
Feasibility Assessment of Western Grayson Music and Craft Center

Report prepared by Virginia Tech's

Center for Economic and Community Engagement

Ashley Posthumus, Scott Tate, PhD., and Jason Schwartz

June 2023



OUTREACH & INTERNATIONAL AFFAIRS
CENTER FOR ECONOMIC AND
COMMUNITY ENGAGEMENT
VIRGINIA TECH.

DIRECT QUESTIONS TO:
Ashley Posthumus
Economic Development Specialist
Virginia Tech Center for Community and Economic
Engagement
Email: ashleypos@vt.edu

Table of Contents

- Introduction 4
- Market Analysis..... 6
 - Population, Income, and Age..... 6
 - Lodging..... 7
 - Dining..... 8
 - Vehicle Traffic 8
 - Outdoor Assets 8
 - Economic Impact..... 9
 - Markets by Drivetime 10
- Community Engagement 14
- Comparable Cases and Programming..... 16
 - Literature Review and Comparable Facilities Analysis 16
 - Example: The Blue Ridge Discovery Center, Troutdale, Virginia 17
 - Example: Cultural Center, New York Mills, Minnesota..... 17
 - Example: The Highland Center, Bath County, Virginia..... 18
 - Example: Old School Arts Center, Sandstone, Minnesota..... 19
 - Example: The Rural Art Center, Lorane, Oregon..... 20
 - Example: The Averitt Center for the Arts, Statesboro, Georgia..... 20
- SWOT and Feasibility Overview 22
 - Strengths** (internal organizational capacities and resources of Grayson County) 22
 - Weaknesses** (internal organizational capacities and resources of Grayson County)..... 23
 - Opportunities** (external factors and conditions influencing the development and operation) 23
 - Threats** (external factors and conditions influencing the development and operation) 24
- Recommended Operating Model and Pro Forma:..... 25
 - Option 1:** County owns and operates the Center as fully functioning entity, hiring a full-time director who will work with an advisory board. 25
 - Option 2:** County offers the facility for sell or lease by competitive bid to an operator, with conditions possibly stipulating uses that include community purposes 25
 - Option 3:** County gifts the Center to the community, and the community establishes a non-profit or foundation to fully own and operate the Center, with no ongoing expectation of County. 25
 - Option 4** (the recommended option): Center is county owned but advisory committee operated. Or a non-profit is established that contracts with County and receives ongoing support..... 25
- Assumptions..... 27

Revenues Assumptions	28
Expenses Assumptions.....	28
Summary and Concluding Recommendations.....	30

Introduction

In spring of 2023, Grayson County hired professional assistance at the Virginia Tech Center for Economic and Community Engagement (VT CECE) to perform a feasibility study and proforma business plan for a transformative tourism project in Whitetop and the greater Mount Rogers area: The Western Grayson Music and Craft Museum and Information Center. Whitetop is an unincorporated community in Grayson County, Virginia, at the southern terminus of the Virginia Creeper Trail and about four miles northeast of the North Carolina–Tennessee–Virginia Corners. It's named after nearby Whitetop Mountain, the second-tallest independent mountain in the State of Virginia, behind Mount Rogers.

For this project, VT CECE conducted meetings with County, local officials, and primary stakeholders to discuss and refine the project approach. The team began by performing a demand and supply analysis to identify local, regional, and national market drivers for visitors and users of a facility. VT CECE employed secondary data sources, including demographic and population trends, household income patterns, inter-regional transportation and commuter patterns, tourism trends, and related data to develop an overview of the potential user target market and desirable features for facilities and programs. The team also conducted community visits and input sessions to learn more about the local community engagement and capacity. To supplement the aforementioned research, VT CECE also identified and examined comparable facilities and programs to assess possible operating models and facility features. The results from all of these sources were compiled and contributed to a SWOT Analysis, as well as recommendations for facility development.

The County's predominant land use is used for agriculture and forestry. Its rural characteristics lend well to recreational enjoyment and contribute significantly to tourism and the quality of life of the county:

- The region contain two well-known mountains that are accessible by vehicle: Mount Rogers and Whitetop;
- Grayson Highlands State Park offers hiking, biking, and equestrian trail facilities for year-round use in its 4,822-acre park located on US 58;
- Jefferson National Forest / Mount Rogers National Recreational Area extends across the entire length of Grayson County's northern boundary, and includes access points to the forest. It contains campgrounds, picnic areas, and recreational trail facilities;
- Virginia Creeper National Recreational Trail is a 33.4-mile trail which connects the Virginia/North Carolina state line. The trail is one mile east of Whitetop Station to Damascus and Abingdon. It is available for use by hikers, cyclists, and equestrians;
- Appalachian National Scenic Trail (AT) is a section of the AT located in the Mount Rogers National Recreation Area.
- The Transamerica Trail is a well-known bicycle route that stretches 4,300 miles from the coast of Virginia to the coast of Oregon

Grayson County's largest revenue stream through real estate taxes is private land zoned agricultural or forested. Within this cluster, farming and forestry revenue is the largest industry, with significant participation from many citizens in the county. The majority of goods produced on farms and in forests are consumed outside Grayson County, representing a large amount of external dollars flowing into the county.

The historic Mount Rogers Combined School is in close proximity to popular tourist destinations in its corner of Southwest Virginia. Located on Route 58, just west of Grayson Highlands State Park, the Mt. Rogers School building is obsolete for its most recent use as a public school. The original 2,200 square foot, four-room Mount Rogers Combined School was built around 1932 on approximately 5 acres of land. The exterior of the original portion of the school is uniquely constructed from tumbled rocks, which are believed to be pulled in by horse and sled from a nearby creek. When the school opened, there were four teachers with an enrollment of 100 students, grades one through eleven. In the early 1950s a large brick addition was added, which included additional classrooms, a library, and a gymnasium. A cafeteria and indoor plumbing were added soon thereafter. By 1990 enrollment declined and the Mount Rogers School was considered the smallest school in Virginia. The school closed in 2010. Today, the building is unoccupied. Though the original rock-portion of the school is in relatively good condition, the 1950s addition suffers from roof leaks and substantial structure damage and environmental hazards such as black mold. In 2022, due to the extent of damage to the 1950s addition, this portion was demolished.

Given its structural integrity, historical architectural significance, and its contributions to the cultural heritage of the Grayson County/Whitetop community, there is interest in redeveloping the original rock portion of the school. While the area is sparsely populated with regard to residences and businesses, there are several important tourist attractions not far from the property, and the building itself sits on a very important cultural highway that features music heritage sites, known as the Crooked Road. Music culture can be found throughout Southwest Virginia, including many annual festivals and forums in small town. There are also many celebrated historical markers and characters to be discovered.

Market Analysis

Population, Income, and Age

The Mt. Rogers School is located in Grayson County in southwest Virginia, which borders Tennessee to the west and North Carolina to the south. Grayson County and the surrounding five counties and two cities in Virginia consist of Bland County, Carroll County, Smyth County, Washington County, Wythe County, Bristol City, and Galax City. Combined, they have a 2021 population of 187,695 individuals. Over the past five years, the population has seen a small decline of 1.3%. The regional median age is 46 years old and the median household income is \$47,000.

The immediate area used for a local market surrounding the Mt. Rogers school consists of census tracts 603 and 602.02 in Grayson County, VA, and 9702 and 9708.02 located in Ashe County, NC. This area has a population of 10,752 and land area of 373 square miles resulting in a population density of approximately 29 people per square mile. As shown in Table 1 the median incomes for these census tracts range from \$37,000 to \$45,000 and median ages range from 36 to 52. To compare, Virginia has a median household income of \$80,615 and median age of 38.5.

Table 1. Mt. Rogers School Immediate Area Census Tracts¹

Census Tract	State	Population	Median HH Income	Median Age	% Population 60 and Over
603	VA	1,706	\$45,234	51.8	37.2%
602.02	VA	2,778	\$38,404	54.7	41.7%
9702	NC	2,898	\$40,283	47.2	36.5%
9708.02	NC	3,370	\$37,061	36.1	26.1%

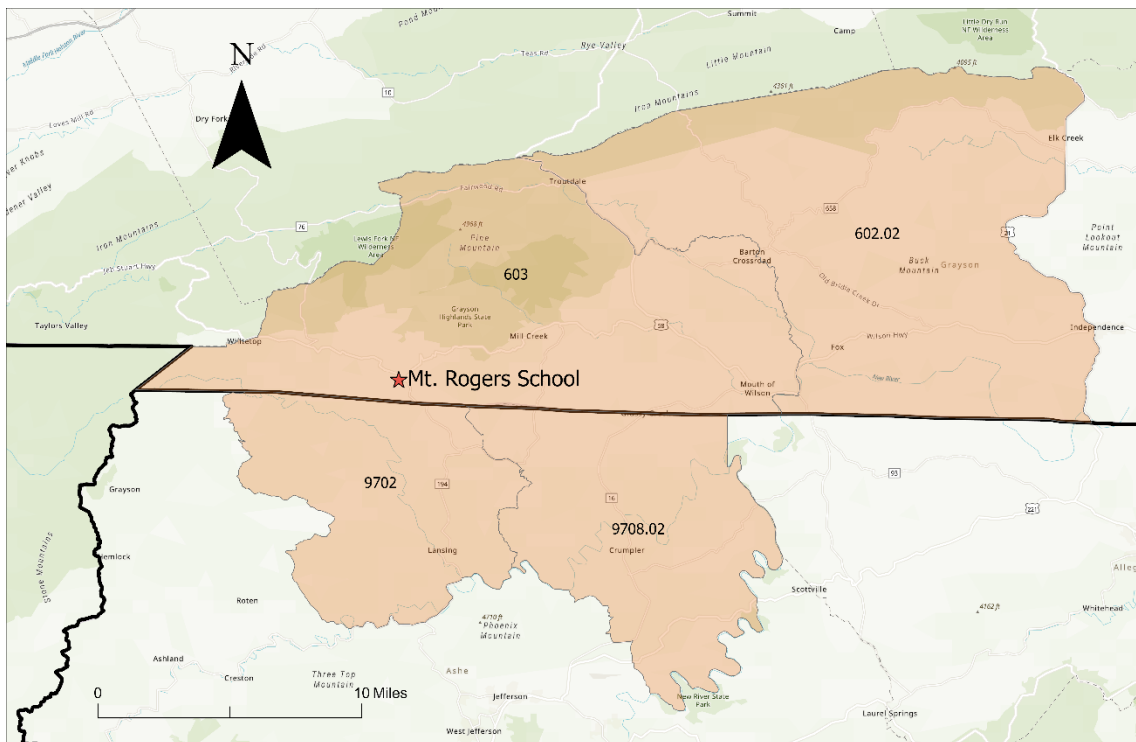


Figure 1. Mt. Rogers School Immediate Area Census Tracts

Lodging

There are multiple lodging opportunities near the Mt. Rogers School Site. Grayson Highlands State Park offers accommodations in multiple campsites and a camping lodge bunkhouse. There are four yurts available in the Hickory Ridge Campground which offer an experience that is a cross between a tent and a cabin. The bunkhouse is a two-room trailer with seven bunk beds. In total there are 29 camping sites between the Hickory Ride and Chestnut Hollow Campgrounds. There is also a group camping area which can accommodate up to 35 campers.

An Airbnb search showed 57 listings available for a 2-night weekend stay in the immediate area during the spring and summer months. The median nightly stay for these properties during this time was \$187. The properties had a range of 1 to 8 total beds as shown below in Table 2.

Table 2. Mt. Rogers School Immediate Area Airbnb Listings²

Number of Beds	Total Listings	Median Nightly Rate
1	8	\$149
2	15	\$213
3	14	\$183
4	6	\$213
5	10	\$215
6	1	\$399
7	2	\$251
8	1	\$277

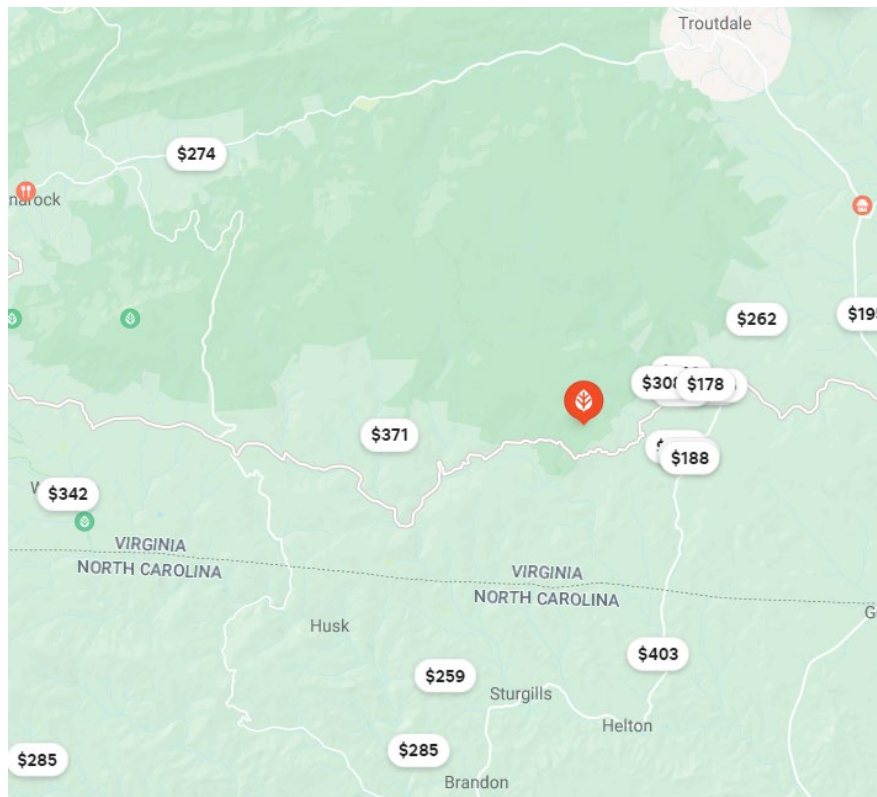


Figure 2. Airbnb Listings Area

There are additional lodging offerings in Grayson and Ashe Counties beyond those offered by Grayson Highlands State Park and Airbnb. The Grayson County tourism website lists 10 bed & breakfast inns, 12 campgrounds, 1 hotel and 42 cabin rentals. The Ashe County Chamber of Commerce website lists 5 bed and breakfasts inns, 6 campgrounds, 5 hotels, and 27 rental cabins/rental cabin agencies.³

Dining

There are a limited number of restaurants and food service businesses in the immediate area. There is a cluster of restaurants in Lansing. However, to find a larger selection of food and beverage options one has to go east to Independence, VA south to Jefferson, NC or North to the localities along I-81.

Table 3. Mt. Rogers School Immediate Area Food and Beverage Locations

Name	Location
Railroad Market & Cafe	Whitetop, VA
Whitetop Food & Gas	Whitetop, VA
Log House Restaurant / Corner Market Cafe	Mouth of Wilson, VA
Pie On the Mountain	Lansing, NC
The Liar’s Bench	Lansing, NC
County House Restaurant	Lansing, NC
Molley Chomper Hard Cider	Lansing, NC
The Loghouse @ Smitheys	Lansing, NC

Vehicle Traffic

The daily vehicle traffic passing by the school site has quickly rebounded post pandemic. The average annual daily traffic on US 58 from the Washington County Line to SR 362 Grayson Highlands State Park has been in a relative decline since a peak of 670 vehicles in 2010 but reached 610 vehicles in 2021.

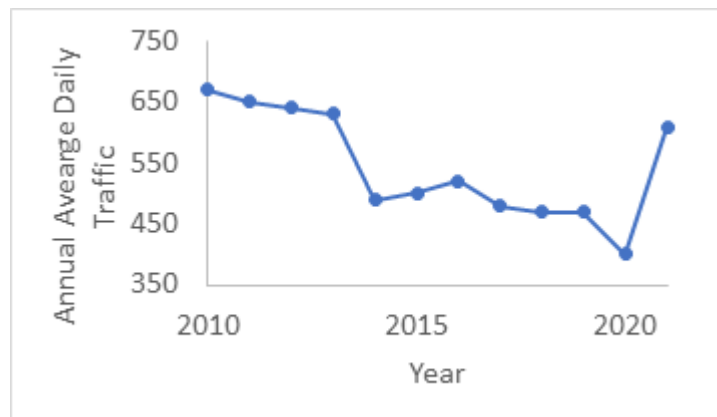


Figure 3. Annual Average Daily Traffic⁴

Outdoor Assets

Many people visit the area near the Mt. Rogers School site for outdoor tourism and recreational opportunities. Table 3 below highlights a list of frequently visited outdoor tourism assets in the region.

Table 3. Regional Outdoor Tourism Assets Visitation⁵

Location	Visitors	Distance From School Site (miles)
Blueridge Parkway	14.1 Million (2020)	26
Mount Rogers National Recreation Area	>1 Million (annually)	30
New River Valley Trail	725,862 (2020)	43
Virginia Creeper Trail	>250,000 (annually)	7
Grayson Highlands State Park	204,264 (2020)	4
Hungry Mother State Park	201,631 (2020)	34

The visitor attendance demographics of the Virginia Creeper Trail provide insight of the potential visitor demographics for the school site. According to a survey of 1,498 individuals conducted in 2004, over 99% of the trail users are white and 64% are males. Most of the trail users (64%) had at least a college education. The average age of respondents was 47 with over 50% of the respondents having ages between 36 and 55. The average 2023 inflation adjusted household income for the entire sample was \$118,454 with 54% of the respondents having a household income between \$65,521 and \$196,563. Just over 16% of the respondents reported a household income less than \$65,521 and 12% reported a household income greater than \$196,563.⁶

Grayson County has actively sought to promote its outdoor recreation assets. In the most recent (2018) county comprehensive plan one of the 14 tourism promotion strategies includes considering fulltime visitor/tourism centers in both Eastern and Western Grayson County. The county has a tourism department responsible for marketing and promoting outdoor recreation assets. However, one of the challenges identified for tourism development is the lack of a full-time visitor information center among others.⁷

Economic Impact

The total economic impact from travel in Grayson County has increased over the last 5 years. From 2017 to 2021 total direct expenditures, labor income, local tax receipts and state tax receipts has increased, as indicated in Figure 4. Direct travel expenditures increased by 31.2%, labor income increased by 22% and local and state tax receipts increased by 29.3% and 30.5% respectively.⁸

	2017	2018	2019	2020	2021	Percent Change
Travel Economic Impacts						
Employment	70	66	66	63	68	7.9%
Expenditures	\$ 9,526,492	\$ 9,575,932	\$ 10,325,462	\$ 9,800,306	\$ 12,858,035	31.2%
Labor Income	\$ 1,397,858	\$ 1,371,173	\$ 1,447,168	\$ 1,373,095	\$ 1,675,222	22.0%
Local Tax Receipts	\$ 317,639	\$ 306,633	\$ 329,613	\$ 303,733	\$ 392,642	29.3%
State Tax Receipts	\$ 164,636	\$ 165,116	\$ 176,665	\$ 155,057	\$ 202,357	30.5%

Figure 4. Grayson County Direct Travel Impacts⁴

The nearby Virginia Creeper National Recreational Trail generates a significant economic impact on the local region. A 2007 report estimated that the trail supported over \$1.6 million (in 2007 dollars) in economic activity. This is a significant number considering the population of the local area. In a 2011 survey, local commercial respondents reported that trail use generated over 61% of their income.⁹

Markets by Drivetime

The day trip radius is roughly modeled as a 3-hour drive from the school site. The day trip radius includes the metropolitan areas of Charlotte, the NC Triad of Winston-Salem, Greensboro and High Point, Roanoke, VA and Knoxville, TN. There are just under 8 million people living in the day trip radius with a median household income of just under \$57,000.

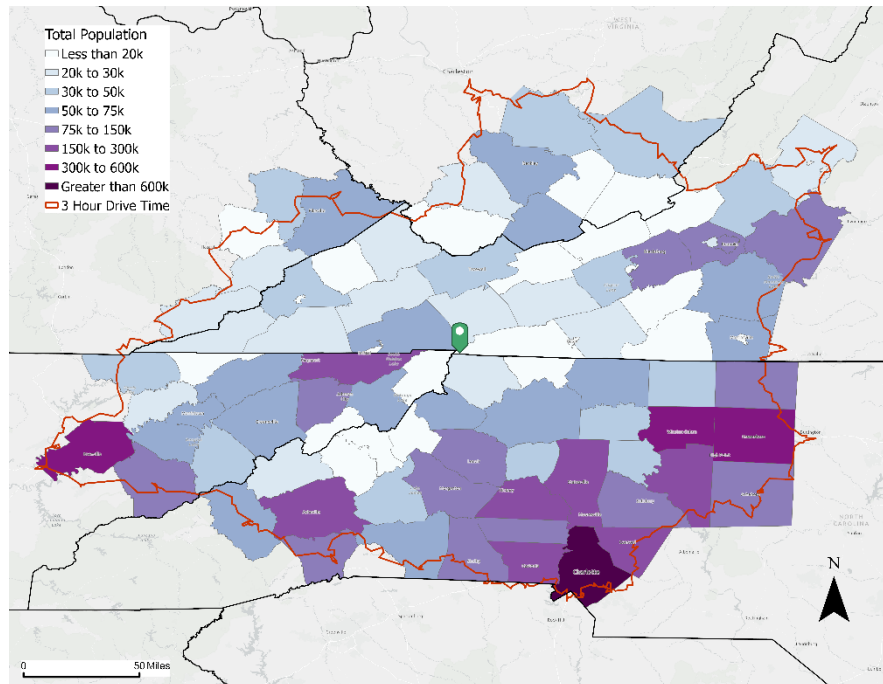


Figure 5. Population by County Within 3 Hour Drive¹⁰

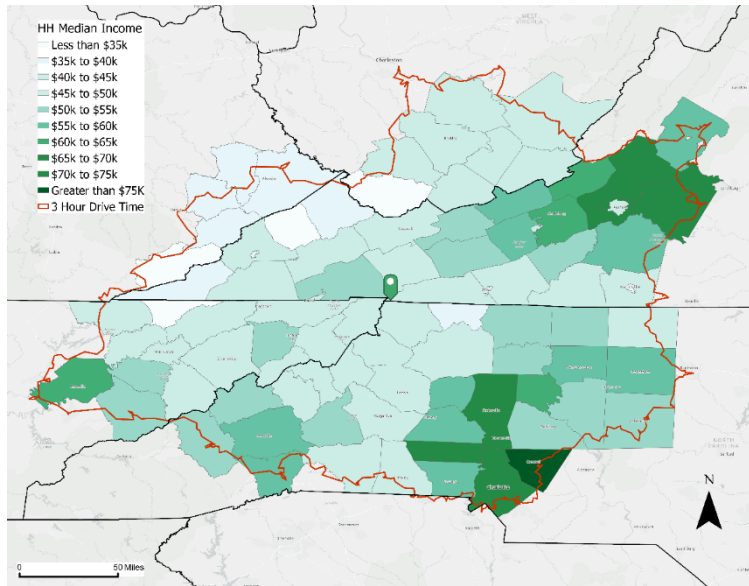


Figure 6. Median Household Income by County Within 3 Hour Drive¹¹

The weekend trip radius is roughly modeled as a 5-hour drive from the school site. In this six-state area there is a population of over 22 million with a median household income of \$57,000. However, the Northern Virginia and Tidewater metropolitan areas are outside of the 5-hour drive radius. Including these areas in the weekend trip radius adds an additional 5 million people.

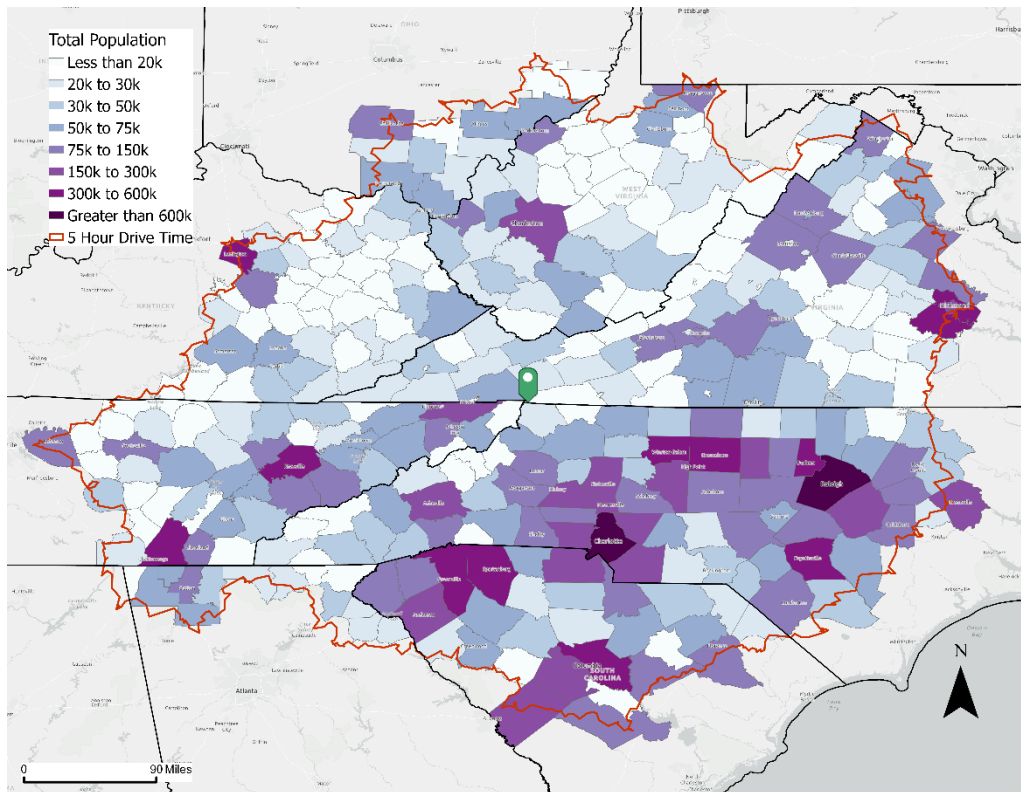


Figure 7. Population by County Within 5 Hour Drive¹²

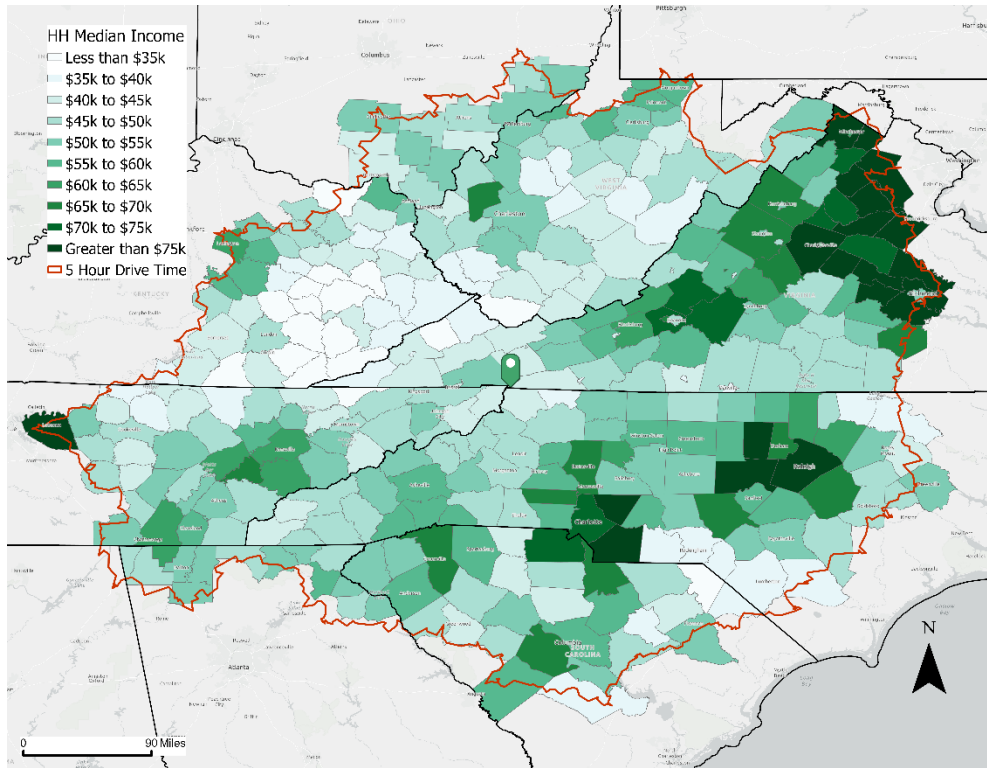


Figure 8. Median Household Income by County Within 5 Hour Drive¹³

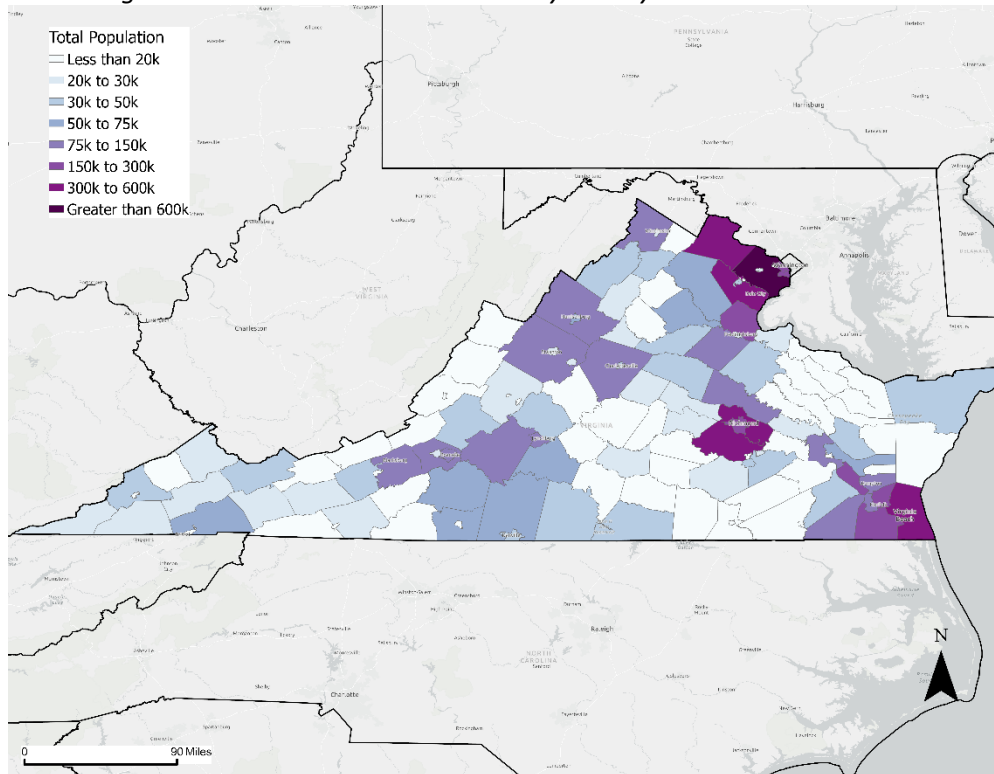


Figure 9. Virginia Population by County¹⁴

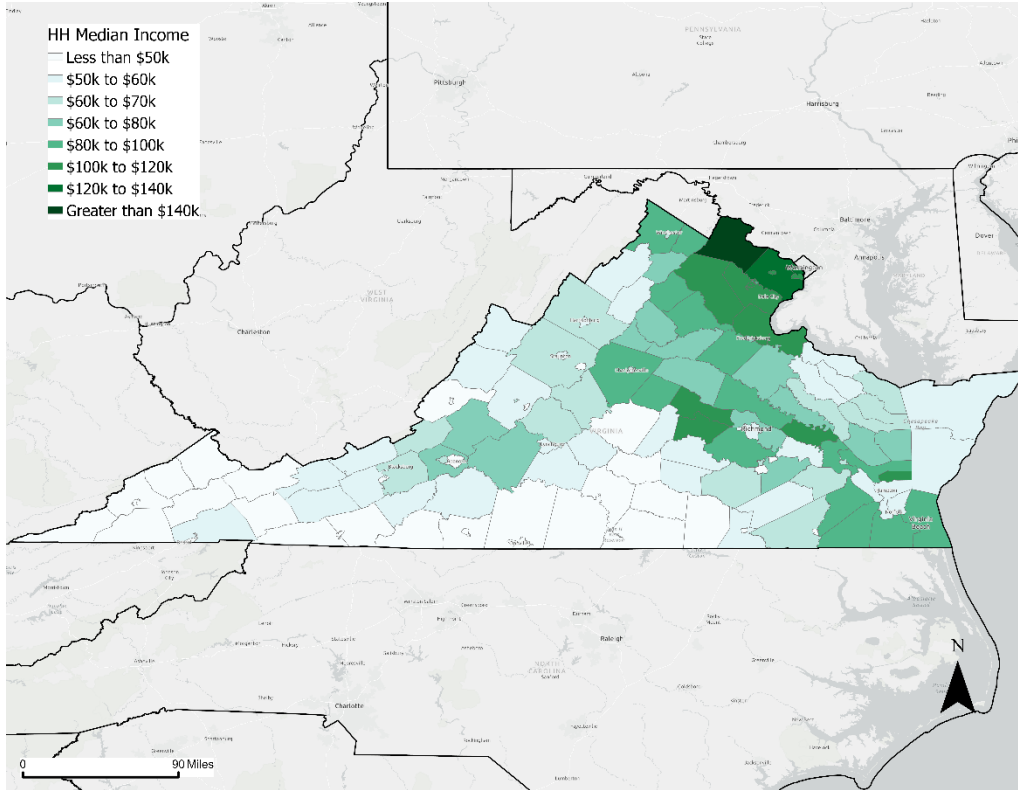


Figure 10. Virginia Median Household Income by County¹⁵

Community Engagement

In April 2021, The Virginia Tech Community Design Assistance Center (CDAC) worked with a stakeholder committee to develop a conceptual redevelopment plan for the Mount Rogers School and its surrounding 5-acre property. CDAC leveraged a previous study by Waukeshaw Development, who collected regional data on various forms of culture, activity, tourism, demographics and related demand for the building's next life. The study also examined market needs and forces, and explored creative development ideas that might contribute to the economic development of the area by satisfying an existing demand.

CDAC determined that the final design concept would transform the former school and surrounding property into a hub for community gathering, special events, tourist information, and environmental education. Their goal was to celebrate the unique musical, cultural, and ecological heritage of Whitetop and the Grayson highlands. Some of the local heritage elements that are integrated into the final design include instrument making, the history of the Christmas trees industry, and heritage crafts such as quilting. Whitetop's deep musical heritage is also celebrated with new musical play equipment as well as new spaces for musical events. Lastly, a native planting area, rain barrel collection system, and the creek overlook provide spaces to learn and appreciate the natural beauty of Whitetop.

The concept and intention behind the design decisions in the interior came from the idea of layering. Christmas Trees have layers of branches, music is created by layering sounds, and communities are built upon layers of history. Visitors move through the rooms and learn about the various layers that make Whitetop and Grayson County so unique. Visitors begin at the information desk for an introduction before moving to the music and culture rooms for a more detailed experience. The multi-purpose building is an opportunity for the community to come together for special events and year-round music. Major incorporations include information center, snack bar, and retail, information window, heritage and culture museum room, music museum room, and topographic relief map. The multi-purpose building, formerly a storage building for the school, is transformed into a lively, multi-purpose space. The multi-purpose building provides additional space for special events, community gatherings, and a venue for year-round music.

VTCECE was tasked with leveraging the previous work mentioned above to perform a feasibility study and possible operating model with start-up financial estimates. This included primary data collection through a combination of interviews and community input sessions. On May 4th, VTCECE travelled to Whitetop, VA to meet the community and gain further insight on the role that members would like to play in the suggested design concept. Ideas for activities and programming were also solicited. Attendees were in agreement that the venue needed to have a unique identity that suited the community. Attendees highlighted similar goals that other organization, such as Friends of Whitetop, strive towards; to ultimately drawing people the area to appreciate its beauty, history and cultural significance.

When asked about the role that they wanted play in its operations some members felt that the Board of Supervisors greatest level of involvement should be in an advisory capacity, while the larger community should have broad involvement in facility activities and programming. There was no interest in outside ownership.

When discussing operational costs and funding strategies, community members voiced their strengths in fundraising. Historically, there has been support within and beyond the community. There was consensus in that the overall project should benefit and appeal to locals and tourists alike since the

space would likely have seasonal ebbs and flows of visitors. It was stated that limiting hours or closing during off-season was a certain possibility. This would be similar to the operating hours at the local bank in that it closes early on Wednesdays.

When asked what visitors are looking for at a venue in Whitetop, community members voiced the following responses.

- A bathroom
- A place for visitors to stretch their legs
- A map due to limited cell phone service
- A gift shop with local items and souvenirs
- Music

Community members were also supportive of a playground to host the large youth demographic. They felt the site was fitted to host smaller events such as birthday parties but wedding parties would not be appropriate due to parking restrictions. Parking was a large area of concern for members and was a limiting factor in the events and activities that the site could accommodate.

Comparable Cases and Programming

This report section includes: an overview of our literature review of comparable facilities and best practices related to rural cultural hubs; a synthesis of our findings related to the strengths, weaknesses, opportunities, and threats related to the County's role in the Center; and a preliminary estimate of possible start-up and operating costs, and potential funding sources.

The community and county previously retained the Virginia Tech Community Design Assistance Center to produce a final design concept to transform the former school and surrounding property into a hub for community gathering, special events, tourist information, and environmental education.

Literature Review and Comparable Facilities Analysis

Rural localities are increasingly incorporating culture and recreation hubs as economic anchors in more remote areas. Such small-scale cultural entities can be economic contributors, or even drivers. Mostly rural states (states with over 30% of population in rural areas) have seen hundreds of thousands of new workers in arts and cultural production and nearly \$5 billion of new economic activity, according to a 2015 report from the National Endowment for the Arts¹. A well-known program in Paducah, Kentucky that renovated vacant town structures to include housing to attract artists to locate in the community achieved a 10-to-1 return on investment within 10 years².



Figure 1: From Cultural Redevelopment Plan, VT CDAC

Overall, in the United States, museums contributed USD \$50 billion to the national GDP; supported over 700,000 jobs and contributed \$12 billion in tax revenues in 2016³.

Local government support is instrumental to the success of smaller cultural sites and organizations. A 2019 guide on museum development from the International Council on Museums found that, "The contribution of museums to local development depends on their relations with local government. Many museums belong to, are subsidized or are placed under the tutelage of local government. Many studies have shown how the attitudes of local government can catalyze or inhibit the potential contribution of museums to local development regardless of the museum's status. It is therefore important, when evaluating the local development impact of a museum, to do it in conjunction with the agenda and goals of local government. When those agendas are aligned, it is easier to mobilize local resources (regulatory, financial, land and human resources) to enable the museum to realize its local development potential."⁴

Below are six disparate case study examples of small rural cultural centers around the United States, as well as their selection rationale:

¹ See <https://www.arts.gov/sites/default/files/Brief2RuralStatesAccessWithMap.pdf>

² <https://www.sciencedirect.com/science/article/abs/pii/S0743016716305502>

³ See AAM (2017), *Museums as Economic Engines: A National Report*, American Alliance of Museums, Oxford Economics, <https://www.aam-us.org/wpcontent/uploads/2018/04/American-Alliance-of-Museums-web.pdf>

⁴ See <https://icom.museum/wp-content/uploads/2019/09/OECD-ICOM-GUIDE-MUSEUMS.pdf>

Example: The Blue Ridge Discovery Center, Troutdale, Virginia

Rationale: In the region and comparable county. Visitor center function. Historic structure.

The Blue Ridge Discovery Center is housed in the former Konnarock Lutheran Girls School in Smyth County. The Center was founded in 2008 with the goal of engaging local residents as well as tourists in the outdoors and natural environment education focused on the Mount Rogers / Whitetop Mountain Area. The organization operated without a permanent base for nine years, until the Konnarock facility was gifted to them in 2017 by another non-profit that owned the property.

The original boarding school was built in 1925, two and a half stories, with bark shingles and an attached rear chapel. A bark-shingled bungalow from 1936 was originally used as the school's health center. The school closed in 1958 and was sold to the U.S. Forest Service in 1967. It was listed on the National Register of Historic Places in 1997. The Forest Service used the facility as a training facility for a few years, including as a base camp for Job Corps youth training and Appalachian Trail construction crew housing to work in state and national parks. However, the building eventually fell into disuse and disrepair.

The Blue Ridge Discovery Center has led renovations to turn the facility into a field lab and learning Center. The property will include a resident education facility (with room for 62 overnight guests), a biological field station and an interpretive center. As a non-profit, the Blue Ridge Discovery Center relies on a variety of sources including grants, membership fees (which start at \$25 a year), volunteer hours, and monetary donations.

The center has worked for over two years on renovation and construction and invested over \$2.5 million in the ongoing restoration. In 2022, Smyth County approved ARPA (American Rescue Plan Act) funding of \$250,000 for a wastewater treatment center. Without the treatment facility, the center would not have been able to open. The Center also worked with federal elected officials (Senators Tim Kaine and Mark Warner and Congressman Morgan Griffith) to secure a federal earmark request for final renovation costs of \$50,000 through the FY 2022 government funding bill. In 2022, Center grants also included a project award from the Twin County Community Foundation (TCCF). Once fully open, the non-profit Blue Ridge Discovery Center, hopes to be a world-class education and interpretive center and biological field station, that attracts visitors to the region from a multi-state area. The center already helps host naturalist rallies, summer camps and other programs that attract widespread participation.

Example: Cultural Center, New York Mills, Minnesota

Rationale: Small center, rural area, local government contribution

The Cultural Center, in the town of New York Mills in Otter Tail County in west central Minnesota, offers an interesting case study of a more established cultural center⁵. The town had a vacant general store building, originally built in 1885. A local resident who was an artist himself created an artist-in-residency program. The community hosted one artist per year who was required to conceive and complete a creative project that would benefit the community. The artist and community cultural supporters saw the empty building as a perfect space for a cultural center, to attract visitors, grow the local economy,

⁵ See <https://www.kulcher.org/>

and offer even more cultural opportunities for area residents. Around 1990, the city council donated \$35,000 a year for the center's first two years. The property owner agreed to donate the historic building. The artist who envisioned the project gathered local support, hired area construction workers, and completed the redevelopment 50 percent under budget because of donated labor and supplies. The town contributed \$10,000 annually toward the director's salary, with a stipulation that the center also serve as the regional tourism hub. The Center hosts a range of events from gallery exhibits to theatrical performances, to film festivals, to the Great American Think-Off (a philosophy competition for everyday citizens). The grounds include a small sculpture park and the Center hosts an annual outdoor puppetry pageant. Today, the Center is a non-profit supported by earned income, member donations, business donations, private foundation and government funding. A 2018 study from the state of Minnesota found that arts entities, including the Cultural Center, created \$6.1 million in economic impact to the County. The report also found that Otter Tail County's arts sector performed better than would be expected among communities studied, ranking 4th highest in economic impact from nonprofit arts and culture organizations and 5th highest in audience spending, as well as local and state government revenue generated by the arts sector⁶.

Example: The Highland Center, Bath County, Virginia

Rationale: In the state. A comparable county. A former school. A border county.

Located in Bath County, the Highland Elementary School building became vacant in 1997. A group of concerned citizens came together with the idea of restoring and utilizing the building for activities to benefit the community. In 1998, the building was purchased and The Highland Center was formed as a 501(c)3 non-profit organization.

After forming, the Center conducted surveys of Highland County residents to help identify its mission of and what programs the Center should develop for the community. The top issues identified were economic development, tourism, business growth, and enhanced agriculture. The Center established its business incubation, farmers' market, and commercial kitchen programs as a direct result of the surveys.

Since then, The Highland Center has served as a public venue for countless community events, operated an employment program for area youth, and led important regional initiatives to advance tourism, agriculture, and the arts.

Today, the Highland Center houses numerous tenants to include a mix of individual artists, non-profit organizations, and the county's Visitor Center. It operates programs around four main areas: Business Incubation, Youth Development, Community & Economic Development, and Local Food & Agriculture. The Center's reach has expanded beyond Highland County to benefit the entire Allegheny Highlands region, including Bath County, Virginia, and Pocahontas and Pendleton Counties in West Virginia.

In 2012, the chair of the Highland County Economic Development Authority president Kirk Billingsley addressed the Highland County Board of Supervisors on a request for funding support for the Highland Center capital campaign to fund the ongoing renovation of the Highland Center building in Monterey. Billingsley said, "If you look at the economic development that has been happening in Highland over the past several years, there's a lot of it that's been done by the Highland Center. We are well aware of

⁶ See <https://artsmn.org/resources/creativemn-research/otter-tail-county>

the contribution they've made to economic development in Highland County. Many of these programs have a direct impact to our local residents and to the farmers. They have in the past obtained grants from outside Highland to achieve these programs. In fact, the Center has received grants from federal, state and private agencies totaling over three million dollars over the past fifteen years. Three million dollars coming into this county.⁷” The county EDA unanimously voted to request from the Highland County Board of Supervisors twenty-five thousand dollars to be contributed to the Highland Center through the EDA for the Highland Center’s Capital Campaign. This request was asked for by the Highland Center at five thousand dollars for five years. Billingsley explained how local government support would help the Center show potential grant sources that the county is engaged and contributing in the effort, which could attract even more funding. The Center hosts and operates the Highland Farmers Market and the Allegheny Highlands Agricultural Center, by combining private investment with grant funds. The total renovation costs for the Center and programs in 2012 were estimated at \$4 million. The Center has been successful in pursuing state and federal grants throughout its history. In 2013, the Center successfully secured \$1,181,626 in EDA Public Works funds for renovation. The renovated facility included a business incubator, a business resource center, as well as two incubator kitchens to serve food-based businesses in the rural counties of Highland and Bath in Virginia, and the counties of Pocahontas and Pendleton in West Virginia. This project addressed the need for improved and expanded local employment opportunities in the region by leveraging local strengths in agriculture, the arts, and heritage-based tourism. This investment is part of a total \$2,764,471 project that was estimated to create 27 jobs and leverage \$100,000 in private investment.

The center receives a variety of ongoing support, including grants such as \$15,000 in annual operating support from the Community Foundation of Harrisonburg and Rockingham County. The center houses the county’s Visitor Center and maintains it in partnership with the county chamber and the Highland Tourism Council. The center is open when the Highlander Center is open (9-5 M-F; and 11-4 on Sat and Sun) but not regularly staffed. When closed, a brochure rack is available the outside of the building near the entrance.

Example: Old School Arts Center, Sandstone, Minnesota

Rationale: Rural located. Very small cultural center. 100% volunteer run. Began in an old school.

The Old School Arts Center’s mission is to “build and enrich the community through arts education, exhibition and performance and support the efforts of local and regional artists and provide a venue for public events”.

The Center is located in Sandstone, Minnesota in Pine County. The County is located about 1.5 hours north of the Twin Cities. The OSAC works to build and enrich the community through arts education, exhibition, and performance. The nonprofit also supports the efforts of local and regional artists and provides a venue for public events.

The organization is operated by a 10-person board. The programs are 100% volunteer-run. Programs operate in a former public school and are seasonal. The programs are closed for the winter, largely because of the heating costs

⁷ See <https://www.alleghenymountainradio.org/highland-eda-president-requests-highland-center-funding/>

In 2019, the organization received an arts council grant for board training. They engaged an outside group to help with board development and strategic planning and plans included onboarding a paid staff person.

In 2022, OSAC moved to a new location in a building owned by Sandstone's United Church of Christ. They also changed the name of the organization to "210 Gallery and Art Center."

Funding for the organization has been provided by the East Central Regional Arts Council and the Arts & Cultural Heritage Fund General Operating Support Grant Program.

Example: The Rural Art Center, Lorane Oregon

Rationale: Rurally located, volunteer run, operate in various spaces.

The Rural Art Center is a 501 c (3) non-profit organization with the mission of building community through participation and presentation of the arts in Lorane and Crow, Oregon. The goal of the Rural Art Center is to provide a home for arts programs where community individuals across generations have the opportunity to realize and express their creative potential. Programs for performance and education include, but are not limited to, the areas of music, theater, dance, literary and visual arts.

"Launched on a shoestring" in 1996, the Rural Art Center has offered children's folk singing classes, various adult art classes, African dance, fiddle and guitar lessons, tumbling, mentorships with local artisans, summer reading and art camp, in-school classes and assemblies to the rural residents surrounding Lorane and Crow, Oregon. In addition, the Center has funded scholarships, and supported artists and arts organizations in the Lorane and Crow community.

The Rural Art Center is led by an all-volunteer board and serves all ages in all arts in the Crow-Applegate-Lorane area. Annual programs include Lorane Dinner and a Movie, April Fools Talent Show, Crow-Applegate-Lorane Artists in Residence, After School Art, Ukulele Club, and the Lorane Hookery. The organization does not maintain a physical facility, but operate in existing community spaces, so are able to keep overhead and costs low, putting funding and energy into actual programs, operating with almost no overhead.

Example: The Averitt Center for the Arts, Statesboro, Georgia

Rationale: Historic structure. Local government investment. Non-profit organization.

In the late 1990s, downtown Statesboro had a number of buildings in disrepair, including the Statesboro Bank building. City leaders proposed restoring the bank building into an arts center as a catalyst. The two-year renovation cost \$5 million, from a combination of private and public funding. The Center is now one of the centerpieces of downtown Statesboro.

The Averitt Center for the Arts (ACA) is a non-profit organization dedicated to the promotion of the arts and arts education in Bulloch and surrounding counties. Formed in 2004 as The Statesboro Arts Council, the organization now operates an arts campus, operating out of five renovated buildings, including the Whitaker Black Box Theater, Rosengart Gallery, and the Emma Kelley Theater."

The ACA offers visual arts, dance, theatre and music through performances, classes, camps and after school programs. “The Averitt Center is now at the heart of this community,” says Statesboro Councilmember Phil Boyum. “It’s a constant presence that gives people a reason to come downtown.”

The ACA’s success can be at least partly attributed to a core group of initial champions people who helped see it to fruition, an active board, a financial commitment from the city and a collaborative relationship with Georgia Southern University, located two miles from downtown.

The city purchased the building and a steering committee helped secure private dollars and public funding for renovation – including a \$1 million Special Purpose Local Option Sales Tax (SPLOST), money from the hotel/ motel tax and other public sources, to renovate and restore both the bank and the nearby theater.

Current funding comes from a number of local, state, and national sources including Georgia Humanities and the National Endowment for the Humanities.

The Center holds potential to serve as cultural and resource hub for Western Grayson County. The center might organize and host high-quality cultural and community events; hosting training activities and cultural productions, but also activities aimed at involving the local community (public library, area for young families and children, co-working space, etc.). It is a model activity at different levels, fulfilling the needs of the families, but also providing a reference point for visitors, students and researchers.

SWOT and Feasibility Overview

The following section assesses the prospects for the Western Grayson Music and Craft Museum, Information Center. The **strengths and weaknesses** in this section concern the **internal organizational capacities** and network resources of Grayson County in advancing and operating a center.

Opportunities and threats in this section concern the **external factors and conditions** influencing the development and operation of a proposed center.

The items listed below in each category (strengths, weaknesses, opportunities, and threats) are concise, summarized findings derived from the information gathered throughout this process and included in more detail in other sections of this report.

Strengths (concerning the internal organizational capacities and network resources of Grayson County in advancing and operating a center)

- Support of local community and stakeholders in western Grayson for a proposed project is very enthusiastic and critical to success.
- Availability of the school, as key historic and community asset to the community and the county.
- The County has invested resources into the school renovation project (planning studies, demolition of school addition, site work, etc.)
- The site and grounds of the school, including the playground, are already viewed as recreational assets by local residents.
- The total economic impact from travel in Grayson County has increased over the last 5 years. In 2021, tourism created over 68 County jobs and over \$12 million in direct expenditures in the County. Over the last five years, direct travel expenditures increased by 31.2%, labor income increased by 22% and local and state tax receipts increased by 29.3% and 30.5% respectively.
- The School is located in the Mt. Rogers National Recreation Area, adjacent to Grayson Highlands State Park, and near the Virginia Creeper Trail. The MNRA attracts over 1 million annual visitors, the Creeper Trail over 250,000 annual visitors, and Grayson Highlands State Park, over 200,000 annual visitors.
- The County's comprehensive plan identified one of the 14 tourism promotion strategies as including fulltime visitor/tourism centers in both Eastern and Western Grayson County. The School is ideally located along Route 58 to serve as a visitor center for western Grayson County.
- There is a design plan for the school property, that was developed with input from both the County and the local community.
- There are several tourist attractions not far from the property.
- Mount Rogers School sits along the Crooked Road, which is a 300+ mile scenic route through Virginia highlighting local music and instruments.
- The School has hosted the well-known Grayson Highlands Maple Festival for two days each March

- Close proximity to, in part, Mount Rogers and Whitetop Mountain, Whitetop Festivals, Grayson Highlands State Park, Jefferson National Forest/Mt Rogers Recreational Area. Virginia Creeper Trail, Appalachian Trail (AT), and US Bike Route 76.

Weaknesses (concerning the internal organizational capacities and network resources of Grayson County in advancing and operating a center)

- Jointly operating a Center (County, community group, etc.) with a variety of programs and diverse types of costs, may be a complex undertaking. Neither partner (County or existing community group) may be fully prepared to take this on as a solo endeavor.
- Lack of clear champion or lead entity for Center (who is the entity and individual who will be leading this effort and can advocate for it with passion and credibility).
- Uncertain source of start-up funds. Funding for building improvements seems likely and within County capacity to secure and manage. Funding for program start-up and ongoing costs seems less certain and not yet any committed cash funds from leads or potential partners.
- Many of the proposed activities and purposes for the Center would not be revenue-generating. As such, there would be a heavy reliance on grants, donations, or events income.
- Each potential revenue stream (special events such as festivals or concerts; private event rental such as receptions or parties; grant-seeking; donations) would each require time and attention and some level of expertise or training to be cultivated and grown.
- Cultural center oversight (who will develop materials and oversee) is unknown. Perhaps a partnership with museum in Independence or with another regional cultural entity such as Friends of Southwest Virginia might be needed. Or a partnership with a higher education institution such as Emory and Henry College or Virginia Tech.

Opportunities (concerning the external factors and conditions influencing the development and operation of a proposed center)

- The facility could be used to meet an identified county need for visitor-related assets. The Grayson County 2018 Comprehensive Plan cautioned that, “As outdoor tourism has expanded, available resources have been devoted to help promote the County, but certain challenges have placed limitations on tourism’s ability to bring in additional funds, including the shortage of restaurants and tourism related businesses, limited staff time, and the lack of a fulltime visitor information center.”
- Data from Longwood International for the Virginia Tourism Corporation shows that the average per trip expenditures for overnight leisure travel in Virginia were \$488 in 2021.
- Weekend or multiday trip driving radius is estimated based on a roughly 5-hour drive from the school site. In this six-state area there is a population of over 22 million with a median household income of \$57,000.
- While the Northern Virginia and Tidewater metropolitan areas are just outside of the 5-hour drive radius, including these areas in the weekend trip radius adds another 5 million people.

- The Outdoor Industry Association’s research shows that 67% of Virginians participate in outdoor recreation activities, and approximately 29% of these trips happen close to home (meaning within 30 minutes or less).
- A day trip radius, defined as a roughly 3-hour drive from the school site, includes the metropolitan areas of Charlotte, the NC Triad of Winston-Salem, Greensboro and High Point, Roanoke, VA and Knoxville, TN. There are just under 8 million people living in the day trip radius with a median household income of just under \$57,000.
- Data from Longwood International for the Virginia Tourism Corporation shows that the average per trip expenditures for day traveler in Virginia was \$189 in 2021.
- The development of the Blue Ridge Discovery Center facility in the historic Konnarock girls school structure in Troutdale in Smyth County represents an example, and opportunity for Grayson County. The Mt. Rogers project would likely be smaller in size and expenditure, but the success of the BRDC project, spurred by local government, foundation, state, and federal support, is a possible model.
- There appear to be a growing number of overnight accommodations in the immediate region for visitors, suggesting potential for growth. The BRDC site in Smyth County includes new overnight lodging. Grayson Highlands State Park offers accommodations in multiple campsites and a camping lodge bunkhouse. In total there are 29 camping sites between the Hickory Ride and Chestnut Hollow Campgrounds. There is also a group camping area which can accommodate up to 35 campers. An Airbnb search showed 57 listings available for a weekend 2-night stay in the immediate area during the spring and summer months. There are also additional lodging offerings in Grayson and Ashe Counties beyond those offered by Grayson Highlands State Park and Airbnb. BearTree Recreation Area is nearby in Washington County, which also offers overnight tent and RV camping.

Threats (concerning the external factors and conditions influencing the development and operation of a proposed center)

- Population projections in region suggest a continued modest decline and income levels are not high, overall. Grayson County and the surrounding five counties and two cities in Virginia consisting of Bland County, Carroll County, Smyth County, Washington County, Wythe County, Bristol City, and Galax City combine had a 2021 population of 187,695. Over the past five years there has been a small decline of 1.3% in this region. The median household income is just \$47,000.
- Looking at the more immediate community surrounding the Mt. Rogers school, this consists of census tracts 603 and 602.02 in Grayson County, VA, and 9702 and 9708.02 located in Ashe County, NC. This area has a population of 10,752 and land area of 373 square miles resulting in a population density of approximately 29 people per square mile. The median incomes for these census tracts range from \$37,000 to \$45,000. For comparison, the state of Virginia has a median household income of \$80,615
- Signage in the region is lacking, which may keep visitors from locating or learning about area tourism and recreation assets. So visible signage would be critical to the success of a visitor-focused center.
- Transportation access and interconnectivity between area recreation, outdoor, and cultural assets may also be a barrier in region.

Recommended Operating Model and Pro Forma:

Our project team has met with county officials, visited the community, spoke with community members, reviewed literature and comparable cases. From this, we provide below four basic primary options for Center operation:

Option 1: County owns and operates the Center as fully functioning entity. County assumes all operating expenses and hires a full-time director. Director works with an advisory board or authority who can help secure other grants and funds to support programs and activities. Community is represented on advisory board, with advisory role only (no direct oversight).

Pros: County support helps ensure sustainability and protection of facility over time.

Cons: Most costly option for County which is less viable in uncertain financial climate.

Option 2: County offers the facility for sell or lease by competitive bid to an operator, with conditions possibly stipulating uses that include community purposes

Pros: An operator who shares county vision and willing to co-invest in operating Center would lessen County financial and organizational burden

Cons: No guarantee that any operator or entity would share County/community vision. Private interests and priorities may conflict with community preferences. Bid, selection, and negotiation process may be complex, especially to identify stipulation language that helps preserve historic and cultural significance of site. Tourism visitor function may be less of an interest for a private operator.

Option 3: County gifts the Center to the community, and the community establishes a non-profit or foundation to fully own and operate the Center, with no ongoing expectation of County support.

Pros: Like #2, would lessen County financial and organizational burden. Unlike #2, would put the School/Center firmly in ownership/control of the local community.

Cons: Defining what community ownership might look like would be difficult. No existing non-profit that could simply take on the Center. Would have to help create a new community organization which would be time-consuming and involve a lengthy process of capacity building to do well. Community currently lacks capacity.

Option 4 (the recommended option): This would be a blended option. County owns Center, and contributes ongoing operational support at a minor or moderate level, (perhaps handles maintenance and upkeep, utilities, and contributes funds for a part-time staff). The center would be operated by an advisory committee or board that includes county, community members, and other regional and local partners. Or a non-profit is established that contracts with County and receives ongoing support.

Pros: County retains stake in facility, with a modest financial commitment, but distributes the operational burden across a board or advisory group or new non-profit.

Cons: Would also take time to negotiate or define roles between county, community and partners, and to establish mission, role, purpose of oversight group. Would require some ongoing county support.

Assumptions

VT CECE was not tasked with estimating construction or renovation costs. A 2020 study from Waukeshaw estimated costs at approximately \$110/SF to modernize all of the structures on site, fixing all MEP systems, adding new energy-efficient windows, new roofs, etc. They also added another \$40/SF in construction/renovation “soft costs”, including A&E, contingencies, legal, interest, etc. Waukeshaw estimated a total cost of the project at approximately \$3,600,000, assuming no extraneous upfit costs for specific end-users.

The pro forma below is based on Option #4, with a set of assumptions. The assumptions are that the County would retain ownership, that the facility would include a visitor information center, staffed part-time, with restrooms; a cultural exhibit space (self-guided/non-staffed); a small seating/event/meeting space; and outside space for events, playground, a short walking path, and related recreational uses. The part-time staff person would be a county employee and visitors information station and restrooms would be maintained by County, but special events, programs, cultural center, and other activities would be led by the non-profit, advisory group or board with a volunteer chair or director, for first 3-5 years.

	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Revenues and Sources</i>					
Total Operating Funds – County Govt*	\$30,000	\$30,000	\$30,000	\$35,000	\$35,000
Rental and private events**	\$1,500	\$2,500	\$3,500	\$3,500	\$3,500
Donations and Grants***	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Memberships and Fees****	\$500	\$750	\$750	\$900	\$900
Special Events*****	\$3,000	\$5,000	\$5,000	\$6,000	\$6,000
Marketing/Sponsorships*****	\$500	\$750	\$900	\$1100	\$1300
<i>Total Revenues</i>	\$43,500	\$47,000	\$48,200	\$49,550	\$49,750
<i>Expenses</i>					
Salaries & Wages*	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400
Benefits**	\$4,752	\$4,752	\$4,752	\$4,752	\$4,752
Administrative and Office expenses***	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Maintenance and Repair****	\$1,500	\$2,000	\$2,500	\$3,500	\$5,000
Building Operations**** (cleaning, insurance, legal)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Landscaping and Grounds*****	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Utilities*****	\$6,000	\$6,000	\$7,000	\$7,000	\$7,500
Event Expenses*****	\$1000	\$1250	\$1500	\$1750	\$2000
Cultural center, exhibit costs and storage, display*****	\$2,000	\$1,500	\$1,1250	\$1,000	\$1,000
Other	\$500	\$500	\$500	\$500	\$500
<i>Total Expenses</i>	\$44,152	\$44,402	\$44,902	\$45,402	\$46,152

Revenues Assumptions

Overall, revenues projections included above are conservative.

Revenue Line 1: County Operating Funds *: Assumes mostly stable county support for operations, dedicated primarily to staff and building operations.

Revenue Line 2: Rental and Private Events **: Assumes facility and/or grounds could be rented by individuals/groups for private events, related to parties, receptions, and etc. At a modest rate of \$100 per hour and assuming 3 hours per event, 5 rental events per year would yield \$1500. This is very conservative and this could be a source of greater revenue if some portion of staff or volunteer time were dedicated to growing and managing this revenue stream.

Revenue Line 3: Donations and Grants ***: \$8,000 per year, on average, in donations and grants towards programming and operations seems reasonable and conservative. Again, a staff member or volunteer focused on grants or gift solicitation could reasonably increase this estimate in a significant way. Visitors could also be asked for contributions or donations through a donation box at the cultural center exhibits.

Revenue Line 4: Membership and Fees ****: This revenue category may not come to fruition, but could represent some type of very modest annual member fee for community supporters of center, and perhaps associated with discounted tickets to special events or rate reductions for private event booking.

Revenue Line 5: Special Events *****: Special events might be larger-scale events hosted at the center, that would likely be ticketed for entry or associated with parking fees (such as concerts or festivals).

Revenue Line 6: Marketing/Sponsorships *****: This category might include signage, event, or material sponsorships from County and area businesses or organizations such as the Chamber.

Expenses Assumptions

Expenses Line 1: Salaries and Wages *: Based on 1 part-time semi-seasonal employee, at 20 hours per week, for 40 weeks per year. At \$18 per hour.

Expenses Line 2: Benefits **: based on 30% of annual wage for part-time worker, indirect expenses.

Expenses Line 3: Admin/Office ***: includes miscellaneous office supplies, copying, and related materials

Expenses Line 4: Building Operations ****: Assumes relatively stable costs for contracted cleaning services, legal, insurance, and related costs.

Expenses Line 5: Landscaping & Grounds *****: Assumes relatively stable costs for upkeep and lawn care, and snow removal if needed.

Expenses Line 6: Utilities *****: \$500 per month annualized estimate for gas, electric, water, sewer

Expenses Line 7: Event Expenses *****: Event expenses might be costs in support of special events (contracted parking assistance, decorations, etc.)

Expenses Line 8: Cultural Center and Exhibits*****: Assumes annual additions or care for cultural center exhibits.

Expenses Line 9: Other: Miscellaneous costs for other minor purposes

Summary and Concluding Recommendations

In summary, The Western Grayson Music and Craft Museum and Information Center holds potential to serve as a cultural and resource hub for Western Grayson County. Furthermore, the facility could be used to meet the need for visitor-related assets, as identified in The Grayson County 2018 Comprehensive Plan.

After meeting with county officials, visiting the community, speaking with community members, and reviewing literature and comparable cases, it is recommended that the development of a Center be actively pursued. This is readily justified:

- Visitation numbers in the region, and increases in area visitors, point to a ready supply of users and visitors.
- There are few existing, readily available, places for visitors to stop for information, public restrooms, and recreation. The Center would help meet this need.
- The Mt. Rogers Historic School is a significant local asset with a rich history,
- The community is very supportive of the preservation and re-use of the site.
- The site is already used by the local community for recreation (playground, etc.).
- The County has invested in a design plan and other work on the site.
- Past engagement with area residents (surveys and input sessions) have clearly identified the preference for a visitor center, cultural center, and event space.

Despite this, some cautions are evident. The facility is likely to not be a net positive in terms of revenue generation, especially in start-up years. The capacity of existing organizations to develop and lead the Center is a question mark. Some other cultural centers have over-estimated revenue expectations and under-estimated costs.

VT CECE believes that there is a path for development and operation for the Center that minimizes financial risks while keeping costs relatively low. Our pro forma illuminates one such model, with conservative revenue projections. This does include some level of ongoing financial support from the County. The returns of this modest County investment seem strong especially given the relatively low number of other County-operated recreation, park, or tourism facilities in western Grayson County, apart from the Library which itself is a significant asset.

Several of the operating alternatives might be viable but this report finds that the option that best responds to community preferences while at the same time maximizes long-term success would be a blended partnership between the county and community. County would retain ownership and some level of ongoing financial commitment. A new advisory or oversight body would be developed to manage, fund-raise, and operate the Center. This would ease the burden of managing a variety of programs and diverse types of costs.

An advisory committee consisting of county, community members, and other regional and local partners would enable Grayson County to uphold its rich history and community character while a county role could offer ongoing operational support at a minor or moderate level, providing maintenance, upkeep and funding for a part-time staff member. However, the committee would need to play an active oversight and fiscal management role, so the county should consider formalizing this body as a County commission or Authority, or it could become a sub-group under the County's Economic Development

Authority. Alternatively, a county department such as Tourism could function as the fiscal oversight for this committee. Regardless, the recruitment, selection, on-boarding, role, duties and formal authority and fiscal oversight and fiduciary responsibilities of this body should be considered and clear. An entity such as the Virginia DHCD or a consulting group should be retained to aid in board/commission development, including strategic planning, member responsibilities, fiscal management, and fund-raising.