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Good afternoon, Chair Shaheen, Ranking Member Ernst, and Members of the Committee. Thank you for the invitation to be here and allowing me the opportunity to testify today. I am here to speak to the challenges and opportunities faced by small businesses in the outdoor recreation economy.

My name is Rebecca Peters, and as the Okoboji Tourism Director I have the opportunity to promote the Iowa Great Lakes Area to potential and returning visitors. The Iowa Great Lakes Area, often referred to as Okoboji, is comprised of 7 interconnected communities woven around a chain of glacially formed lakes in Dickinson County in Northwest Iowa. Okoboji is home to Iowa's largest and deepest natural lakes. While our county is home to fewer than 18,000 permanent residents, on any given weekend in the summer an additional 40,000 - 60,000 visitors join us to embrace the abundance of outdoor recreational opportunities found on our lakes and surrounding prairies. It's the small businesses who enhance and support our visitor economy and make up the majority of our local economy.

Outdoor recreational opportunities draw visitors to Okoboji year-round. They join us each summer for boating, sailing, swimming, and fishing on our lakes. During the winter our ice-covered lakes are filled with ice fishermen, snowmobilers, and snowshoe hikers. Our small businesses support those activities and provide services that keep visitors in Okoboji longer by offering boat sales and rentals, selling bait and fishing gear, providing guiding services, and offering lodging and dining.

One such business is Mau Marine, a second-generation, family-owned marina located along the lakeshore. They give families access to the water through their boat sales and rentals. The Marina also owns the adjacent Okoboji Store Bar and Kitchen, which allows visitors to enjoy lakefront views, unique food, and live music. The entire team at Mau Marine love our lakes, and support initiatives to build upon the legacy and longevity of Okoboji's lakes.

Iowa Lakeside Laboratory is a model for immersive, field-based research, and education located on a 147-acre campus on scenic West Lake Okoboji. The Collaborative Lakes Area Monitoring Project conducted by Iowa Lakeside Laboratory has been connecting scientists with volunteers to provide long term monitoring data on regional lake conditions for the past 25 years. This important dataset has helped shape clean water policies and guide wetland restoration projects that have helped to improve our watershed. Water clarity in West Lake Okoboji alone has improved from 10" of visibility to over 20" of visibility in less than 25 years! Investments in conservation to protect the lakes has created additional recreational opportunities including over 40 miles of bike trails, bird watching, and hiking. Every dollar spent in conservation has multiplying effects on recreation, and spurs small businesses such as bike shops, kayak outfitters, and outdoor sports suppliers.

A healthy watershed and clean water are a key aspect of outdoor recreation in Okoboji. According to a 2019 study by Iowa State University, water quality was **the** most

important factor for Iowans when choosing where to recreate. High quality water in Okoboji lures visitors to our beaches and lakeshore resorts including Fillenwarth Beach, a family owned and operated resort on the shores of West Lake Okoboji that has welcomed visitors for more than 100 years. The resort gives visitors an opportunity to get on the water through sailing, lake history cruises, and even swimming off the dock in our spring-fed waters. Guests return year after year to take advantage of the outdoor recreation opportunities that not only the lake and resort offer, but all of our small businesses that enhance a visitor's experience to create lifelong memories.

Most of our lodging properties in Dickinson County are small, family-owned businesses, and those businesses have helped the municipalities in Dickinson County collect over \$2,000,000 in hotel motel taxes last year alone. In fact, the economic impact from visitor spending is over \$296 million dollars and supports more than 1,300 jobs - in a county of fewer than 18,000 people. Okoboji's visitor economy and outdoor recreational opportunities enhance the quality of life in Dickinson County. The quality of life is so appealing that we are one of the few rural counties in Iowa that continues to see population growth, and with that, more opportunities for small businesses.

However, Okoboji's small businesses face challenges also. Inflation is causing our small businesses to struggle with rising input costs to maintain the current visitor experience, while visitors have less disposable income to invest in a vacation. In the past year, many guests have had to shorten their stay or cancel their trip altogether. Gas prices are another factor that effects our visitor economy. We are primarily a drive market and see a decrease in visitation when gas prices rise. There are also obstacles we face when receiving federal funding to improve public land for camping. Currently the Iowa DNR has plans to renovate one of our largest campgrounds, but access to federal funding has left the timeline for this project in question. It's incredibly difficult for our community and visitors to make plans for the upcoming summer when we're unsure if the campground will be open or closed for improvements based on when federal funding will come through.

We are fortunate for the opportunities we have, but there is so much room for growth in this economy with outdoor recreation. Not just in Okoboji, but in all of Iowa. In our small, agricultural state, the tourism and outdoor recreational economies are growing. The most recent statewide economic impact report shows that tourism provided a \$10.4 billion-dollar economic impact in Iowa – a 10% increase from the previous year. That's the type of growth that benefits small businesses. Further we know that younger generations value quality of life, including outdoor recreation opportunities, as a critical factor in deciding where to live. Generation Z is also one of the most entrepreneurial and are keen innovators in creating small businesses. Supporting outdoor recreation is a win-win when it comes to building small businesses and drawing the employees necessary to sustain those businesses.

Thank you, Chair Shaheen, Ranking Member Ernst, and members of the Committee for the opportunity to appear before you today.