Tourism and Recreation
November 28th, 2016
5:00 p.m. – 7:00 p.m.
Mesabi Station

In Attendance: Beth Pierce, Jim Makowsky, Mary Finnegan, Sara Ferkul, Larry Killien, Chelsea Thompson, Kim Sampson, Dave Setnicker and Jane Serrano

Appointing a New Chair: Jim Makowsky

October 20th Follow Up: Possibly partnering with the MN Arrowhead Association, this is moving forward. Registering people starting at the first of the year. New information is soon to come. This event will be open to the public.

Discussion on hosting a PR campaign to educate the residents and business owners on the importance of tourism. Jim provided some sample language that can be used for an RFP. Leaving very specific information out and letting the different agencies lead the way, to see a general direction they would like to go, may be an option. It was also discussed that by doing that it may open it up to go in a direction that we may not want it to go in. Also, putting an actual cost estimate may bring more agencies in when they know prior what the cost is. There is a need for this education to be on the Iron Range, possibly focus more on business owners, maybe by opening their eyes a bit it will encourage residents to be more open to tourism in this area. There is a misunderstanding of the tourism message on the Iron Range. An RFP may be the first step in the branding of the Iron Range. Will be circulating the language sample for the RFP to all of the committee members and receive feedback, a decision will be made after that.

Larry's example to show business owners the impact of tourism, he was at an event, everyone that came to the event exchanged their money in for $2 bills, at the end of the weekend, business owners were asked if they have gotten any. The response was huge to see the impact. ReGen is also working on a shop local initiative.

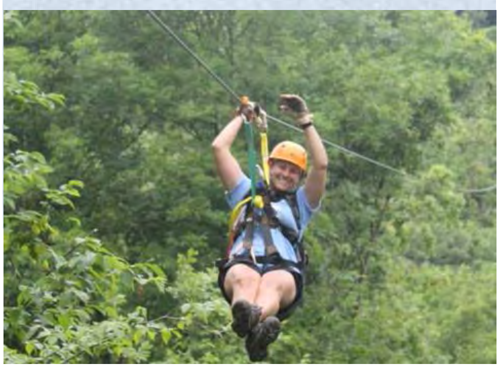
Discussion about inviting Linda Kratt to our next meeting. See what worked and what didn't work for Cook County. Speak with other chambers and visitor centers to see what they have done.

Community Calendar: It is recognized as being a large monster to tackle. The problem is getting people to submit events to the calendar. ReGen can't take this on at this time. They would be willing to help but it can't go on their website or managed by them. Invite Hometown Focus to the meeting to see what they would need for their efforts to be more successful.

Biwabik Inn: The city of Biwabik has made a resolution to look at the old city hall to make it a hostel. The structure is being reviewed. DSGW has also jumped in. It is currently in front of the East Range Joint Powers Board for a funding opportunity. The city of Biwabik wants Giants Ridge to play a part in this and endorse the lodging option. The city will be applying for grants for design work.

Next Meeting:
January 9th, 2017
Mesabi Station
5:00 p.m. – 7:00 p.m.

Iron Range Resources & Rehabilitation Board



The Economic Impact of Leisure & Hospitality in IRRRB Service Area

A report on the current state of the leisure and hospitality industry, trends in the industry over the past ten years, and estimated economic impact and value of leisure and hospitality within the IRRRB Service Area going forward.

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March 2015

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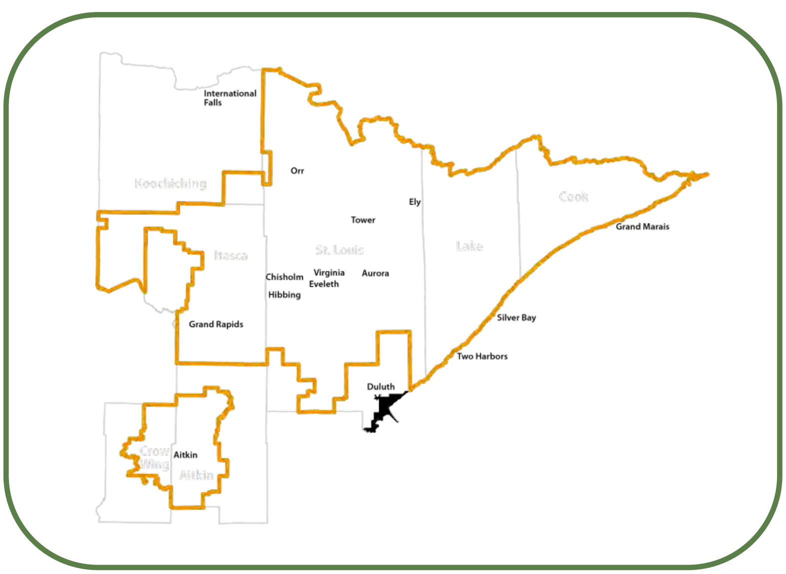
PROJECT DESCRIPTION

The Northspan Group (Northspan) and the University of Minnesota Duluth Labovitz School of Business and Economics' research program, the Bureau of Business and Economic Research (BBER) were asked to study and report on the significance and effect leisure and hospitality has on the economy in the Iron Range Resources & Rehabilitation Board's service area. Tourism, commonly referred to as leisure and hospitality, represents a regional economic cluster that is probably least understood in terms of its magnitude on the area's economy. To date, leisure and hospitality studies have been limited to specific project impacts or have been undertaken by Explore Minnesota Tourism on a broader regional basis, typically involving the regions of Northeast, Northwest and North Central Minnesota. The Iron Range Resources & Rehabilitation Board (IRRRB) and its partners recognize the lack of current industry information, both regionally and sub-regionally, and are taking steps to complete a more detailed assessment of this important economic resource, its value and impact.

In this report our research team describes the current state of the region's leisure and hospitality industry, highlights trends over the last ten years, and estimates the economic impact and value of leisure and hospitality in the IRRRB service area going forward. We have established a baseline of information from which IRRRB staff will be able to monitor, compare, measure, and make future investment decisions related to: promotion and marketing; facilities/destination development; subsidies for public infrastructure; and other private development needs. The baseline assessment measures variables, such as tax revenue, jobs, and income, both current and historical as well as analyzes and interprets trends in this economic sector. This level of information will aid IRRRB in planning, prioritizing, and budgeting future leisure and hospitality investments within the IRRRB service area.

The geographic study area for this analysis consists of all or parts of Aitkin, Cook, Crow Wing, Itasca, Lake, and St. Louis counties in Minnesota. No source generates data specific to the school district boundaries that make up the IRRRB service area within those six counties. However we removed Duluth, Hermantown, Baxter, and Brainerd to provide the best representation of the cluster and established 2012 as a baseline for the most recent year with available, consistent data.

Figure 1: Study Area, IRRRB Service Area



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EXECUTIVE SUMMARY

The leisure and hospitality industry in the IRRRB service area has an economic impact of nearly $1 billion and contributes to the creation of more than 13,600 jobs in the region. Leisure and hospitality-related spending[1] contributed approximately $493 million in wages, rents, and profits to the region. The sectors with the largest economic impact in the IRRRB service area include food services and drinking places followed by hotels and motels.

An analysis of the leisure and hospitality gross sales in the IRRRB service area indicated *minimal to no growth* between 2003 and 2012. While those businesses experienced a compound annual growth rate overall of 2.29%, the net *loss* in purchasing power was minus 0.19%[2]. That compares to net growth of 1.6% across Minnesota and 1.87% in Duluth and Hermantown.

Annual growth in gross sales in the amusement, gambling, and recreation sub-sector decreased 1.77%. The net loss in purchasing power was minus 4.24%. In the accommodations subsector, the IRRRB service area realized a 3.29% annual increase getting a boost from hotel and bed and breakfast operations. Net growth, however, was only 0.82%. Food services and drinking places experienced annual growth of 2.18%, but had a net loss of 0.29%.

We focused our analysis of gross sales on amusement, gambling, recreation, accommodation, food service and drinking places because the Minnesota Department of Revenue had incomplete data for the

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[1] Please note that while the sectors included in this analysis are all leisure and hospitality-related, the total spending includes spending by residents of the region, and is not limited only to spending from tourists.

[2] This figure was achieved by calculating the compound annual growth of gross sales from 2003-2012, factoring the consumer price index (inflation) at the beginning and end of the decade, resulting in net growth or loss in purchasing power.

region for performing arts, spectator sports, museums, and historical sites (see Table 1). We conducted several interviews to ascertain a sense of how those industries fared in the last ten years. We learned museums and historical sites in general are hurting. Many are aging; resources to reinvest are limited. There were pockets of financial stress in accommodations, particularly for resorts. Generally industry leaders said the unpredictability and impact of weather year-round, struggles with profitability, and the economic recession certainly left their mark.

Demographers and economic trend analysts use the North America Industry Classification System (NAICS) to measure industry's health by collecting, analyzing, and publishing statistical data. The leisure and hospitality industry is broken down in five categories or subsectors.

Table 1 – NAICS 700 Series Gross Sales, 2003-2012

NAICS 700 Series Gross Sales, 2003-2012		
NAICS 3-Digit Classification (2012)	**AREA COUNTIES**	**IRRRB SERVICE AREA**
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	$7,939,563	$6,275,991
712 MUSEUMS, HISTORICAL SITES, SIMILAR**	$930,601	$213,330
713 AMUSEMENT, GAMBLING, RECREATION	$85,885,873	$53,409,364
721 ACCOMMODATION	$279,411,991	$190,330,195
722 FOOD SERVICES, DRINKING PLACES	$475,666,756	$265,665,190
Grand Total	**$849,834,784**	**$515,894,070**
NAICS 3-Digit Classification (2003)	**AREA COUNTIES**	**IRRRB SERVICE AREA**
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED*	$1,707,099	$1,006,524
712 MUSEUMS, HISTORICAL SITES, SIMILAR**	$574,388	$225,689
713 AMUSEMENT, GAMBLING, RECREATION	$83,205,706	$59,871,661
721 ACCOMMODATION	$195,973,114	$141,711,189
722 FOOD SERVICES, DRINKING PLACES	$365,935,319	$214,451,243
Grand Total	**$647,395,626**	**$417,266,306**

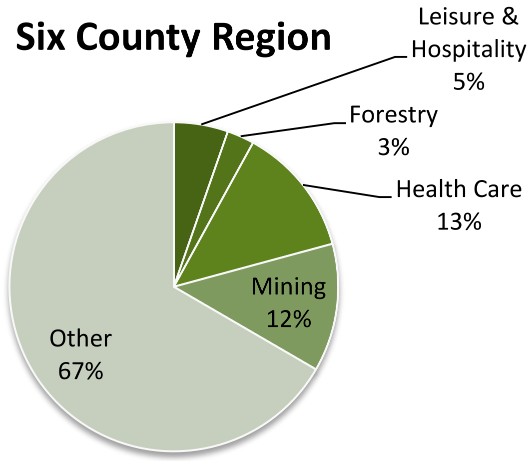
Source: Minnesota Department of Revenue, Tax Research Division

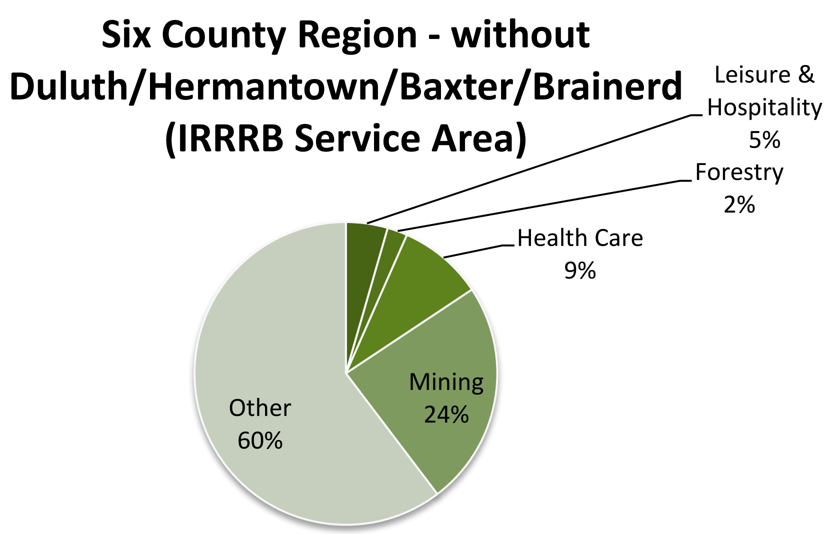
*Data available only for Crow Wing, Itasca and St. Louis County in years 2003; those counties and Aitkin, Cook, and Lake in 2012.

**Data available only for Duluth and St. Louis County

This report also studied the Gross Regional Product (GRP), the market value of all goods and services produced. Figure 2 shows the GRP of the six-county region, and the percent of GRP that each industry contributes. The total for the six-county region is shown, as well as the IRRRB service area which excludes Duluth, Hermantown, Baxter and Brainerd. The differences are striking. Mining represents a much larger share of the IRRRB service area, while health care and "other" industries make up a larger share of the area when Duluth, Hermantown, Baxter and Brainerd are included. The forestry and leisure and hospitality industries are similar in both regions.

Figure 2 – Gross Regional Product – IRRRB Service Area[3] – Percent by Industry





Source: IMPLAN Group, LLC 2012

GROSS SALES ANALYSIS

The research team analyzed gross sales for the leisure and hospitality industry within the six-county study area from historical data provided by the Minnesota Department of Revenue. As stated earlier we separated out data for the Cities of Duluth, Hermantown, Baxter and Brainerd to better reflect the gross sales history for the IRRRB service area. We used 2012 as the base year with the most recent, consistent data across the spectrum.

[3] IRRRB Service Area region resides within Aitkin, Cook, Crow Wing, Itasca, Lake, and St. Louis counties.

The leisure and hospitality industry (NAICS 700 series) in the IRRRB service area took in more than $446 million) in gross sales in 2012, a 22.6% increase in gross sales over ten years. Factor in the Consumer Price Index (CPI) and the compounded annual growth is 2.29% during that period. Table 2 illustrates that increase is markedly less than the growth in Duluth/Hermantown and the State of Minnesota, which realized 4.35% and 4.07% growth respectively after taking into account inflation. Moreover the IRRRB service area is losing its share of total gross sales in the NAICS 700 series in Minnesota. That percentage was 3.6% in 2012, a 14.4% degradation from 2003 when it was 4.2%. And although the IRRRB service area enjoyed a 4.06% increase in total gross sales in all industries after inflation, leisure and hospitality's share of all industry sales in the IRRRB service area dropped from 8.7% to 7.5%, a degradation of 14.3%.

Table 2 – Net Growth in Purchasing Power, NAICS 700 Series & All Industries, 2003-2012

NET GROWTH IN PURCHASING POWER — 2003-2012				
LEISURE & HOSPITALITY GROSS SALES (NAICS 700 SERIES)				
	2003	**2012**	**Compound Annual Growth Rate**	**Net Growth in Purchasing Power**
SIX COUNTIES WHERE IRRRB IS LOCATED	$647,395,626	$849,834,784	3.07%	0.60%
AITKIN	$14,587,132	$20,692,436	3.96%	1.49%
COOK	$42,868,552	$55,099,915	2.83%	0.36%
CROW WING	$148,877,386	$201,073,526	3.40%	0.92%
ITASCA	$58,371,671	$69,252,200	1.92%	-0.55%
LAKE	$28,038,890	$29,804,253	0.68%	-1.79%
ST LOUIS	$354,651,995	$473,912,454	3.27%	0.80%
BRAINERD/BAXTER	$65,146,764	$83,647,151	2.82%	0.34%
DULUTH/HERMANTOWN	$218,157,743	$319,947,497	4.35%	1.87%
MINNESOTA	$8,704,973,035	$12,467,603,066	4.07%	1.60%
IRRRB SERVICE AREA (sans Brainerd/Baxter/Duluth/Hermantown)	**$364,091,119**	**$446,240,136**	**2.29%**	**-0.19%**
ALL INDUSTRIES GROSS SALES				
BRAINERD/BAXTER	$1,264,045,243	$1,547,752,471	2.28%	-0.20%
DULUTH/HERMANTOWN	$4,871,194,597	$5,229,589,989	0.79%	-1.68%
MINNESOTA	$220,419,605,242	$312,838,014,297	3.97%	1.50%
SIX COUNTIES WHERE IRRRB LOCATED	$10,313,303,121	$12,755,229,091	2.39%	-0.08%
IRRRB SERVICE AREA	**$4,178,063,281**	**$5,977,886,631**	**4.06%**	**1.59%**
IRRRB SERVICE AREA COMPARISONS				
	2003	**2012**		**2003-2012**
% OF NAICS 700 SERIES IN MINNESOTA	**4.2%**	**3.6%**		**-14.4%**
% OF IRRRB ALL INDUSTRIES GROSS SALES	**8.7%**	**7.5%**		**-14.3%**

Source: Minnesota Department of Revenue, Tax Research Division

The consistent theme throughout the analysis of gross sales in the leisure & hospitality industry (NAICS 700 series) is the under-performing net growth in purchasing power from 2003 to 2012. The IRRRB service area was a negative 0.19% during that period. Results in each individual county reveal weak to moderate annual growth; Lake County was less than one percent. Aitkin County was the best performer coming in at 1.49% net growth. These numbers contrast with Duluth and Hermantown, which together realized 1.87% net growth in purchasing power and the State of Minnesota, which recorded 1.60% net growth in purchasing power.

The research team attempted to evaluate travel activity associated with leisure and hospitality. However the information needed to conduct that analysis is not available for gross sales. This activity includes passenger transportation by air, water, rail, transit, ground, and scenic and sightseeing, rental and leasing for passenger car, truck, utility trailer, and recreational vehicles, travel agencies, tour operators, other travel arrangement and reservation services, and convention and visitors bureaus. We were able to include these data points in our analysis of the leisure and hospitality labor market and overall economic impact, which can be found later in this report.

NUMBER OF ESTABLISHMENTS

The study team found modest growth in the number of establishments in the IRRRB service area, a 1.5% increase from 2003-2012. Much of this was fueled by Cook County, which realized a 10.7% increase with 112 establishments in 2003 to 124 in 2012. Similar to gross sales, the IRRRB service area's percentage of the number of establishments compared to the State of Minnesota decreased 14.6% during the study period, dropping from 8.3% to 7.1%

Table 3 – Number of Establishments, 2003-2012

ESTABLISHMENTS, 2003-2012			
# OF ESTABLISHMENTS			
	2003	**2012**	**2003-2012 Growth**
AITKIN	82	87	6.1%
COOK	112	124	10.7%
CROW WING	331	353	6.6%
ITASCA	247	254	2.8%
LAKE	100	96	-4.0%
ST LOUIS	871	880	1.0%
COMBINED COUNTY TOTAL	**1,743**	**1,794**	**2.9%**
BRAINERD/BAXTER	117	115	-1.7%
DULUTH/HERMANTOWN	333	366	9.9%
IRRRB	**1293**	**1313**	**1.5%**
MINNESOTA	15,603	18,552	18.9%
IRRRB % OF STATE ESTABLISHMENTS	**8.3%**	**7.1%**	**-14.6%**

Source: Minnesota Department of Revenue, Tax Research Division

PERFORMING ARTS, SPECTATOR SPORTS, AND RELATED INDUSTRIES

Performing Arts, Spectator Sports, and Related Industries (NAICS #711) is defined by four basic processes: (1) producing or presenting events, (2) organizing, managing, and/or promoting events, (3) managing and representing entertainers, and (4) providing the artistic, creative and technical skills necessary to produce live events.

This subsector realized the largest growth of the entire leisure and hospitality industry in the IRRRB service area, although quantifying it presents a challenge. The State of Minnesota Department of Revenue data for gross sales in 2003 and 2006 includes only Crow Wing, Itasca and St. Louis counties, three of the six counties that make up a portion of IRRRB's service territory. In 2004 IRRRB gave a 10% reimbursement on expenditures, up to $200,000 and coordinated a Point-of-Sale discount program at participating businesses to help bring to the region the feature film "North Country", which was filmed in 2004 and released in 2005. The production company was expected to spend up to $2,000,000 in the IRRRB service area. The Minnesota Department of Employment and Economic Development estimates the economic impact of "North County" at $5 million for the entire state. This includes equipment and other items that originated in the Twin Cities and other areas outside the IRRRB service area.

Additional investment in filmmaking in the IRRRB service area continues to draw interest. In December 2012 the IRRRB approved $800,000 for a Film Production Incentive Program and the State of Minnesota reinstated the "snowbate" incentive in 2013. Five feature films were shot in the summer of 2014; more are being planned through 2015.

Another contributing factor in this subsector's growth is the addition of prominent concerts at the Fortune Bay Resort Casino in Tower. Fortune Bay was a bingo hall in 1991 when it began to draw gaming contracts. By 1996 the hotel and conference center were built, opening the door to larger capacity for entertainment. In 2003 Fortune Bay switched its format from blues to classic rock and in no time doubled its audiences for both indoor and outdoor venues.

The impact the resort casino has on the rest of the Iron Range is further augmented by its willingness to partner, such as busing people to other lodging and restaurant establishments during their entertainment events.

Working together with Visit Cook County, the area's leisure and hospitality bureau, is also fundamental to Grand Portage Lodge and Casino's interest in bolstering leisure and hospitality. The lodge and casino, which also has popular entertainment events each month, understandably draws primarily from Thunder Bay, Ontario.

Another factor is the growing popularity of live music events dominating the art scene along the North Shore. Lutsen Mountain is leading the way, bringing in well-known artists who attract a variety of demographics. One of the largest segments of artists and musicians per capita live in Cook County where its marketing organization, Visit Cook County, underwrites music throughout the year.

Spectator sport activity is strong, particularly when hockey tournaments are hosted throughout the area. People are often times turned away from hotels and restaurants due to the popularity of hockey throughout the winter.

MUSEUMS, HISTORICAL SITES, AND SIMILAR INSTITUTIONS

The Museums, Historical Sites, and Similar Institutions (NAICS #712) sub-sector includes zoos, botanical gardens, nature parks and similar institutions.

The research team could not numerically quantify this segment because the gross sales reported to the state came only from Duluth and St. Louis County. However, area leisure and hospitality professionals had plenty to say about the strengths and weaknesses of this cluster. Museums are aging and there is not a whole lot of money to put back into them. While some have scaled back, others are considering collaboration to survive. For example Hibbing had an artist co-op close down in 2014. The Greyhound Bus Museum and Hibbing Historical Society have explored working together in the future.

There are more than 100 sites in the IRRRB service area on the National Register of Historic Places. We include a list of 45 museums and historic sites in the appendix.[4] Success has come to those properties that evolve and continually re-invent themselves. All three historic sites in central Itasca County are vibrant and doing well because they approach their programming with a fresh set of eyes each year. Travelers are not satisfied with seeing the same exhibits and amenities each time they visit a museum. They want to experience the naturalist perspective unique to each venue. This diverse strategy has helped the Forest History Center increase attendance 34% and membership sales 162% in the last year ending June 2014.

Another successful museum is the 660-acre Minnesota Discovery Center (MDC), which ended its fiscal year in June 2014 with more than 30,000 visitors. Drawing from a 60-mile radius, MDC has increased attendance and memberships by leveraging partnerships to attract grant dollars, cultural activities, family programming, and education events with an emphasis on STEM (Science, Technology, Engineering and Mathematics) disciplines such as the annual Science and Engineering Festival and the Iron Range Miners' Expo. MDC has replicated the trolley that once operated between Gilbert and Hibbing, one of its more popular attractions during warm weather months. Investing in infrastructure improvements, technology and social media, MDC has attracted a global audience to its 1.4 million file genealogy database, which tells the compelling story of the Iron Range.

[4] See list of museums and historical sites in the Appendix

Table 4 – Net Growth in Purchasing Power, Individual NAICS 700 Sub-sectors, 2003-2012

NET GROWTH IN PURCHASING POWER, 2003-2012				
	2003	2012	Compound Annual Growth Rate	Net Growth in Purchasing Power
713 AMUSEMENT, GAMBLING, RECREATION				
SIX COUNTIES WHERE IRRRB IS LOCATED	$83,205,706	$85,885,873	0.35%	-2.12%
AITKIN	$743,130	$1,275,394	6.19%	3.71%
COOK	$10,480,000	$12,986,417	2.41%	-0.06%
CROW WING	$17,149,946	$18,295,079	0.72%	-1.75%
ITASCA	$4,582,823	$3,533,538	-2.85%	-5.32%
LAKE	$672,793	$279,481	-9.30%	-11.77%
ST LOUIS	$49,577,014	$49,515,964	-0.01%	-2.49%
BAXTER	$7,394,622	$8,561,020	1.64%	-0.83%
BRAINERD	$2,212,124	$1,721,826	-2.75%	-5.22%
DULUTH	$21,121,921	$30,754,683	4.26%	1.79%
HERMANTOWN	$6,341,130	$2,482,398	-9.90%	-12.37%
MINNESOTA	$1,193,734,281	$1,931,715,289	5.49%	3.02%
IRRRB SERVICE AREA (sans Brainerd/Baxter/Duluth/Hermantown)	**$54,689,163**	**$46,570,170**	**-1.77%**	**-4.24%**
	2003	2012	Compound Annual Growth Rate	Net Growth in Purchasing Power
721 ACCOMODATION				
SIX COUNTIES WHERE IRRRB IS LOCATED	$195,973,114	$279,411,991	4.02%	1.55%
AITKIN	$2,167,582	$3,872,117	6.66%	4.19%
COOK	$24,525,075	$31,708,962	2.90%	0.42%
CROW WING	$49,312,673	$72,768,402	4.42%	1.95%
ITASCA	$16,330,174	$24,772,622	4.74%	2.27%
LAKE	$13,470,582	$17,690,555	3.07%	0.60%
ST LOUIS	$90,167,028	$128,599,333	4.02%	1.55%
BAXTER	$5,776,600	$10,390,212	6.74%	4.27%
BRAINERD	$1,752,939	$4,307,872	10.51%	8.03%
DULUTH	$52,508,986	$84,773,924	5.47%	2.99%
HERMANTOWN	$2,503,722	$3,991,040	5.32%	2.85%
MINNESOTA	$1,403,062,996	$1,969,738,524	3.84%	1.37%
IRRRB SERVICE AREA (sans Brainerd/Baxter/Duluth/Hermantown)	**$137,687,528**	**$184,247,855**	**3.29%**	**0.82%**

	2003	2012	Compound Annual Growth Rate	Net Growth in Purchasing Power
722 FOOD SERVICE, DRINKING PLACES				
SIX COUNTIES WHERE IRRRB IS LOCATED	$365,935,319	$475,666,756	2.96%	0.48%
AITKIN	$11,676,420	$15,539,937	3.23%	0.76%
COOK	$7,863,477	$10,391,919	3.15%	0.67%
CROW WING	$81,548,492	$104,109,986	2.75%	0.28%
ITASCA	$37,333,259	$40,685,459	0.96%	-1.51%
LAKE	$13,895,515	$11,775,102	-1.82%	-4.29%
ST LOUIS	$213,618,156	$293,164,353	3.58%	1.11%
BAXTER	$21,787,635	$29,219,849	3.31%	0.84%
BRAINERD	$25,778,971	$28,902,690	1.28%	-1.19%
DULUTH	$125,705,105	$181,098,876	4.14%	1.67%
HERMANTOWN	$9,371,478	$15,009,415	5.37%	2.90%
MINNESOTA	$5,833,208,960	$8,120,283,072	3.74%	1.27%
IRRRB SERVICE AREA (sans Brainerd/Baxter/Duluth/Hermantown)	**$218,442,579**	**$265,348,031**	**2.18%**	**-0.29%**

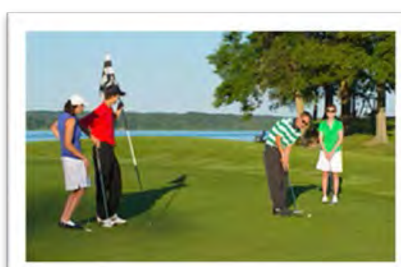
Source: Minnesota Department of Revenue, Tax Research Division

AMUSEMENTS, GAMBLING, AND RECREATION INDUSTRIES

Amusement, Gambling, Recreation Industries (NACIS #713) include amusement parks, casinos, golf courses and country clubs, skiing facilities, fitness centers, marinas, bowling, and other recreational sports centers.

This segment experienced a drop in gross sales during the ten-year period ending in 2012. The compound annual growth rate was a negative 1.77% for the IRRRB service area. The net loss in purchasing power was minus 4.24%. With the exception of Aitkin County, the counties that make up the IRRRB service area realized a net loss in purchasing power especially in Lake County where it was minus 11.77%.

Nearly all recreational entities including bowling centers, casinos and marinas were impacted by a drop in gross sales; the hardest hit venues were golf courses and skiing facilities.



Golf is an important component to leisure and hospitality in Minnesota, generating $2.4 billion to the state’s economy. There are more golfers per capita in Minnesota than any other state in the country. Golfing defined the 1990’s as the up and coming recreation du jour for people young and old. Subsequently 41 new golf courses were built from 2000 to

2006, including The Wilderness at Fortune Bay and The Quarry at Giant's Ridge[5]. Then the bottom fell out. No new courses have been built in eight years, 15 have closed with more expected[6]. Nationally 15 new golf courses were built last year; but 150 closed. The common refrain from operators is that "we have overbuilt."

Nationally the number of golfers dropped 24 percent from its peak in 2002 to 23 million players in 2013. The number of rounds is estimated to have decreased 30% in the last decade. Most of the IRRRB service area reflects a similar trend, where operators report a significant decline in the number of rounds being played at area courses in recent years. One exception: central Itasca County. Working with their lodging partners on discounted package deals on lodging, meals and golf, three operations in the Grand Rapids area have actually experienced increases in outside memberships in each of the last five years. The number of regular members has remained steady during that time. They have also avoided weather damage which has plagued other courses in the IRRRB service area.

While the popularity of skiing nationally plateaued in the late 1970's, skier visits have maintained a slow, steady rate of growth. Regionally snowboarding has broadened the scope of sales at area ski hills[7]. This highly-capitalized sector is greatly impacted by lack of snow or extremely cold temperatures. Unlike snowmobiling and cross-country skiing; however, ski hills are able to make snow extending a relatively short season. There are 40% fewer skiing venues nationally than there were 30 years ago due to consolidation and ski resorts going out of business. With a steady growth of skier visits, the remaining resorts are better able to afford the large capital investment required to maintain their infrastructure.

Source: Charles Skinner, Lutsen Mountains/National Ski Areas Association

There is growing concern that policies that restrict slot sizes and fish limits are impacting businesses dependent on tourists fishing larger lakes. Resort owners on the west end of Lake Vermilion have experienced mid-week cancellations due to unhappy customers who go elsewhere to catch (and keep) more fish. This barrier and the recession also have had an impact on eating places on the lake; 60% have closed their doors since 2009.

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[5] See list of golf courses in the Appendix

[6] Minnesota Golf Association as quoted in Minneapolis StarTribune, "Golf in Minnesota hits tough times for players, courses, Aug 18, 2014

[7] See list of skiing venues in the Appendix

Our culture fully embraces year-round, traditional recreational activities like hunting, boating, fishing, hiking, camping, snowmobiling, and cross-country skiing.[8] Cook County has the most groomed kilometers of cross country ski trails in North America. But how many areas of the country can you also do stand up paddle boarding, snowshoeing rivers and canyons, ice falls climbing, rock climbing, sled-dogging, zip-line and canopy touring, and winter fat tire biking?

Eleven Indian tribes in Minnesota operate 18 casinos including the Grand Portage Lodge & Casino in Grand Portage and Fortune Bay Resort Casino in Tower. Although individual casino numbers are not reported, the most recent aggregate total economic impact of those operations on the state is $2.75 billion, generating 41,700 direct and indirect jobs and $150 million in health care benefits.[9]

ACCOMMODATION

Accommodation includes hotels/motels, resorts, bed & breakfasts, campgrounds, and vacation home rentals.

This subsector (NAICS #721) has the second largest economic impact on leisure and hospitality in the IRRRB service area, employing 2,405 people and generating an output of $205,327,697[10]. There was positive net growth in purchasing power across the board, although it was less than one percent in Cook and Lake counties and the IRRRB service area as a whole. Today Cook County has 6,000 'pillows', half of which are located in Lutsen, Tofte, and Schroeder. Yet the county's net growth in purchasing power is just 1.06%. Lake County comes in at 0.83%. Crow Wing, Itasca, and St. Louis counties are reporting negative growth. Resorts in Itasca County suffered a particularly rough year in 2011 when there was a 13% drop in gross sales due to weather damage, leading in part to five resort closures in 2012 and 2013. Resorts in Lake County showed steady growth before falling off 9% the last four years. Aitkin County resorts had strong growth during the period, a 6.99% increase in net growth in purchasing power.

Table 5 – Resort Gross Sales by County, 2004-2012

RESORT GROSS SALES BY COUNTY, 2004-2012				
(in Thousands of Dollars)	2004*	2012	Compound Annual Growth Rate	Net Growth in Purchasing Power
AITKIN	$1,583	$3,177	9.10%	6.99%
COOK	$21,781	$27,946	3.16%	1.06%
CROW WING	$42,941	$47,545	1.28%	-0.83%
ITASCA	$12,819	$13,049	0.22%	-1.89%
LAKE	$7,446	$9,385	2.94%	0.83%
ST LOUIS	$25,996	$29,215	1.47%	-0.64%

Source: Minnesota Department of Revenue, Tax Research Division

*Information for 2003 not compiled due to system changes

8 See list of hiking/ski trails in the Appendix
9 Minnesota Indian Gaming Association
10 Source: IMPLAN, 2012

Most area resorts are small, family-owned properties. Leisure and hospitality leaders say small operators don't believe they can afford to reinvest into their properties. They should be setting aside a portion of their net profits to put back into the business not just to generate re-sale value, but to meet ever-changing needs of travelers. When business slows to a trickle bleeding dry their cash flow or a storm takes them out, the liability coverage is generally not enough to prevent going out of business. Successful hotels, motels, and resorts are putting money back into their operations.

Leisure and hospitality leaders say today's traveler has different expectations. They're seeking amenities of home including comfortable beds, fireplaces, and technology. "They want to unplug from everyday lives, but they don't want to disconnect." Cook County is experiencing these phenomena first hand following the recent deployment of high speed Internet. Baby boomer or millennial, tourists still have a variety of options. They can go up the Gunflint Trail and "unplug" in a yurt or check into one of several five-star hotels along the North Shore.

Overall, the outlook for lodging is positive. Construction has fueled an uptick in business travel. Properties are reporting average daily rates have been going up since 2009. In Itasca County where sales have been flat since the recession was at its highest five years ago, lodging tax revenues were up 9% in a recent report; a significant increase considering the size of that subsector. Lodging gross sales in four of the last five years of the ten-year study period were generally moderate to strong.

FOOD SERVICES, DRINKING PLACES

The food services and drinking places classification is made up of special food services including contractors and caterers, businesses that serve alcoholic beverages, full-service and limited restaurants, cafeterias, grill buffets/buffets, and snack bars.

This subsector (NAICS #722) has the largest economic impact on leisure and hospitality in the IRRRB service area, employing 5,994 people and generating an output of $303,739,263[11]. The compound annual growth rate in gross sales was 2.18% with a net loss in purchasing power of negative 0.29%.

Profitability or cash flow management in this sub-sector is a challenge. While business owners have a passion to go into the restaurant business, they struggle with controlling margins. There are a lot of perishable items in the food business. Franchise owners have district executives helping them manage food costs; mom and pop restaurants don't have that luxury and often times wrestle with profitability. Establishments with alcohol sales do a little better. One success factor is good placement; location is key. Successful rural establishments are able to offset location with good marketing. As challenging operating a restaurant or drinking establishment can be, the industry sub-sector continues to have the largest economic impact on the IRRRB service area.

11 Source: IMPLAN, 2012

LABOR MARKET INFORMATION

Economic Modeling Specialists International (EMSI) is our source for labor market information from the IRRRB service area. EMSI analyzes quarterly census data, extended proprietors, and people who are self-employed to harness the employment picture now and into the future. Again we were able to remove the City of Duluth and the City of Brainerd from the results.

There are 71 job descriptions that make up the travel and leisure and hospitality industry in Table 7. In 2012 there were 12,752 jobs in that sector in the IRRRB service area, 55 more than in 2003 and 114 fewer than in 2009, the height of the recession. The industry, however, is projected to grow 10.7 percent over the next decade from 12,776 employees in 2014 to an estimated 13,839 employees in 2024.

The travel sector indicates scheduled passenger air transportation jobs (NAICS code 481111) will continue to fall off as will travel agencies (561510), motor vehicle towing (488410) and school and employee bus transportation (485410). Taxi service (485310), passenger car rental (532111), and other support activities for air transportation (488190) will see an increase in the number of jobs. Convention and Visitors Bureau employment (561591) saw a slide in 2003-2009, but increased in 2012, and should continue to see a rise in jobs.

Overall job gains in leisure and hospitality sector were realized in sports teams and clubs (711211), theater companies (711110), museums (712110), all other travel accommodations (721199), racetracks (711212), promoters of performing arts without facilities (711320), snack and nonalcoholic beverage bars (722515), rooming and boarding houses (721310), RV parks and campgrounds (721211), and all other amusement and recreation activities (713990). It's expected over the next ten years, those subsectors will continue to show job growth. The industry subsectors that lost jobs from 2003-2012 included cafeterias/buffets (722514), musical groups and artists (711130), drinking places (722410), recreational/ vacation camps (721214), marinas (713930), and promoters of arts with facilities (711310). Over the next decade it is expected promoters of performing arts with facilities will remain flat, while musical groups and artists, marinas, and drinking places will continue to lose jobs.

The 2014 (2012 dollars) average earnings per job is $20,700. The highest paid subsector is mixed mode transit systems (485111) where the average earnings are $73,392. The reported lowest paid subsector is other spectator sports (711219) where the average earnings are $6,179. This industry likely employs a majority part-time workforce.

Table 7 – Labor Market Information, 2003-2024

IRRRB SERVICE AREA LABOR MARKET INFORMATION, 2003-2024												
NAICS	Description	2003	2006	2009	2012	2015	2018	2021	2024	Change	% Change	2014 Earnings per Job
481111	Scheduled Passenger Air Transportation	126	109	102	76	68	60	60	62	(117)	(65%)	$50,953
481112	Scheduled Freight Air Transportation	<10	<10	0	0	0	0	0	0	--	--	$0
481211	Nonscheduled Chartered Passenger Air Transportation	32	<10	<10	<10	<10	<10	<10	<10	--	--	--
481212	Nonscheduled Chartered Freight Air Transportation	0	0	<10	<10	<10	<10	<10	<10	--	--	--
481219	Other Nonscheduled Air Transportation	<10	<10	<10	<10	<10	<10	<10	<10	--	--	--
485111	Mixed Mode Transit Systems	53	30	46	21	12	<10	<10	<10	--	--	$73,392
485210	Interurban and Rural Bus Transportation	<10	<10	16	0	0	0	0	0	--	--	$0
485310	Taxi Service	34	46	39	26	37	37	37	37	10	37%	$19,743
485320	Limousine Service	<10	<10	<10	<10	<10	<10	<10	<10	--	--	--
485410	School and Employee Bus Transportation	238	256	237	269	215	215	211	207	(37)	(15%)	$15,687
485510	Charter Bus Industry	<10	<10	0	<10	<10	<10	<10	<10	--	--	--
485991	Special Needs Transportation	19	17	<10	11	<10	<10	<10	<10	--	--	--
485999	All Other Transit and Ground Passenger Transportation	<10	<10	11	17	40	47	51	55	--	--	$23,609
487110	Scenic and Sightseeing Transportation, Land	0	0	0	<10	<10	<10	<10	<10	--	--	--
487210	Scenic and Sightseeing Transportation, Water	11	15	<10	<10	<10	<10	<10	<10	--	--	--
487990	Scenic and Sightseeing Transportation, Other	0	0	<10	<10	<10	<10	0	0	--	--	--

IRRRB SERVICE AREA LABOR MARKET INFORMATION, 2003-2024												
NAICS	Description	2003	2006	2009	2012	2015	2018	2021	2024	Change	% Change	2014 Earnings per Job
488119	Other Airport Operations	<10	<10	<10	<10	<10	<10	<10	<10	--	--	--
488190	Other Support Activities for Air Transportation	44	56	30	35	41	43	46	49	15	44%	$33,120
488310	Port and Harbor Operations	0	<10	<10	<10	<10	<10	<10	<10	--	--	--
488320	Marine Cargo Handling	24	21	19	<10	<10	<10	<10	<10	--	--	--
488330	Navigational Services to Shipping	<10	0	0	<10	<10	<10	11	12	--	--	--
488390	Other Support Activities for Water Transportation	10	<10	<10	<10	<10	<10	<10	<10	--	--	--
488410	Motor Vehicle Towing	40	34	37	25	26	27	27	27	(11)	(29%)	$20,936
488490	Other Support Activities for Road Transportation	<10	<10	<10	<10	<10	<10	<10	<10	--	--	--
488510	Freight Transportation Arrangement	36	40	35	37	43	46	49	51	7	16%	$44,113
488999	All Other Support Activities for Transportation	<10	<10	<10	<10	<10	<10	<10	<10	--	--	--
532111	Passenger Car Rental	<10	<10	<10	<10	12	14	15	16	3	23%	$25,684
532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing	<10	<10	<10	<10	<10	<10	<10	<10	--	--	--
561510	Travel Agencies	54	37	33	28	20	16	15	14	(53)	(79%)	$52,177
561520	Tour Operators	<10	<10	<10	<10	<10	<10	<10	<10	--	--	--
561591	Convention and Visitors Bureaus	26	20	15	20	28	36	43	51	27	113%	$38,185
561599	All Other Travel Arrangement and Reservation Services	33	<10	<10	<10	<10	<10	<10	<10	--	--	--
711110	Theater Companies and Dinner Theaters	11	11	13	23	35	43	50	57	43	307%	$30,390
711120	Dance Companies	<10	0	<10	<10	<10	<10	<10	<10	--	--	--
711130	Musical Groups and Artists	37	<10	12	19	13	13	12	12	(23)	(66%)	$10,859

IRRRB SERVICE AREA LABOR MARKET INFORMATION, 2003-2024												
NAICS	Description	2003	2006	2009	2012	2015	2018	2021	2024	Change	% Change	2014 Earnings per Job
711190	Other Performing Arts Companies	0	<10	<10	<10	<10	<10	<10	<10	--	--	--
711211	Sports Teams and Clubs	14	17	<10	28	37	42	46	49	38	345%	$24,545
711212	Racetracks	31	55	46	58	52	55	56	57	32	128%	$7,533
711219	Other Spectator Sports	123	89	191	144	154	153	153	153	27	21%	$6,179
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	22	19	30	29	34	34	34	34	(10)	(23%)	$12,055
711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities	30	30	17	20	24	26	28	29	16	123%	$20,909
711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	13	19	11	18	14	16	16	16	2	14%	$16,897
711510	Independent Artists, Writers, and Performers	1,010	1,112	1,015	989	1,006	990	986	985	17	2%	$11,676
712110	Museums	41	44	63	67	101	109	115	121	80	195%	$24,365
712120	Historical Sites	42	46	43	53	61	62	63	63	25	66%	$21,064
712190	Nature Parks and Other Similar Institutions	20	21	<10	<10	<10	<10	<10	<10	--	--	--
713110	Amusement and Theme Parks	55	<10	<10	<10	<10	<10	<10	<10	--	--	--
713120	Amusement Arcades	<10	<10	14	<10	<10	<10	<10	<10	--	--	--
713210	Casinos (except Casino Hotels)	316	337	325	306	310	310	311	310	(6)	(2%)	--
713290	Other Gambling Industries	16	14	<10	<10	<10	<10	<10	<10	--	--	--
713910	Golf Courses and Country Clubs	271	214	217	244	257	266	275	285	(28)	(9%)	$25,553
713920	Skiing Facilities	36	128	89	92	97	97	98	99	6	6%	$17,220
713930	Marinas	72	74	78	55	50	46	45	44	(13)	(23%)	$48,672

IRRRB SERVICE AREA LABOR MARKET INFORMATION, 2003-2024												
NAICS	Description	2003	2006	2009	2012	2015	2018	2021	2024	Change	% Change	2014 Earnings per Job
713940	Fitness and Recreational Sports Centers	79	108	119	105	113	117	122	127	42	49%	$12,701
713950	Bowling Centers	68	53	40	42	47	44	44	44	1	2%	$10,420
713990	All Other Amusement and Recreation Industries	369	360	426	451	522	556	587	615	281	84%	$16,913
721110	Hotels (except Casino Hotels) and Motels	2,401	2,551	2,502	2,438	2,410	2,522	2,604	2,680	201	8%	$21,308
721120	Casino Hotels	14	<10	0	0	0	0	0	0	--	--	$0
721191	Bed-and-Breakfast Inns	46	48	50	57	59	53	50	48	(1)	(2%)	$11,731
721199	All Other Traveler Accommodation	299	358	388	494	549	616	660	699	439	169%	$42,366
721211	RV (Recreational Vehicle) Parks and Campgrounds	113	117	111	131	141	156	165	173	84	94%	$29,395
721214	Recreational and Vacation Camps (except Campgrounds)	327	324	262	277	227	219	217	217	(90)	(29%)	$23,672
721310	Rooming and Boarding Houses	82	58	80	118	141	155	165	173	87	101%	$23,151
722310	Food Service Contractors	252	188	184	210	226	235	241	246	22	10%	$15,298
722320	Caterers	105	84	65	91	106	121	131	140	(1)	(1%)	$20,728
722330	Mobile Food Services	20	11	21	20	17	20	22	23	4	21%	$16,070
722410	Drinking Places (Alcoholic Beverages)	859	702	675	544	530	491	483	483	(469)	(49%)	$12,581
722511	Full-Service Restaurants	2,682	2,824	2,789	2,876	2,831	2,906	2,930	2,944	466	19%	$16,476
722513	Limited-Service Restaurants	1,814	1,822	1,782	1,923	1,905	1,940	1,968	1,993	267	15%	$13,691
722514	Cafeterias, Grill Buffets, and Buffets	15	0	0	0	0	0	0	0	(20)	(100%)	$0
722515	Snack and Nonalcoholic Beverage Bars	151	214	206	184	223	240	250	258	137	113%	$10,903
	Total	12,697	12,825	12,583	12,752	12,923	13,288	13,573	13,839	1,366		

Source: Economic Modelling Specialists International (EMSI), November 2014

BUSINESS HEALTH ANALYSIS IN DULUTH MN-WI MSA

Bizminer, a national, proprietary industry market analysis tool, aggregates tax returns to measure the health of all industry subsectors. We reviewed leisure and hospitality data for the regional metropolitan statistical area (Duluth MN-WI MSA[12]), targeting typical Iron Range leisure and hospitality businesses in St. Louis County with revenues up to $500,000 a year between 2009 and 2013. We analyzed business revenues, wages and payroll, profitability, liquidity, and debt leverage.

In general, businesses making up to a half million dollars a year in revenue maintained liquidity and reasonable debt leverage the last five years, even for industry subsectors that had experienced reduced profitability. Resorts overall have done quite well, recreational vehicle parks and campgrounds, full-service restaurants, and drinking places face enormous operational challenges as noted earlier.

Performing Arts

- Business revenue increased 2.51%
- Wages/Payroll increased 9.31% indicating creation of jobs in this subsector
- Operations experienced reduced profitability (EBITDA[13])
- Liquidity and debt leverage remained steady

Museums, Historical Sites & Similar Institutions

- Business revenue increased almost 12%
- Wages/Payroll increased 12.56% indicating creation of jobs in this subsector
- Operations experienced reduced profitability
- Operations paid down debt and maintained essentially the same levels of liquidity and debt leverage

Amusement, Gambling & Recreation

- Business revenue is down 1.6%
- Wages/Payroll are down 8.9% indicating lower employment levels
- Business profitability increased 78%; largest increase of period was 2010; a large revenue-producing operation must have opened that year
- Liquidity improved as did debt leverage

Resorts

- Business revenue increased 24.7%
- Wages/Payroll increased 19.4% indicating employment growth
- Business profitability has jumped around, up and down with an overall increase of 17.4%
- Total liabilities are down from a high in 2009, but have increased in 2012 & 2013 indicating new borrowing…most likely capital improvements
- Liquidity has remained steady; debt leverage has decreased

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[12] Duluth MN-WI MSA encompasses Carlton and St. Louis counties in Minnesota and Douglas County, Wisconsin (see Figure 3)

[13] EBITDA is earnings before interest, taxes, depreciation, and amortization

Hotels (Except Casino Hotels) and Motels

- Business revenue was up slightly, 3.31%
- Wages/Payroll was down slightly at 1.1%
- Profitability was down 2.93%
- Total liabilities decreased 31.24% with a 10% increase in 2013 most likely reflecting increased borrowing to support capital improvements
- Liquidity was unchanged
- Debt leverage decreased significantly as operations increased net worth

RV (Recreational Vehicle) Parks and Campgrounds

- Business revenue were down 7.5%
- Wages/Payroll decreased 5.12%
- Profitability remained steady
- Total liabilities decreased 33.12%
- Net worth decreased 13.13%
- Liquidity has been decreasing the last two years
- Debt leverage keeps improving (decreasing)
- Curious what happened in 2011 when a large reduction in debt took place

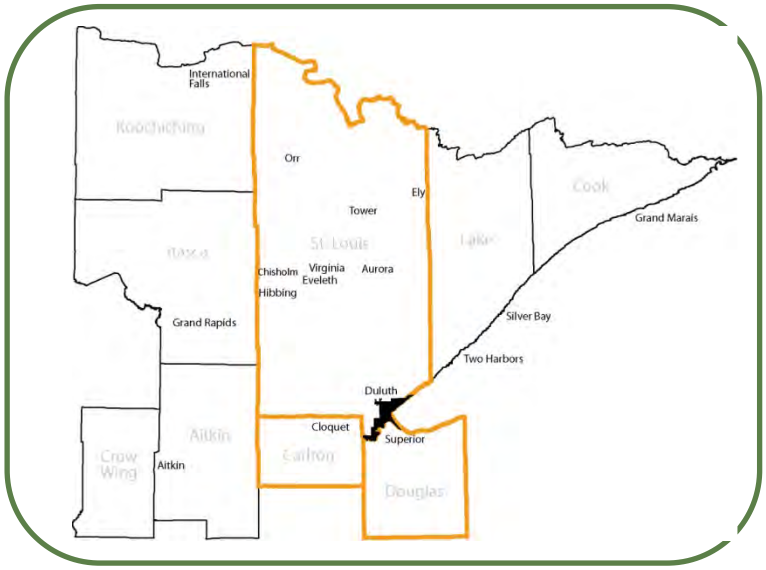
Full-Service Restaurants

- Business revenue decreased 22%
- Wages/Payroll decreased 31% indicating a reduction in employment
- Profitability is down 18%
- Total liabilities decreased 16.5%
- Net worth declined 7.8%
- Financial ratios indicate steady liquidity and debt leverage

Drinking Places

- Business revenues down 17%
- Wages/Payroll down 29.2% indicating employment losses
- Profitability is down 33.8%; 47% in 2013
- Liabilities are down 9.12%
- Net worth unchanged
- Liquidity down slightly
- Debt leverage decreased

Figure 3: Duluth MN-WI Metropolitan Statistical Area (MSA)



ECONOMIC IMPACT

INPUT-OUTPUT ANALYSIS

The mathematical input-output model used to estimate impacts in this study uses a matrix representation of the region's economy to predict the effect of changes in one industry on the others and by consumers, government, and suppliers on the economy. Input-output depicts inter-industry relations of an economy. It shows how the output of one industry is an input to each other industry. The matrix of the inputs and outputs shows how dependent each industry is on all the others in the economy, both as a consumer of its outputs and as a supplier of its inputs. Input-output economics has been used to study regional economies within a nation and has been used as a tool for national and regional economic planning. In addition, a main use of input-output analysis is to show the economic impact of a particular industry or group of industries on a specific region. It is this use of input-output analysis that is enacted in this study.

IMPLAN, LLC., [14] is the corporation that is responsible for the production of IMPLAN (IMpact analysis for PLANning) data and software. Using classic input-output analysis in combination with regional specific Social Accounting Matrices and Multiplier Models, IMPLAN provides a highly accurate and adaptable model for its users. The IMPLAN database contains county, state, zip code, and federal economic

[14] IMPLAN is used by state governments and the USDA Forest Service, among others. IMPLAN Group LLC, IMPLAN System (data and software), IMPLAN Group LLC, 16740 Birkdale Commons Pkwy, Suite 212, Huntersville, NC 28078. www.implan.com

statistics, which are specialized by region, not estimated from national averages. These statistics are used to measure the effect of a given change or event on a regional or local economy.

IMPLAN's Social Accounting System describes transactions that occur between producers and intermediate and final consumers using a Social Accounting Matrix. One of the important aspects of Social Accounts is that they also examine non-market transactions, such as transfer payments between institutions. Other examples of these types of transactions would include government to household transfers in the form of unemployment benefits or household to government transfers in the form of taxes. Because Social Accounting Systems examine all the aspects of a local economy, they provide a more complete and accurate “snapshot” of the economy and its spending patterns.

IMPLAN also uses a multiplier model. Multipliers are a numeric way of describing the impact of a change. The Multiplier Model is derived mathematically using the input-output model and Social Accounting formats. Once there is a clear picture of the economy through the Social Accounting Matrix and Multipliers, its behavior can be predicted for a defined event, such as the construction of hotel or resort.

IMPLAN MODELS AND DATA

There are two components to the IMPLAN system, the software and databases. The databases provide all information to create regional IMPLAN models. The software performs the calculations and provides an interface for the user to make final demand changes. IMPLAN software version 3 was used in this analysis.

Comprehensive and detailed data coverage of the IMPLAN study areas by county, and the ability to incorporate user-supplied data at each stage of the model building process, provides a high degree of flexibility in terms of both geographic coverage and model formulation. In this case, it is the definition of the counties in the IRRRB service area, excluding those zip codes in Duluth and Brainerd. Using the IMPLAN software and data, the BBER identified the industry’s proposed expenditures in terms of the sectoring scheme for the model, in producer prices, and in historical dollars based on the year of the model and applied those dollars spent within the study area definition given for the impact analysis.

IMPLAN data files use federal government data sources including:

- US Bureau of Economic Analysis Benchmark I/O Accounts of the US
- US Bureau of Economic Analysis Output Estimates
- US Bureau of Economic Analysis REIS Program
- US Bureau of Labor Statistics County Employment and Wages (CEW) Program
- US Bureau of Labor Statistics Consumer Expenditure Survey
- US Census Bureau County Business Patterns
- US Census Bureau Decennial Census and Population Surveys
- US Census Bureau Economic Censuses and Surveys
- US Department of Agriculture Crop and Livestock Statistics

IMPLAN data files consist of the following components: employment, industry output, value added, institutional demands, national structural matrices, and inter-institutional transfers.

Impacts for the IRRRB leisure and hospitality models used the most recent IMPLAN data available, which is for the year 2012. All impacts are reported in 2014 dollars.

Economic impacts are made up of direct, indirect, and induced effects. The following are suggested assumptions for accepting the impact model:

- IMPLAN input-output is a production-based model.
- Employment numbers (from U.S. Department of Commerce secondary data) treat both full- and part-time individuals as being employed.
- Assumptions need to be made concerning the nature of the local economy before impacts can be interpreted.
- The IMPLAN model used was constructed for the year 2012 (most recent data available).

DEFINITIONS USED IN THIS REPORT

Measures

- **Gross Output**: The value of local production required to sustain activities.
- **Value Added**: A measure of the impacting industry's contribution to the local community; it includes wages, rents, interest, and profits.
- **Employment:** Estimates are in terms of jobs, not in terms of full-time equivalent employees. Therefore, these jobs may be temporary, part-time or short-term jobs.

Effects

- **Direct Effect**: Initial new spending in the study area resulting from the project.
- **Indirect Effect**: The additional inter-industry spending from the direct impact.
- **Induced Effect**: The impact of additional household expenditure resulting from the direct and indirect impact.
- **Multiplier Effect:** The idea that an initial amount of spending leads to increased consumption spending elsewhere.

Location Quotients

- A location quotient is equal to the percentage of a reference region's activity in a particular industry divided by the percentage of activity in that same industry for a larger region, usually the state or nation. The assumptions associated with the location quotient are obviously restrictive. However, if nothing else, the location quotient does provide an indication of the relative concentration of a particular industry in a region. The greater the location quotient value, the more important this industry is to the economic base of the region. What is more, changes in location quotient values over time represent changes in the industry's relative importance to the region's economic base. As such, location quotients are quite valuable as indicators of a region's economic base.

INDUSTRY DEFINITIONS

For this analysis, the following 18 sectors related to the leisure and hospitality industry were included[15]:

332	Transport by air
334	Transport by water
336	Transit and ground passenger transportation
338	Scenic and sightseeing transportation and support activities for transportation
362	Automotive equipment rental and leasing
383	Travel arrangement and reservation services
402	Performing arts companies
403	Spectator sports companies
404	Promoters of performing arts and sports and agents for public figures
405	Independent artists, writers, and performers
406	Museums, historical sites, zoos, and parks
407	Fitness and recreational sports centers
408	Bowling centers
409	Amusement parks, arcades, and gambling industries
410	Other amusement and recreation industries
411	Hotels and motels, including casino hotels
412	Other accommodations
413	Food services and drinking places

RESULTS

Table 8 shows the Value Added, Output, and Employment impacts of the leisure and hospitality-related industry on the IRRRB service area. The Value Added total measure shows that leisure and hospitality-related spending contributed approximately $493 million in wages, rents, and profits to the region. The Value Added total represents the direct value of the wages, etc., plus the additional inter-industry spending that resulted from these wages, plus any additional household spending that resulted from the direct wages and inter-industry spending.

Table 8 – IRRRB Service Area – Leisure and Hospitality Inputs

Impact Type	Value Added	Output	Employment
Direct Effect	$341,733,991	$686,591,930	11,193
Indirect Effect	$75,178,821	$142,323,262	1,306
Induced Effect	$76,225,926	$128,012,343	1,166
Total Effect	**$493,138,737**	**$956,927,535**	**13,665**

[15] Sectors 71, 72 and 73, Breweries, Wineries and Distilleries, typically considered part of the leisure and hospitality-related industry are not included in this analysis because emerging breweries within the IRRRB Service Area had not yet reported data during the study period.

The Output total measure shows that leisure and hospitality-related spending produced nearly $1 billion in local production as part of the regional economy. The Output total represents the direct value of local production, plus the additional inter-industry transactions that resulted from local production, plus any additional household spending that resulted from inter-industry production.

The Employment measure shows that leisure and hospitality directly employed more than 11,000 employees (including temporary, part-time or short-term) in the IRRRB service area. The Employment total of more than 13,600 jobs represents the direct employment in the industry, plus other jobs dependent on, but not part of the leisure and hospitality sector, plus any jobs created by the additional household spending and activity linked to direct and indirect jobs in the leisure and hospitality industry.

The IMPLAN input-output model also provides an opportunity to calculate a multiplier value associated with each of these measures. For example, the employment multiplier for leisure and hospitality in the IRRRB service area of 1.22 indicates that for every job in the leisure and hospitality industry, another .22 jobs are created as the indirect and induced effect of the leisure and hospitality industry's job. In the same way, the model estimates that for every dollar of wages, rents, interest and profits, another $0.44 is generated through indirect and induced effects throughout the economy of the region.

Table 9 – IRRRB Service Area – Direct Economic Impact by Leisure and Hospitality Sectors

Code	Description	Employment	Output	Value Added
413	Food services and drinking places	5,994.19	$303,739,263	$145,277,225
411	Hotels and motels, including casino hotels	1,775.46	$159,472,714	$90,404,062
410	Other amusement and recreation industries	755.40	$27,886,987	$13,462,638
412	Other accommodations	634.32	$45,854,983	$21,711,218
409	Amusement parks, arcades, and gambling industries	613.67	$37,429,405	$20,210,381
336	Transit and ground passenger transportation	375.20	$15,747,007	$8,069,039
402	Performing arts companies	182.71	$4,796,389	$2,100,943
407	Fitness and recreational sports centers	148.00	$3,812,791	$1,524,655
338	Scenic and sightseeing transportation and support activities for transportation	123.70	$9,650,220	$3,816,732
383	Travel arrangement and reservation services	112.64	$15,350,048	$8,385,220
406	Museums, historical sites, zoos, and parks	109.68	$12,892,454	$7,268,047
405	Independent artists, writers, and performers	98.31	$5,873,860	$2,180,631
332	Transport by air	79.68	$22,530,005	$8,763,166
404	Promoters of performing arts and sports and agents for public figures	62.52	$3,043,072	$1,041,763
403	Spectator sports companies	62.46	$2,092,649	$663,799
408	Bowling centers	22.92	$714,937	$414,153
362	Automotive equipment rental and leasing	21.25	$4,269,319	$2,566,260
334	Transport by water	21.07	$11,435,826	$3,874,058
	Total	**11,193**	**$686,591,931**	**$341,733,990**

On the previous page, Table 9 includes a list of the 18 IMPLAN sectors included in the analysis, and the portion of the direct effect that each sector contributes to the region[16]. Sector 413, food service and drinking places, had the greatest impact of any sector in the analysis. This sector alone added nearly 6,000 jobs to the region, contributed more than $300 million in wages, rents, and profits, and produced more than $145 million in local production. Some of the other major leisure and hospitality sectors include hotels and motels; other accommodation; amusement parks, arcades, and gambling industries; and other amusement and recreation industries.

Tables 10 through 12 display the top 10 sectors for Output, Value Added, and Employment, respectively, for the IRRRB service area in 2012. These tables reveal that food and drinking establishments, and the hotel and motel industry remain the sectors with the highest economic impact, even after including indirect and induced effects. Other non-leisure and hospitality sectors shown here include services to buildings and dwellings; imputed rental activity for owner-occupied dwellings; real estate establishments; monetary authorities and depository credit intermediation activities; and electric power generation, transmission, and distribution. These sectors benefit economically as a result of the growth of the leisure and hospitality industry.

Table 10 – IRRRB Service Area – Leisure, Hospitality and Recreation, Top Ten Output, 2012

Sector	Description	Output
413	Food services and drinking places	$318,520,720
411	Hotels and motels, including casino hotels	$163,028,124
412	Other accommodations	$46,188,358
409	Amusement parks, arcades, and gambling industries	$38,529,928
410	Other amusement and recreation industries	$28,459,301
361	Imputed rental activity for owner-occupied dwellings	$25,582,817
332	Transport by air	$23,250,076
383	Travel arrangement and reservation services	$16,657,620
336	Transit and ground passenger transportation	$16,394,656
357	Insurance carriers	$15,295,921

[16] Note that the output, employment, and value-added totals equal the direct effect values from Table 2.

Table 11 – IRRRB Service Area – Leisure, Hospitality and Recreation, Top Ten Value Added, 2012

Sector	Description	Value Added
413	Food services and drinking places	$152,347,135
411	Hotels and motels, including casino hotels	$92,419,601
412	Other accommodations	$21,869,063
409	Amusement parks, arcades, and gambling industries	$20,804,619
361	Imputed rental activity for owner-occupied dwellings	$18,678,218
410	Other amusement and recreation industries	$13,738,926
383	Travel arrangement and reservation services	$9,099,503
332	Transport by air	$9,043,242
360	Real estate establishments	$8,622,070
354	Monetary authorities and depository credit intermediation activities	$8,430,876

Table 12 – IRRRB Service Area – Leisure, Hospitality and Recreation, Top Ten Employment, 2012

Sector	Description	Employment
413	Food services and drinking places	6,288.0
411	Hotels and motels, including casino hotels	1,814.2
410	Other amusement and recreation industries	770.4
412	Other accommodations	638.6
409	Amusement parks, arcades, and gambling industries	631.9
336	Transit and ground passenger transportation	390.9
402	Performing arts companies	203.1
388	Services to buildings and dwellings	153.4
338	Scenic and sightseeing transportation and support activities for transportation	150.7
383	Travel arrangement and reservation services	140.3

VALUE OF MARKETING

While the Iron Range is a brand in of itself, there are several brands in play within the IRRRB service area. For example businesses in the Central and East Range cater primarily to the mining and resort/recreation industries. Branding in the West Range strictly focuses on the resort/recreation demographic.

Yet the industry has found ways to partner. The Taconite State and Mesabi Trails connect these different geographies. Another common denominator is U.S. Highway 169. In partnership with the Iron Range Tourism Bureau, community marketing teams are promoting day trips across the Mesabi Range with a Hwy 169 corridor attractions map.

Explore Minnesota Tourism, the state's office that tracks leisure and hospitality activity, says for every dollar invested in state leisure and hospitality marketing, an estimated $8 in state and local taxes are generated. Travelers spend an average of $84 for every buck invested in promoting the state's leisure and hospitality industry. [17] This spending indirectly supports jobs in other industries.

"The Northeast region had the highest proportion of in-state travelers, especially those from the Twin Cities, when compared with other regions. Northeast region travelers were also more likely to have traveled in Minnesota frequently in the past five years. The incidence of staying in paid accommodations was highest among travelers in the Northeast region.

When compared with travelers in other regions, Northeast region travelers were more likely to be engaged in activities such as: sightseeing or driving for pleasure, driving on scenic byways, hiking, visiting state or national parks, visiting historical sites, taking in city sites, and visiting other [than art] museums. A small number of Northeast region travelers mentioned participating in winter sports – downhill skiing or snowboarding, snowmobiling, ice fishing, and cross-country skiing – although the incidence of participating in winter sports was still higher than among Metro and Southern region travelers."
(Davidson Peterson Associates, 2008)

[17] Source: Pat Simmons, Explore Minnesota Research

ACKNOWLEDGEMENT

The Research Team wishes to thank the following individuals and their organizations for providing support and invaluable information for this report:

- Eric Miller, Arrowhead Regional Development Commission
- Cherie Sonsalla, Ely Chamber of Commerce
- Tim Campbell, Explore Minnesota
- Pat Simmons, Explore Minnesota
- Jeff Johns, Forest History Center (Minnesota Historical Society)
- Bob Villebrun, Fortune Bay Resort Casino
- Billie Carlson, Grand Portage Lodge & Casino
- Craig Pagel, Iron Mining Association of Minnesota
- Drew Digby, Iron Range Resources & Rehabilitation Board
- Brian Hiti, Iron Range Resources & Rehabilitation Board
- Mary Finnegan-Ongaro, Iron Range Resources & Rehabilitation Board
- Steve Peterson, Iron Range Resources & Rehabilitation Board
- Mary Somnis, Iron Range Resources & Rehabilitation Board
- Beth Pierce, Iron Range Tourism Bureau
- Nancy Dougherty, Lake Vermilion Resort & Tourism Association
- Tom Rider and Charles Skinner, Lutsen Mountains
- Scott Harrison, Lutsen Resort on Lake Superior
- Frank Ongaro, MiningMinnesota
- Lisa Vesel, Minnesota Discovery Center
- Butch Eggen, Nelson's Resort on Crane Lake
- Alissa Sundberg, Sawmill Virginia
- Burl Ives, Timberlake Lodge Grand Rapids
- Linda Kratt, Visit Cook County
- Megan Christianson, Visit Grand Rapids

APPENDIX

NAICS 700 Series Gross Sales, 2003-2012		
NAICS 3-Digit Classification (2012)	**AREA COUNTIES**	**IRRRB SERVICE AREA**
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	$7,939,563	$6,275,991
712 MUSEUMS, HISTORICAL SITES, SIMILAR**	$930,601	$213,330
713 AMUSEMENT, GAMBLING, RECREATION	$85,885,873	$53,409,364
721 ACCOMMODATION	$279,411,991	$190,330,195
722 FOOD SERVICES, DRINKING PLACES	$475,666,756	$265,665,190
Grand Total	**$849,834,784**	**$515,894,070**
NAICS 3-Digit Classification (2003)	**AREA COUNTIES**	**IRRRB SERVICE AREA**
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED*	$1,707,099	$1,006,524
712 MUSEUMS, HISTORICAL SITES, SIMILAR**	$574,388	$225,689
713 AMUSEMENT, GAMBLING, RECREATION	$83,205,706	$59,871,661
721 ACCOMMODATION	$195,973,114	$141,711,189
722 FOOD SERVICES, DRINKING PLACES	$365,935,319	$214,451,243
Grand Total	**$647,395,626**	**$417,266,306**

Source: Minnesota Department of Revenue, Tax Research Division

*Data available only Crow Wing, Itasca and St. Louis County in years 2003; those counties and Aitkin, Cook, and Lake in 2012.

**Data available only Duluth and St. Louis County

NET GROWTH IN PURCHASING POWER, 2003-2012				
LEISURE & HOSPITALITY GROSS SALES (NAICS 700 SERIES)				
	2003	**2012**	**Compound Annual Growth Rate**	**Net Growth in Purchasing Power**
SIX COUNTIES WHERE IRRRB IS LOCATED	$647,395,626	$849,834,784	3.07%	0.60%
AITKIN	$14,587,132	$20,692,436	3.96%	1.49%
COOK	$42,868,552	$55,099,915	2.83%	0.36%
CROW WING	$148,877,386	$201,073,526	3.40%	0.92%
ITASCA	$58,371,671	$69,252,200	1.92%	-0.55%
LAKE	$28,038,890	$29,804,253	0.68%	-1.79%
ST LOUIS	$354,651,995	$473,912,454	3.27%	0.80%
BRAINERD/BAXTER	$65,146,764	$83,647,151	2.82%	0.34%
DULUTH/HERMANTOWN	$218,157,743	$319,947,497	4.35%	1.87%
MINNESOTA	$8,704,973,035	$12,467,603,066	4.07%	1.60%
IRRRB SERVICE AREA (sans Brainerd/Baxter/Duluth/Hermantown)	**$364,091,119**	**$446,240,136**	**2.29%**	**-0.19%**
ALL INDUSTRIES GROSS SALES				
BRAINERD/BAXTER	$1,264,045,243	$1,547,752,471	2.28%	-0.20%
DULUTH/HERMANTOWN	$4,871,194,597	$5,229,589,989	0.79%	-1.68%

MINNESOTA	$220,419,605,242	$312,838,014,297	3.97%	1.50%
SIX COUNTIES WHERE IRRRB LOCATED	$10,313,303,121	$12,755,229,091	2.39%	-0.08%
IRRRB SERVICE AREA	**$4,178,063,281**	**$5,977,886,631**	**4.06%**	**1.59%**
IRRRB SERVICE AREA COMPARISONS				
	2003	**2012**		**2003-2012**
% OF NAICS 700 SERIES IN MINNESOTA	**4.2%**	**3.6%**		**-14.4%**
% OF IRRRB ALL INDUSTRIES GROSS SALES	**8.7%**	**7.5%**		**-14.3%**

Source: Minnesota Department of Revenue, Tax Research Division

NET GROWTH IN PURCHASING POWER, 2003-2012

	2003	2012	Compound Annual Growth Rate	Net Growth in Purchasing Power
713 AMUSEMENT, GAMBLING, RECREATION				
SIX COUNTIES WHERE IRRRB IS LOCATED	$83,205,706	$85,885,873	0.35%	-2.12%
AITKIN	$743,130	$1,275,394	6.19%	3.71%
COOK	$10,480,000	$12,986,417	2.41%	-0.06%
CROW WING	$17,149,946	$18,295,079	0.72%	-1.75%
ITASCA	$4,582,823	$3,533,538	-2.85%	-5.32%
LAKE	$672,793	$279,481	-9.30%	-11.77%
ST LOUIS	$49,577,014	$49,515,964	-0.01%	-2.49%
BAXTER	$7,394,622	$8,561,020	1.64%	-0.83%
BRAINERD	$2,212,124	$1,721,826	-2.75%	-5.22%
DULUTH	$21,121,921	$30,754,683	4.26%	1.79%
HERMANTOWN	$6,341,130	$2,482,398	-9.90%	-12.37%
MINNESOTA	$1,193,734,281	$1,931,715,289	5.49%	3.02%
IRRRB SERVICE AREA (sans Brainerd/Baxter/Duluth/Hermantown)	**$54,689,163**	**$46,570,170**	**-1.77%**	**-4.24%**
	2003	**2012**	**Compound Annual Growth Rate**	**Net Growth in Purchasing Power**
721 ACCOMODATION				
SIX COUNTIES WHERE IRRRB IS LOCATED	$195,973,114	$279,411,991	4.02%	1.55%
AITKIN	$2,167,582	$3,872,117	6.66%	4.19%
COOK	$24,525,075	$31,708,962	2.90%	0.42%
CROW WING	$49,312,673	$72,768,402	4.42%	1.95%
ITASCA	$16,330,174	$24,772,622	4.74%	2.27%
LAKE	$13,470,582	$17,690,555	3.07%	0.60%
ST LOUIS	$90,167,028	$128,599,333	4.02%	1.55%
BAXTER	$5,776,600	$10,390,212	6.74%	4.27%

BRAINERD	$1,752,939	$4,307,872	10.51%	8.03%
DULUTH	$52,508,986	$84,773,924	5.47%	2.99%
HERMANTOWN	$2,503,722	$3,991,040	5.32%	2.85%
MINNESOTA	$1,403,062,996	$1,969,738,524	3.84%	1.37%
IRRRB SERVICE AREA (sans Brainerd/Baxter/Duluth/Hermantown)	**$137,687,528**	**$184,247,855**	**3.29%**	**0.82%**

	2003	2012	Compound Annual Growth Rate	Net Growth in Purchasing Power
722 FOOD SERVICE, DRINKING PLACES				
SIX COUNTIES WHERE IRRRB IS LOCATED	$365,935,319	$475,666,756	2.96%	0.48%
AITKIN	$11,676,420	$15,539,937	3.23%	0.76%
COOK	$7,863,477	$10,391,919	3.15%	0.67%
CROW WING	$81,548,492	$104,109,986	2.75%	0.28%
ITASCA	$37,333,259	$40,685,459	0.96%	-1.51%
LAKE	$13,895,515	$11,775,102	-1.82%	-4.29%
ST LOUIS	$213,618,156	$293,164,353	3.58%	1.11%
BAXTER	$21,787,635	$29,219,849	3.31%	0.84%
BRAINERD	$25,778,971	$28,902,690	1.28%	-1.19%
DULUTH	$125,705,105	$181,098,876	4.14%	1.67%
HERMANTOWN	$9,371,478	$15,009,415	5.37%	2.90%
MINNESOTA	$5,833,208,960	$8,120,283,072	3.74%	1.27%
IRRRB SERVICE AREA (sans Brainerd/Baxter/Duluth/Hermantown)	**$218,442,579**	**$265,348,031**	**2.18%**	**-0.29%**

Source: Minnesota Department of Revenue, Tax Research Division

RESORT GROSS SALES BY COUNTY, 2004-2012

(in Thousands of Dollars)	2004*	2012	Compound Annual Growth Rate	Net Growth in Purchasing Power
AITKIN	$1,583	$3,177	9.10%	6.99%
COOK	$21,781	$27,946	3.16%	1.06%
CROW WING	$42,941	$47,545	1.28%	-0.83%
ITASCA	$12,819	$13,049	0.22%	-1.89%
LAKE	$7,446	$9,385	2.94%	0.83%
ST LOUIS	$25,996	$29,215	1.47%	-0.64%

Source: Minnesota Department of Revenue, Tax Research Division

*Information for 2003 not compiled due to system changes

ESTABLISHMENTS, 2003-2012			
# OF ESTABLISHMENTS			
	2003	**2012**	**2003-2012 Growth**
AITKIN	82	87	6.1%
COOK	112	124	10.7%
CROW WING	331	353	6.6%
ITASCA	247	254	2.8%
LAKE	100	96	-4.0%
ST LOUIS	871	880	1.0%
COMBINED COUNTY TOTAL	**1,743**	**1,794**	**2.9%**
BRAINERD/BAXTER	117	115	-1.7%
DULUTH/HERMANTOWN	333	366	9.9%
IRRRB	**1293**	**1313**	**1.5%**
MINNESOTA	15,603	18,552	18.9%
IRRRB % OF STATE ESTABLISHMENTS	**8.3%**	**7.1%**	**-14.6%**

Source: Minnesota Department of Revenue, Tax Research Division

# OF ESTABLISHMENTS (NAICS 700 SERIES), 2003-2012		
AITKIN	2003	2012
713 AMUSEMENT, GAMBLING, RECREATION	6	11
721 ACCOMMODATION	24	21
722 FOOD SERVICES, DRINKING PLACES	52	49
Total	82	87
COOK	2003	2012
713 AMUSEMENT, GAMBLING, RECREATION	8	10
721 ACCOMMODATION	79	87
722 FOOD SERVICES, DRINKING PLACES	25	21
Total	112	124
CROW WING	2003	2012
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	7	23
713 AMUSEMENT, GAMBLING, RECREATION	38	36
721 ACCOMMODATION	108	105
722 FOOD SERVICES, DRINKING PLACES	178	189
Total	331	353
ITASCA	2003	2012
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	4	18
713 AMUSEMENT, GAMBLING, RECREATION	29	23
721 ACCOMMODATION	111	117
722 FOOD SERVICES, DRINKING PLACES	103	96
Total	247	254

LAKE	2003	2012
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	N/A	4
713 AMUSEMENT, GAMBLING, RECREATION	7	5
721 ACCOMMODATION	54	54
722 FOOD SERVICES, DRINKING PLACES	39	33
Total	100	96
ST LOUIS	2003	2012
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	15	64
712 MUSEUMS, HISTORICAL SITES, SIMILAR	13	15
713 AMUSEMENT, GAMBLING, RECREATION	100	91
721 ACCOMMODATION	242	219
722 FOOD SERVICES, DRINKING PLACES	501	491
Total	871	880
BAXTER	2003	2012
713 AMUSEMENT, GAMBLING, RECREATION	6	4
721 ACCOMMODATION	6	8
722 FOOD SERVICES, DRINKING PLACES	23	28
Total	35	40
BRAINERD	2003	2012
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	4	6
713 AMUSEMENT, GAMBLING, RECREATION	9	9
721 ACCOMMODATION	15	9
722 FOOD SERVICES, DRINKING PLACES	54	51
Total	82	75
DULUTH	2003	2012
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	6	32
712 MUSEUMS, HISTORICAL SITES, SIMILAR	7	7
713 AMUSEMENT, GAMBLING, RECREATION	31	31
721 ACCOMMODATION	55	56
722 FOOD SERVICES, DRINKING PLACES	208	208
Total	307	334
HERMANTOWN	2003	2012
713 AMUSEMENT, GAMBLING, RECREATION	7	6
721 ACCOMMODATION	5	4
722 FOOD SERVICES, DRINKING PLACES	14	22
Total	26	32

IRRRB SERVICE AREA	**2003**	**2012**
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	**16**	**83**
712 MUSEUMS, HISTORICAL SITES, SIMILAR	**6**	**8**
713 AMUSEMENT, GAMBLING, RECREATION	**135**	**126**
721 ACCOMMODATION	**537**	**526**
722 FOOD SERVICES, DRINKING PLACES	**599**	**570**
Total	**1,293**	**1,313**
MINNESOTA	2003	2012
711 PERFORMING ARTS, SPECTATOR SPORTS, RELATED	462	2,273
712 MUSEUMS, HISTORICAL SITES, SIMILAR	141	170
713 AMUSEMENT, GAMBLING, RECREATION	2,217	2,296
721 ACCOMMODATION	2,567	2,496
722 FOOD SERVICES, DRINKING PLACES	10,216	11,317
Total	15,603	18,552

Source: Minnesota Department of Revenue, Tax Research Division

Museums and Historical Sites in the IRRRB Service Area[i]	
Aitkin County Historical Society Depot Museum	Aitkin
Aitkin County Historical Society Log Museum	Aitkin
Bay Area Historical Society Museum	Beaver Bay
Soudan Underground Mine State Park	Breitung Township
Hill Annex Mine State Park	Calumet
Minnesota Discovery Center	Chisholm
Minnesota Museum of Mining	Chisholm
Croft Mine Historical Park	Crosby
Soo Line Depot Museum	Crosby
Dorothy Molter Museum	Ely
Ely-Winton History Museum	Ely
International Wolf Center	Ely
North American Bear Center	Ely
Sisu Pioneer Homestead Tours	Embarrass
United States Hockey Hall of Fame Museum	Eveleth
Finland Minnesota Heritage Site	Finland
Iron Range Historical Society	Gilbert
Cook County Historical Museum	Grand Marais
Johnson Heritage Post and Gallery	Grand Marais
Thomsonite Beach Gemstone Museum	Grand Marais
Grand Portage National Monument Heritage Center	Grand Portage
Children’s Discovery Museum	Grand Rapids
Forest History Center	Grand Rapids
Itasca County Historical Society Museum	Grand Rapids
Judy Garland Museum	Grand Rapids
Chik-Wauk Museum and Nature Center	Gunflint Trail
Greyhound Bus Museum	Hibbing
Hibbing Historical Museum	Hibbing
Paulucci Space Theatre	Hibbing
Kabetogama Ranger Station Historic District	Kabetogama
Eli Wirtanen Farm	Makinen
Edge of the Wilderness Discovery Center	Marcell
Cross River Heritage Center	Schroeder
Bay Area Historical Society Museum	Silver Bay
North Shore Commercial Fishing Museum	Tofte
Toimi School Historical Site	Toimi
Bois Forte Heritage Center	Tower
Tower Train and Depot Museum	Tower
3M Museum	Two Harbors
Edna G Tugboat	Two Harbors
Lake County Historical Depot Museum	Two Harbors
Split Rock Lighthouse	Two Harbors
Two Harbors Lighthouse	Two Harbors
Virginia Area Historical Society Museum	Virginia
Kettle Falls Hotel	Voyageurs National Park

Source: The Northspan Group with assistance from IRRRB

Golfing, Skiing, Hiking and Snowmobiling in the IRRRB Service Area	
Golf Courses	
Babbitt Golf Course	Babbitt
Edge of the Wilderness	Bigfork
The Legend at Giants Ridge	Biwabik
The Quarry at Giants Ridge	Biwabik
Vermilion River Greens	Buyck
Eagle Ridge Golf Course	Coleraine
Vermilion Fairways Golf Course	Cook
Cuyuna Country Club	Deerwood
The Lakes at Ruttger's Bay	Deerwood
Ely Golf Club	Ely
Emily Greens Golf Course	Emily
Eveleth Municipal Golf Course	Eveleth
Gunflint Hills Golf Course	Grand Marais
Pokegama Golf Course	Grand Rapids
Sugarbrooke Golf Course	Grand Rapids
Hibbing Municipal Golf Course	Hibbing
Mesaba Country Club	Hibbing
Hoyt Lakes Golf Course	Hoyt Lakes
Lutsen Resort Golf Course	Lutsen
Superior National at Lutsen	Lutsen
Savanna Golf Course	Palisade
Swan Lake Country Club	Pengilly
Silver Bay Golf Course	Silver Bay
The Wilderness at Fortune Bay	Tower
Lakeview National Golf Course	Two Harbors
Virginia Golf Course	Virginia

Downhill Skiing Venues	
Giants Ridge Golf & Ski Resort	Biwabik
Lutsen Mountains Ski & Summer Resort	Lutsen
Hiking/Snowmobile/Ski Trails[ii]	
Boundary Waters Canoe Area Wilderness	Cook, Lake and St. Louis Counties; Superior National Forest
Mesabi Trail	Grand Rapids to Ely
Taconite State Trail	Grand Rapids to Ely
C.J. Ramstad/North Shore State Trail	North Shore from Duluth to Grand Marais
Superior Hiking Trail	North Shore from Duluth to Grand Portage
Voyageurs National Park	Ash River, Crane Lake, Kabetogama
Scenic State Park	East of Bigfork
Giants Ridge Golf & Ski Resort	Biwabik
Soudan Underground Mine State Park	Breitung Township
Big Aspen Trail	Britt
Laurentian Environmental Center	Britt
Sturgeon River Trail	North of Chisholm
Ashawa Cross Country Ski Trails	Cook
Herriman Lake Trail	Crane Lake
Cuyuna Lakes State Trail	Crosby
Larson Lake Forest Recreation Area	Deerwood
Bass Lake Hiking Trail	Ely
Kawishiwi Falls Hiking Trail	Ely
Hidden Valley Recreation Area	Ely
Snowbank Lake Walking Trail	Ely
George H. Crosby Manitou State Park	Finland
Wolf Ridge Environmental Learning Center	Finland
Bally Creek Trails	Grand Marais
Judge C.R. Magney State Park	Northeast of Grand Marais
Pincushion Mountain Ski Trail	Grand Marais
Grand Portage Trail	Grand Portage

Big Ridge Trail	Grand Rapids
Forest History Center	Grand Rapids
Banadad Ski Trail System	Gunflint Trail
Magnetic Rock Trail	Gunflint Trail
Rockwood Lodge Walking Trail	Gunflint Trail
Thistledew Lake Trail	Hibbing
Bird Lake Trail	South of Hoyt Lakes
Flathorn-Gegoka Cross Country Ski Trail	Isabella
Kab-Ash Hiking and Ski Trail	Kabetogama
Deeryard Lake/Cascade River/Lutsen Ski Trail	Lutsen
Suomi Hills Ski Trail	Marcell Township
Gitchi-Gami State Trail	North Shore
North Shore Mountains Ski Trail	North Shore from Tofte to Lutsen
Gheen Hill Trails	Orr
Long Lake Conservation Center & Trail	Palisade
Temperance River State Park	Schroeder
Tettegouche State Park	Silver Bay
Oberg and Leveau Mountains Trails	Tofte
Bear Head Lake State Park	East of Tower
Arrowhead State Trail	Tower to International Falls
Brkki Harju Ski Trail	Two Harbors
Gooseberry Falls State Park	Two Harbors
Split Rock Lighthouse State Park	Northeast of Two Harbors
Lookout Mountain Trail	Virginia

Source: The Northspan Group with assistance from IRRRB

[i] There are more than 100 sites in the IRRRB service area that are on The National Register of Historic Places.

[ii] More than 50 of the hundreds of hiking, snowmobile and ski trails in the IRRRB service area.