

The LANDOWNER & The SNOWMOBILER

—Problem or Profit?



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HARD & COLD

A CONFLICT is growing between landowners and snowmobilers. Many landowners think snowmobiles are a nuisance: noisy; trespassing on private land. Yet some landowners are cashing in on the new and fast-growing sport of snowmobiling by operating snowmobile enterprises. (*Moeller 1969*).

However, there are a few hard and cold facts that the landowner needs to consider before he invests his money in the snowmobile craze. The information presented here is based on case studies of eight commercial snowmobile enterprises in central New York State: on three golf courses, three farms, and two winter-sports areas.

MARKET POTENTIAL

Even though the snowmobile has proved to be of great practical value as a work vehicle, only 1 out of every 20 snowmobiles is used for work. The rest are used for recreation. Since 1962, snowmobile sales have grown at the rate of almost 50 percent each year (*Howe 1969*). Today over one million snowmobiles are operated in Canada and the United States.

The purchase of new snowmobiles has started to decline in some rural areas, and market analysts are now looking toward the urban resident for future sales (*Briggs 1969*). The problem of where to use snowmobiles in or near urban areas is serious. Restrictive zoning, posting of open areas within or near cities, and the time required to get to public snowmobile trails form barriers to participation for the urban snowmobiler. The scarcity of open land may have a significant influence on the future of snowmobiling.

With a growing interest in snowmobiling, and a movement

toward restricting land areas available for snowmobile use, the owner of open land, particularly near urban areas, may be in a position to profitably meet this new type of recreation demand (*Dunn 1970*). However, many things influence the success of a commercial snowmobile enterprise. What role can commercial enterprise play in meeting the growing demand for snowmobile services and facilities?

TYPES OF ENTERPRISES

Three types of commercial snowmobile enterprises were studied: golf courses, farm enterprises, and winter-sports areas.

Golf courses naturally attract snowmobile activity because they are usually located in or near urban areas where open space for snowmobiling is extremely limited. Golf-course facilities can be adapted easily to the needs of snowmobilers. Golf-course employees, who are usually idle during the winter, can be used to repair snowmobiles, maintain snowmobile trails, and enforce rules and regulations. Experienced small-engine mechanics employed during the summer are a particular asset to the golf-course snowmobile enterprise.

Two of the three central New York golf courses studied rented snowmobiles for \$8 per hour. The third did not rent machines, but allowed snowmobilers to use their own snowmobiles on the course for a fee of \$3.50 per day. A fee of \$45, which included machine storage, was charged for a season's use.

The three farm snowmobile enterprises studied were located within a 1-hour drive of Syracuse, New York. Snowmobile enterprises provided farm operators with a supplemental source of income during their idle winter months. Farm operators controlled use of machines by allowing them to be driven only on designated trails. Farm snowmobile enterprise operators found that existing buildings could be adapted to provide basic facilities. They charged a snowmobile rental fee of \$5 per hour or \$20 per day. People owning their own machines were charged \$2 per day.

The two winter-sports areas studied offered an array of indoor and outdoor activities to attract groups ranging from swinging singles to families. Winter activities included snowmobiling, ice-skating, tobogganing, and group sports. Indoor social activities included dances and group parties. However, the main attraction was snowmobiling. Although rental fees varied somewhat with snowmobile size, \$8 per hour was the normal rental fee at both winter-sports areas. Rental of safety helmets, goggles, and snowmobile suits provided additional revenue.

Winter-sports area facilities were also utilized for recreation during the warmer months. One area had been operated as a campground, the other as a social recreation club with facilities for camping, swimming, fishing, and golfing. The advent of the snowmobile—and the resulting winter demand for commercial facilities and services—allowed the operators of these otherwise seasonal commercial recreation enterprises to extend their businesses on an annual basis. Appreciable savings resulted because facilities and labor were utilized more completely throughout the year. Many of the same people who took part in the summer recreation programs also participated in winter programs; however, operators of both areas said that participants in the winter programs tended to be a younger clientele, usually families with small children.

MANAGEMENT PROBLEMS

Several management problems were common to all three types of commercial snowmobile enterprises.

The most frequent problem was that rental machines were difficult to maintain. The enterprise operators felt that excessive machine breakdown was probably due to inexperienced snowmobilers who tended to drive machines too fast over smooth and relatively flat surfaces. One suggested solution to this problem was to restrict rental of machines to licensed automobile drivers, or to people over 16 years of age. An alternative suggestion was to have operators of rental

snowmobiles show financial responsibility by posting a \$20 deposit.

Managers also felt that snowmobile maintenance problems could be reduced by preparing machines for rental. They suggested that rental machines should: (1) not exceed 18 hp; (2) have a track wide enough for stability; (3) be suited for family use; (4) have inexpensive bumpers; (5) be constructed so that the carburetor or motor cannot be tampered with; (6) have grip-bars installed on the rear; (7) have a safety device to disconnect the ignition if the operator falls off; and (8) be equipped with electric starters (fig. 1).

Complaints received by several enterprise operators were due to trespass onto adjoining properties and excessive engine noise. Good neighborly relations are a must for the successful



Figure 1.—The snowmobile presents several management problems for the commercial enterprise operator. Equipping rental snowmobiles with electric starters, grip bars, and inexpensive bumpers will reduce maintenance costs and add to the snowmobiler's enjoyment.

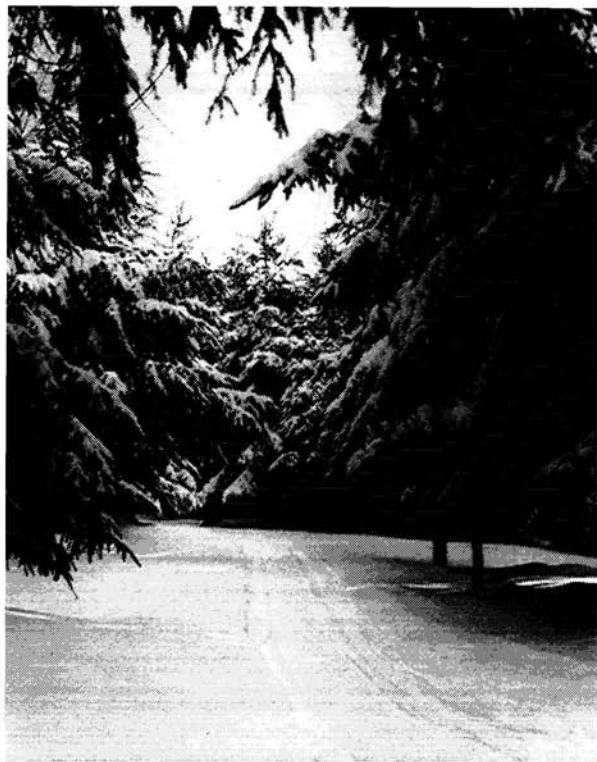


Figure 2.—A snowmobile trail through the woods. Snow cover is easier to maintain on woodland trails than on windswept open ground.

operation of a commercial snowmobile enterprise. Several operators said that community relations could be improved by giving neighbors free use of facilities. Complaints about excessive noise can result in restrictive town zoning; therefore the enterprise operator must be sure that rental snowmobiles are fitted with mufflers that meet state and local noise regulations.

Maintaining suitable trails was a problem. A home-made snowmobile trail leveler can be used to level trails after each snowfall, and to maintain trails through areas of heavy use (*Massie 1970*). Snow cover was usually adequate under tree canopies, but was difficult to maintain on windswept hilltops and over large open areas (fig. 2).

Obtaining the part-time services of a qualified snowmobile mechanic during the winter months was a problem for winter-sports areas and farm enterprise operators. The need for a mechanic was most critical during periods of heaviest demand—evening hours, weekends, and holidays—precisely the times when skilled labor is the most difficult to obtain.

Some managers attributed the destruction of vegetation to excessive use of snowmobiles. This can be a serious problem on golf courses, where fragile greens can be damaged by the concentrated weight of a snowmobile. Fragile vegetation must be protected by fences. However, a snow cover of 6 inches or more is sufficient to protect most grass surfaces from snowmobile damage (*Holyoke 1971*).

WHAT TO CONSIDER

Central New York snowmobile enterprise operators were asked what things should be considered before starting a snowmobile business. The following factors were mentioned most often.

Management Training and Experience

Nothing affects the success of a snowmobile enterprise more than the manager himself. The manager should enjoy serving the public. He must have good relations with his neighbors and community. Previous business experience or training is also important.

The potential manager should learn as much as he can about the snowmobile market and the needs of snowmobilers before he starts his business. He should determine the kind of people he wants to serve and the market clientele his business is likely to attract. He should determine what services and facilities snowmobilers want, and whether or not he can fulfill their needs. He should also consider how much they are willing to pay and should establish the potential profitability of his enterprise before opening for business. Questions about market potential can be partially answered by observing other successful snowmobile enterprises in the vicinity. The manager should subscribe to snowmobile magazines and attend meetings of local and regional snowmobile clubs. Snowmobile dealers can also provide information about the commercial snowmobile market's potential.

The potential manager should be a snowmobiler himself, and should have a first-hand impression of what snowmobil-

ers want. Such experience will also help him to understand the snowmobile's technical capabilities and requirements. Knowledge of this kind will be invaluable when the time comes to lay out trail systems and design facilities. First-hand snowmobile experience will give the potential enterprise operator the basic knowledge he needs to repair and maintain machines. However, the potential enterprise operator should not let his zeal for snowmobiling interfere with making rational business decisions.

The potential commercial snowmobile enterprise operator should be familiar with state laws that deal with snowmobiles, and the operation of commercial recreation enterprises. He should be aware of local zoning and town regulations that govern the use of snowmobiles.

Site Requirements

The commercial enterprise operators agreed that a minimum of 300 acres are required to run a profitable snowmobile business. Ideally, half of the area should be wooded to provide a scenic snowmobiling experience and to help maintain an adequate snow cover on trails. A few open flat areas were recommended, but the enterprise operators cautioned against too much wide open space. They felt that inexperienced snowmobilers tend to drive machines recklessly over wide open areas. Hilly terrain was recommended, but slopes exceeding a grade of 25 percent should be avoided to reduce machine breakdowns, decrease trail maintenance problems, and increase user safety (fig. 3).

Designated trails help to control use and ensure that the snowmobilers will not get lost, injure themselves, damage machines, or harm fragile vegetation. The trail system should be laid out to afford a variety of exposures to the natural surroundings. Interesting natural features, things of historic interest or of educational value, should be considered in laying out the trail system.

Logging roads, firebreaks, foot trails, and unplowed roads can form the basic trail system. Basic trails can be connected with a network of spur trails to provide a circular one-way



Figure 3.—Ideal snowmobile country provides hilly forested land with scattered open areas. One hazard is that inexperienced snowmobilers tend to drive too fast over open areas.

trail system. A one-way loop system, with trails 10 feet wide, provides maximum user safety. Two-way trails should be at least 15 feet wide. Tree branches overhanging trails should be removed to a vertical distance of 10 feet above average snow depth. Brush should be cleared back on both sides of the trail to a distance of 2 feet. Each user should be given a trail map that designates the degree of difficulty of each trail—novice, intermediate, or expert.

Traffic control should be considered in laying out a trail system. Signs, or a system of lights, can be used to control traffic. The trail-marking system should be similar to others used in the region. If trails are to be used at night, markers should be lighted electrically, or covered with a luminescent material. Lights are most effective for directing inexperienced snowmobilers. Yellow lights, mounted on poles, should

be located along trails to caution against excessive speed or to warn of possible danger. Flashing red lights, placed at major intersections, or wherever a complete stop is required, significantly reduce the danger of collisions. Blue lights were used by some commercial enterprise operators to designate picnic sites and other special-use areas located along or near trails.

The snowmobile enterprise may have to operate near free public snowmobile trails. Therefore the quality of commercial facilities and services must be sufficient so that the enterprise can compete with public facilities. Public snowmobile trails need not be looked upon as competition by the commercial operator. Rather, commercial snowmobile enterprises can supplement public trails by supplying facilities and services to accommodate the specialized needs of a particular clientele, such as the novice snowmobiler or the family group.

Commercial snowmobile enterprises should be located near major urban centers—where the need for commercial services and facilities is the greatest. One operator suggested that the enterprise should be located within a 1-hour driving radius of least 100,000 people.

The commercial snowmobile enterprise must be situated in a region of heavy snowfall. Several operators felt that a 10-week season, with a minimum continuous snow cover of 4 inches, would be required to break even on their investments. In regions where adequate snow cover was not consistent through the winter, operators experienced difficulty in maintaining their clientele throughout the season.

Initial Capital Investment

Initial capital investment in the eight central New York commercial snowmobile enterprises ranged from a few thousand to as much as 100,000 dollars. The initial capital investment required depended on the amount of equipment available, the amount of trail construction needed, and on how easily existing facilities could be adapted for use in the snowmobile enterprise.

The cost of developing a snowmobile trail system depends on how much trail-construction equipment is available, and on how easily existing trails and roads can be used. As previously mentioned, new trails will probably have to be constructed to connect existing trails.

A parking area of sufficient size to accommodate cars with snowmobile trailers and a snowmobile unloading ramp will have to be constructed. A snowmobile warm-up or test area should be cleared near the unloading area.

Facilities needed to establish a snowmobile enterprise may already be available. Existing farm buildings can be altered for use as warming sheds, repair shops, and sales offices (fig. 4). Most enterprise operators felt that they could not justify heavy capital investments in the construction of new build-



Figure 4.—Some facilities are needed for a snowmobile enterprise. Existing buildings can be put to use for snowmobilers.

ings and facilities. Food services should be provided. If a facility is not at hand, arrangements can usually be made with local restaurant owners to provide such a service. Flush toilets, a snowmobile repair shop, warming sheds, and a lodge were recommended as basic facilities. Enough facilities and services have to be provided to make the commercial enterprise attractive to large numbers of people.

Snowmobile enterprise operators reported that the largest capital expenditure needed to establish their business was their investment in new snowmobiles. Snowmobiles range in price, depending on the model and quantity purchased. Central New York operators recommend that, to reduce maintenance and repair costs, all new machines purchased should be of the same brand.

The snowmobile enterprise operators agreed that rental of snowmobiles alone would not earn sufficient revenue to make their enterprises profitable. They suggested sales of gas and oil, repair parts, machine accessories, and maintenance service as ways of increasing revenue. Several operators also recommended the sale of snowmobiles. Providing light and easy-to-prepare winter meals was profitable for most operators.

Annual Operating Costs

Annual operating cost records were not available for the case-study enterprises. However, labor cost was mentioned as the highest single operating expense. Each enterprise has at least one full-time seasonal employee. One of the commercial winter-sports areas had a payroll of 18 full-time people. The most critical labor requirement was the need for a skilled snowmobile mechanic. In addition to hired labor, enterprise operators said that they had to devote much of their personal time to their businesses.

Machine maintenance was reported as the second highest annual operating expense. Repair parts were difficult to obtain; and breakdowns, occurring at peak use periods, made the difference between a season's profit or loss for several commercial snowmobile enterprises.

Insurance costs were high. Several operators said they had difficulty getting adequate insurance coverage, and others said that they simply could not afford insurance. However, if a landowner charges a fee for snowmobiling on his property, he assumes responsibility for the snowmobiler's safety (Hill 1970). Without adequate insurance coverage, the operator runs the risk of financial disaster. Each commercial snowmobile enterprise operator must determine the amount of insurance coverage he needs. One operator said that adequate insurance coverage for 10 rental snowmobiles cost him \$1,500 per season. Several operators relied on limited liability statements that were signed by all persons using their trails. However, the legality of these "ride-at-your-own-risk" agreements had not been established, since they have not been tested in court.

Minor accidents were experienced at all case-study enterprises. None of these mishaps involved personal injury, but machine damage was often excessive. Only one enterprise required operators of rental machines to take out accident insurance. In this case, an insurance charge of 50¢ was added to the usual snowmobile rental fee.

The primary cause of machine damage was attributed to inexperienced drivers' running into trees (fig. 5). A significant reduction in snowmobile accidents occurred at one enterprise after a basic training course in snowmobile operation was started for novice snowmobilers. The "There's the throttle, there's the brake" training method used by most enterprise operators simply did not work.

Free training courses at two enterprises consisted of a brief discussion of the machine's operation, its capabilities, and limitations. Safe operating procedures were given heavy emphasis. Instructions were given to cover what to do in case of machine breakdown or other emergency. Finally, novice snowmobilers were allowed to practice basic maneuvers in an open field before venturing out on trails. With this minimum training effort, enterprise operators felt that they had significantly reduced machine repair costs and had added considerably to their customers' enjoyment.



Figure 5.—The commonest cause of snowmobile accidents is driving too fast. Most damage is caused by running into trees.

Enterprise operators stressed the need for adequate control and supervision of snowmobilers. Control and supervision required additional investments in specialized equipment and labor. Trail patrolmen should be trained and equipped to render first aid. Patrolmen should know how to repair snowmobiles in case of breakdowns. A system of communications is also required to report injuries and machine breakdowns. These requirements add considerably to annual operating expenses, but most enterprise operators felt that they were absolutely necessary to the long-term success of their businesses.

Market Clientele

Before starting a snowmobile enterprise, the potential operator should decide on the type of customer he can attract to his area. The facilities and services that he can offer and

the potential market clientele will determine the best type of advertising to use. Most operators expressed an interest in serving families, but several said that the family was difficult to attract because of the variety of interests within the family group. Limited success in attracting families was achieved by directing advertisements to local neighborhood and town newspapers.

Some operators tried to attract larger groups, such as snowmobile clubs, through advertisements at winter-sports shows and direct-mailing to club officers. One operator had special group rates to attract church groups and social organizations. One operator provided a free guide service, a meal, and a social program to attract groups.

Snowmobile enterprise operators said that to attract enough users to make their businesses profitable, they would have to develop special advertising programs. Free lessons, lower rate schedules on off days, women's programs, free rides for children, chili suppers, and many other advertising gimmicks were suggested.

SUMMARY & CONCLUSIONS

A commercial snowmobile business should not be started without giving careful consideration to the risks involved. The market is new, and it is difficult to estimate the profitability of commercial ventures or the size of demand for the service.

Careful study of the local market situation is necessary to evaluate the potential demand. High-quality services and facilities must be provided to make the area attractive to large numbers of people. A variety of activities should be provided if the area is to attract the diverse interests of the family group. Organized groups will also require specialized services such as meeting places and food services. Availability of nearby lodging facilities is also important.

One thing is certain: through careful planning and management, commercial enterprise can benefit from the exploding interest in snowmobiling by providing a needed serv-

ice in the right time and place. But don't go into the business just because you enjoy snowmobiling. Careful study of the market situation is needed before you jump into the business with both feet. Otherwise, you could suffer financial frost-bite!

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