the world. We also have built our courses in ski areas all over the country. Currently, we are working with several municipalities, including the City of Rocklin, California and the City of Farmington, New Mexico, as they work to rebrand their communities as outdoor adventure hubs in their regions. These communities, too, have long been dependent on extraction and are now diversifying.

Bonsai currently has over 50 people on the payroll, with 24 based at our headquarters in Grand Junction. Most of our employees are hired locally, with a talent pool emerging from outdoor enthusiasts as well as energy and construction workers. We are also proud to work with local fabricators, machinists, and engineers to create inspiring adventures for participants. Many highly skilled vendors, subcontractors, and workers who have historically worked for the oil and gas industry are now working with Bonsai.

And we are not alone in building an emerging growth company in the Grand Valley. From manufacturers like Leitner-Poma and MRP, to agritourism businesses like Rooted Gypsy Farms and Carlson Vineyards, to service providers like Powderhorn Mountain Resort — the outdoor recreation industry is a growing force in Western Colorado. In the Grand Valley alone, the outdoor industry contributes more than \$300 million annually to the local economy, providing thousands of jobs.

## **The Outdoor Recreation Industry in Colorado**

The outdoor recreation industry is a \$62.5 billion dollar industry in Colorado alone, employing about 511,000 Coloradoans.<sup>1</sup> Meanwhile, the entire energy sector generates about \$14.9 billion and creates jobs for about 274,000 people.<sup>2</sup> In Mesa County, the oil, gas, and mining sector currently accounts for only about 3 to 4 percent of local employment.<sup>3</sup> There has been a statewide effort to develop our outdoor recreation economy, and Colorado was one of the first states in the nation to establish an Office of Outdoor Recreation to nurture the industry. Now there are over ten similar offices in other states, and they are working together nationally to develop best practices in helping states and communities diversify their economies with outdoor recreation. Parks and protected public lands form a critical infrastructure for this emergent sector.

In cooperation with and complementary to these statewide efforts, we developed a local Outdoor Recreation Coalition (ORC) to encourage and educate local elected leadership to the important role that the outdoor recreation industry could play in diversifying our economy and improving health and wellness. The ORC is a grassroots organization that represents a voice for not only outdoor recreation manufacturers, service and event providers, and retailers, but also for those who envision our valley developing into a thriving and vibrant economy for young families and growing businesses to relocate. Our mission is to expand and enhance the economy of the Grand Valley through collaborative support and promotion of outdoor recreation businesses and resources.

During the ORC's first year, we worked on recreational development along the Colorado River and efforts to increase world-class mountain bike trails, as well as the recruitment of new businesses into the area. We were the first coalition of this kind in the state, and almost immediately accrued statewide recognition. When we connected with Luis Benitez, Director of Colorado's Outdoor Recreation Industry Office, the ORC became an example of what we could do across the state in rural communities to promote the outdoor recreation industry and help rural economies grow and thrive. We have built relationships with then-Governor John Hickenlooper, Senators Michael Bennet and Cory Gardner, and current Governor Jared Polis, who have encouraged the promotion of the outdoor recreation industry and rural economic development.

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<sup>1</sup> <https://cpw.state.co.us/Documents/Trails/SCORP/Final-Plan/SCORP-AppendixF-EconomicContributions.pdf>

<sup>2</sup> <https://www.colorado.gov/pacific/energyoffice/energy-colorado>

<sup>3</sup> <https://www.coloradomesa.edu/business/documents/mesa-county-economic-newsletter-q4-2018.pdf>

A business climate analysis in 2015<sup>4</sup> found that Mesa County possesses qualities unique to its location that are hard to duplicate and highly valued by local businesses. These include a strong sense of place; unique physical region; and outdoor activities such as river sports, skiing, climbing, hiking, camping, road biking, and mountain biking. Further, 74 percent of the county is public land. The nearby opportunities for outdoor activities not only bring people and companies to the area, but also make Mesa County a unique place to live. Our public lands have fueled growth in the outdoor recreation sector, and the access that we enjoy to the outdoors will continue to make our area a desirable place to live.

Outdoor recreation is not only a robust sector, but a growing one. Since 2014, total economic output and tax revenue from outdoor recreation in Colorado nearly doubled, and jobs increased by almost 200,000. Outdoor recreation is ingrained in Colorado's culture, landscape, and quality of life, as well as its economic stability.<sup>5</sup>

The irony in Grand Junction is that we have focused below the surface of the land to find economic prosperity. It has given some, yes; but as we have learned, it was a Faustian bargain. With a pivot to outdoor recreation, we are now looking at a sustainable use of our lands to drive the economy — without the punishing boom-and-bust vagaries of an extraction economy.

Parks and protected public lands form a critical infrastructure for this emergent sector. And the threat of climate change poses an existential risk to the outdoor recreation industry, with our winter recreation sports already significantly impacted, losing an estimated \$154 million in lost revenue and 1,900 fewer jobs statewide in low snowfall years<sup>6</sup>.

This growth in the local outdoor recreation industry occurred in tandem with development in our local higher education opportunities. Our community is home to one of the nation's fastest growing institutions of higher learning, Colorado Mesa University, which now serves over 11,000 students each year. Naturally, a thriving university plays a critical role in diversifying our economy, enhancing the vibrancy of our town, and helping employers like Bonsai have access to top-notch talent across a variety of academic programs. It's not a coincidence that students from all over the country choose CMU so they can paddle the river and bike our trails. Recreation has become increasingly important to such students, and our incoming workforce in general. Doctors, executives, software developers, and business owners are now choosing communities with wild spaces ripe for recreation over higher paying jobs in urban areas. The quality of life an outdoor-centric community provides is compelling for the emerging workforce.

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<sup>4</sup> <https://www.gjcity.org/contentassets/b29a975bdf804d5aa8ad258be6eb5b36/northstarreport.pdf>

<sup>5</sup> <https://cpw.state.co.us/Documents/Trails/SCORP/Final-Plan/SCORP-Executive-Summary.pdf>

<sup>6</sup> <https://protectourwinters.org/take-action/pow-colorado/>

## **A Different Path: Riverfront Development**

In addition to providing local jobs, the outdoor recreation industry is leading efforts to redevelop and ignite Grand Junction's riverfront on the Colorado River. Long neglected and blighted, the riverfront was populated with junkyards, abandoned equipment, and an old uranium mill and Superfund Site. The community has worked hard to redevelop the riverfront, establishing a Riverfront Trail and encouraging parks and redevelopment.

A central piece of the transition for our river has been the Riverfront at Las Colonias Business Park. With the City of Grand Junction, Bonsai is working to turn a barren stretch of land that was once home to literally tons of uranium mill tailings into a 15-acre business park featuring outdoor industry businesses like Bonsai Design, along with an amphitheater, green space, river recreation area, and boat ramp. Soon, it will also have a zipline over the Colorado River. This public-private partnership will attract other outdoor businesses and provide a space for residents and visitors alike to come together and enjoy the outdoors right in the heart of town.

## **Summary**

Our community understands that the key to wealth is diversifying our economic base. Energy, tech, health care, and manufacturing jobs are crucial to economic vibrancy on the Western Slope. And these industries have a workforce that demands access to recreation and the outdoors — both of which the Grand Valley has in abundance. We will continue building connections to our outdoor amenities and protecting the public lands that surround us in order to invest in our economy and the next generation. The outdoor recreation industry brings pride and opportunities back to a community that has struggled for decades. Even at a time when legacy industries, such as coal, are in decline, we are optimistic about what our future will look like.

Thank you for your time today.