ECONOMIC IMPACT ASSESSMENT
OF THE CROOKED ROAD: VIRGINIA’S HERITAGE MUSIC TRAIL

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I. ACKNOWLEDGEMENTS

This report acknowledges the assistance of The Crooked Road Executive Board and the kind cooperation of The Crooked Road staff. Additionally, this assessment would not have been possible without the assistance provided by the venues along The Crooked Road and the willingness of the visitors to this region to participate in surveys and share information. This Report was also complemented by data provided by the various municipalities in Southwest Virginia, including their economic development representatives and Chambers of Commerce. Additional sources of data have been referenced as appropriate.
1.0 BACKGROUND TO PROJECT

The Crooked Road: Virginia’s Heritage Music Trail is a driving trail through Southwest Virginia that takes you through one of the most scenic and culturally unique regions of the United States. It also takes you through some of the most musically significant areas in the U.S. for Bluegrass and Old-time Country Music. Here you will find the roots of American music. This region is home to the World’s Capital of Old Time Mountain Music and the Birthplace of Country Music. Anchored by eight major music venues – the Blue Ridge Institute; the Floyd Country Store and County Records; the Rex Theatre and Old Fiddlers Convention; the Blue Ridge Music Center; the Birthplace of Country Music; the Carter Family Fold; the Country Cabin; and the Ralph Stanley Museum and Traditional Mountain Music Center – the Crooked Road is rich with talent. Along the Trail, you will find opportunities to listen to and learn about the rich culture that gave us this unique style of music as well as enjoying a wonderfully scenic region of the U.S. and true southern hospitality.

Many of the venues and institutions that make up The Crooked Road experience have been in existence for years. The Crooked Road initiative was launched in 2003 as an effort to link these opportunities together into a more coordinated tourism experience for the traveling public. It is a truly multi-jurisdictional effort. The Trail incorporates ten counties, three cities, eleven towns, and four planning districts (see Figure 1). The project is supported by a number of funding agencies and organizations including the Virginia Department of Housing and Community Development, the Virginia Department of Transportation, the Appalachian Regional Commission, the Virginia Tobacco Indemnification and Community Revitalization Commission, the National Council for the Traditional Arts, the Blue Ridge Travel Association, the Heart of Appalachia Tourism Authority and the Virginia Foundation for the Humanities, along with many of the municipalities and local governments along the Trail. The Crooked Road is a registered not-for-profit organization governed by a Board of Directors with members from a variety of associated stakeholders. The initiative stretches from Rocky Mount through Ferrum’s Blue Ridge Institute to Floyd, following Route 221 to Route 58 through Hillsville and Galax, Independence, Damascus and Abingdon. It then winds through Bristol, VA/TN, up into Scott County to the Carter Family Fold and then to Clintwood and finally to The Breaks Interstate Park.

The Crooked Road is also an economic development project. Although most would consider this project to have been an economic success story in its five years of operation, reports have been primarily anecdotal. A recent marketing campaign was initiated with the following anticipated results:

- Total Media Exposures = 17,727,871
- Estimated 1% of these exposures will request information
- Estimated 34% (60,275 visitors) will travel to the region
- Each visitor will spend approximately $225 during the visit
- Direct tourism spending will equal $13.5 million
- Estimated new job creation will be equal to 405-475

Appendix 10.1 is a summary of economic inputs into TCR and outputs since 2004

2002 Conversion Study by the Virginia Tourism Corporation

2002 Data from Virginia Tourism Corporation
Using a standardized economic multiplier of 2.0, this could equal a total economic impact of $27 million to the region. Despite the wealth of anecdotal data on the positive economic benefits of TCR, there is a need to gather and interpret more specific data and document the economic impact on the communities in the region, in particular, those with major venues on the Crooked Road.

1.1 Purpose of Economic Impact Assessment

The economic impact of tourism is an important consideration in state, regional and community planning and economic development. Additionally, economic impacts are also important factors in marketing and management decisions. Communities therefore need to understand the relative importance of tourism to their region, including tourism’s contribution to economic activity. One of the primary objectives of this Economic Impact Assessment (EIA) is to provide current and relevant information to the communities of Southwest Virginia as to the relative economic impact of The Crooked Road initiative and also to set a benchmark from which future assessments can be compared to. A second objective is to verify the estimates for economic impact expressed above.

Economic impact analysis is an important tool for predicting the effects of a variety of economic stimuli in a local economy. Development projects, tourism initiatives, tax changes, land use decisions, and other economic decisions impact the flow of income in and out of a community. The specific purpose of this Economic Impact Assessment is to determine the direct and induced economic impacts of The Crooked Road: Virginia’s Heritage Music Trail (TCR) within the regional economy. Economic impact analysis is used to determine the previous and current economic impact as a result of this tourism initiative and to forecast future economic changes as a result of additional investment into the initiative. It can be used to set a baseline of data from which to make future assessments of the efficacy of further investment. Additionally, data captured through this assessment can also be used to direct future marketing efforts in order to increase efficiency, promote greater conversion rates, and increase the positive impact of local economic output.

This document will also be used as an informational resource and baseline assessment for local governments, current and potential funding agencies and institutions. A Task Force of the Executive Board was assigned to develop the specific Terms of Reference for this Economic Impact Assessment. The task force recommended the following actions to be taken:

The economic impact report shall include:

- Attendance and other data from major venues
- Annual revenue figures from towns, cities, and counties that have lodging and restaurant taxes
- Job creation
- New food, lodging, and retail establishments
- An in-depth study of several specific communities that have generated significant economic development as a result of The Crooked Road as

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4 Economic Multiplier of 2.0 adapted from ERA (2007) and UVA (2005)
5 Stynes, Daniel. Economic Impacts of Tourism Vol. 1 January 1999
compared to communities outside of the zone of influence (anecdotal information from communities along The Crooked Road may be required to fill in data gaps in order to accomplish this task)

The Task Force also encouraged major venues to meet on a regular basis to develop common information to be used in the economic impact report and updates. This information is to be provided to the Virginia Tourism Corporation so that it can be included in their statistical barometer. The Ralph Stanley Museum already participates in this program.

1.2 Definitions

In order to clearly communicate the results of this EIA, the following terms are defined for consistency between the consultant, client and the public.

**Direct Economic Impact**
- This is defined as employment created, payroll and wages, and other local expenditures of all visitors to the venues and other locations within the region during their length of stay.
- Gross receipts received as revenue from sales of tickets/entrance fees at TCR music venues, sales of merchandise from TCR venues and sales of merchandise direct from TCR (including internet sales) and related industries
- Direct job creation at the TCR venues and related industries
- Wages paid to employees

**Indirect Economic Impact**
- This is defined as the additional expenditures of the venues and other businesses as a result of the increase in tourism expenditures.

**Induced Economic Impact**
- This is defined as the additional local business generated by the increase in tourism dollars being spent in the region, including new businesses, new jobs in support businesses, additional wages, taxes and other income, along with multipliers from successive circulation in the local economy “multiplier effect.”
- This includes all other changes to the local economy as a result of the Direct Economic Impact.

**Economic Multiplier**
- A basic assumption of economic theory is that increases or decreases in expenditures are multiplied as they spread throughout the economy. Thus, for every increase of $1 brought into a local economy from outside the region, an increase in $1 + X will occur as a result of increased downstream use. For example, a new employee that earns $1 will in turn spend a portion of it on food, housing and other essentials in the community. The recipient of these purchases will then spend a portion on similar necessities and luxuries. As the dollar is spent and re-spent, portions of it will be saved, and portions will leave the local economy (these losses are referred to as leakages) and thus the local re-investment will continually decrease. The extent to which the dollar is re-circulated through the local economy is related to the types of industry present, spending habits, local supply, and other interrelationships. The U.S. Department of Commerce has developed a Regional Multiplier Model (Regional Input-Output
Modeling System II (RIMS II), Third Edition, March, 1997) to assist in determining the appropriate multipliers by industry type to use within a given region. These multipliers have been used in this EIA.

1.3 Deliverables

The Economic Impact Assessment Report for The Crooked Road (TCR) includes the following information:

- Determination and demographics of the market area(s)
- Assessment of market area growth potential
- Determination of the total economic impact of The Crooked Road including:
  - Assessment of direct and induced economic impact
  - Job creation
  - Tax revenue (local, state and federal)
  - New businesses created as a result of TCR impact
  - Comparison to non-TCR jurisdictions (control region)
- Development of a systematized data collection system for all venues to track economic impact
- Data is to be statistically valid and assumptions are stated and justified
- Standardized data sets are to be used from reputable sources
- Data is to be rigorous and robust (more than one source and replicated)
- Anecdotal data sources were used if they met the above criteria
- Data was reviewed, collated and queried to the study area
Figure 1.1: The Crooked Road Region and Venues

- RALPH STANLEY MUSEUM, CLINTWOOD
- COUNTRY CABIN, NORTON
- CARTER FAMILY FOLD, HILTONS
- BIRTHPLACE OF COUNTRY MUSIC ALLIANCE, BRISTOL
- BLUE RIDGE MUSIC CENTER, CARROLL/GRAYSON COUNTRIES
- REX THEATER & OLD FIDDLER'S CONVENTION, GALAX
- THE FLOYD COUNTRY STORE & COUNTY SALES, FLOYD
- BLUE RIDGE INSTITUTE AND MUSEUM, FERRUM

www.thecrookedroad.org

Produced by: Mount Rogers Planning District Commission, April 8, 2005
2.0 Regional Description

2.1 Description & Demographics

A primary concern for this assessment is the determination of the demographics of the Crooked Road’s region of influence. Much of this data is already available to the client through existing Virginia database and census tract information. The following is a short synopsis of the data, what it means to the outcome of the assessment and how it is likely to change as a result of TCR impacts. Of primary importance are:

1) changes to the local demographics as a result of TCR economic impact and,
2) the demographics of the primary and secondary market area (for future use in marketing and conversion efforts).

Critical factors assessed from the review of demographic data are as follows.

- The Crooked Road region maintains a household income considerably less than the State average, but close to the national median. Median 2005 household income for Virginia was $54,207, well above the national average of $48,201. However, median 2005 household income for The Crooked Road Counties was $32,422 (40% lower than the State average). This factor documents that overall, salaries and employment opportunities are not keeping pace with the remainder of the State.
- Counties included in TCR’s sphere of influence have historically had very high rates of unemployment and are economically under-developed. The current rate of unemployment in the ten county TCR region is 4.42 percent, higher than the overall state average of 3.0 percent with three counties having rates over 5%.

Throughout the last decade, unemployment rates were some of the highest in the nation. Current rates are comparatively low due to the current renewed interest in coal mining and natural gas extraction but this industry is well documented as having cycles of “boom and bust.” Perhaps more important, the region is not creating new employment at the same rates as other parts of the State. According to the U.S. Department of Commerce, job creation in Southwest Virginia through 2004 was only 1.1%, considerably lower than many other regions of the state.

The population density of Virginia has changed little over the 2000-2005 time frame with the heaviest population density in the Northern Virginia region. Several counties in Southwest Virginia have lost population during this period while the state as a whole has increased in population (see Figure 2.1).

Source: U.S. Bureau of Labor and Statistics

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“Several counties in…the southwest portion of Virginia, and eastern Kentucky experienced unemployment rates in excess of 10 percent throughout the 1980s, as the continued decline of the mining industry contributed to stubbornly high rates of joblessness.”

USDA Economic Research Service Data Sets.
Figure 2.1: Population density map of Virginia
Overall, the region continues to battle against the loss of manufacturing jobs, for the attraction of new business and the retention of a trained and skilled workforce. There is a current emphasis on the attraction of high-tech business to the region and a return of the workforce from other regions. While there are success stories (such as the new high-tech businesses in Lebanon (Russell County), there is still a need for additional economic development in order to offset previous losses and to raise the overall level of the economy to be on-par with other areas of the state. Part of this strategy is to also enhance the cultural capital of the region in order to develop a tourism economy focused on the heritage and unique skills of the residents. These include hand-made arts and crafts and traditional mountain music. This not only increases local employment but it infuses income into the region from outside the area (capital inflow). It also serves as a quality of life enhancement for the existing residents and as an enticement to retain and attract a more educated and skilled workforce.

2.2 The Crooked Road

The Crooked Road region is comprised of ten counties and four towns within the southwestern section of Virginia. Figure 1.1 identifies the counties, major roads, and venue locations on The Crooked Road.

The Crooked Road region stretches from Franklin County in the eastern portion of Southwest Virginia to Lee County at the extreme western tip of the State, albeit The Crooked Road Route 23 only passes through the eastern tip of Lee County as it travels from the Carter Family Fold toward the Country Cabin II in Norton. This region of Southwest Virginia is known for its traditional values, rural lifestyles and small, close-knit communities.

The largest city in the region is Roanoke (population of 94,911 as of 2000), which is located outside of The Crooked Road counties. The second largest city is Bristol (population of 17,221). However, looking at a more regional assessment of the population reveals that the Roanoke Metropolitan Area’s population is 297,363 and the Bristol Metropolitan Region is 93,282. These regions, along with other Towns such as Radford (population 15,478) provide access to regionally significant population centers. The remainder of the region is very rural with low population densities. Figure 2.1 is a map of the population density for the State.

The major communities within the Crooked Road region include Floyd, Galax, Abingdon, Bristol, Norton and Clintwood. The following Table 2.1 is a summary of their population statistics as of 2006.7

Table 2.1: Selected Populations of TCR Communities

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<th>Community</th>
<th>Population</th>
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<tr>
<td>Washington County (including Town of Abingdon)</td>
<td>52,484</td>
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<tr>
<td>City of Bristol</td>
<td>17,221</td>
</tr>
<tr>
<td>Dickenson County (including Town of Clintwood)</td>
<td>15,841</td>
</tr>
<tr>
<td>Floyd County (including Town of Floyd)</td>
<td>15,005</td>
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<tr>
<td>City of Galax</td>
<td>6,774</td>
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<tr>
<td>City of Norton</td>
<td>3,773</td>
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The Crooked Road contains eight major venues and twenty affiliated partners as listed below:

The Crooked Road Major Venues

- Birthplace of Country Music Alliance, Bristol
- Blue Ridge Institute and Museum, Ferrum – Franklin County
- Blue Ridge Music Center – Carroll County
- The Carter Fold, Hiltons – Scott County
- The Country Cabin, Norton – Wise County
- The Ralph Stanley Museum, Clintwood – Dickenson County
- The Rex Theater and Old Fiddler’s Convention, Galax – Grayson County
- The Floyd Country Store & County Sales, Floyd – Floyd County

Affiliated Partners

- Dairy Queen, Rocky Mount - Franklin County
- Footlights of the Blue Ridge, Rocky Mount - Franklin County
- Franklin County Department of Aging
- Tripple Creek Ranch, Rocky Mount - Franklin County
- The Franklin County Fun Fest – Franklin County
- Stateline Grocery – Patrick County
- Patrick County Music Association, Stuart
- Willis Gap – Patrick County
- Grayson County Old Time Blue Grass Fiddlers Convention, Elk Creek
- The Historic 1908 Courthouse, Independence – Grayson County
- The New River Café, Fries – Grayson County
- Wayne C. Henderson Bluegrass Festival, Grayson Highlands State Park – Grayson County
- Natural Tunnel State Park – Scott County
- Bristol Rhythm and Roots Reunion, Bristol
- Pickin’ Porch, Bristol
- The Lays Hardware, Coeburn – Wise County
- The Trail of the Lonesome Pine, Big Stone Gap – Wise County
- Home Craft Days, Mountain Empire Community College – Wise County
- Mountain Art Works, Haysi – Dickenson County
- The Jettie Baker Center, Clintwood – Dickenson County
- The Breaks Interstate Park, Breaks – Dickenson County
The following is brief description of the information currently available for each major venue on TCR.

**Carter Fold**

Since 1974 the Carter Family Fold Memorial Music Center has hosted music events every Saturday night throughout the year. The Center’s objective is to promote old time music and pay tribute to the original Carter Family who are considered by many Country Music’s “First Family.” In keeping with the traditional style, no electrical instruments are allowed and dancing on the wooden dance floor is highly encouraged. In addition to the Saturday musical events, there is a yearly two day Carter Family Traditional Music Festival, and the old family cabin (birthplace of A.P. Carter), built in the mid-1800s and museum building are open to the public.

Total ticket sales are tabulated per month and year for the Carter Fold attendance. The Carter Fold contains a visitor’s register at the museum and at the music stage. Not all guests sign the visitor’s register as it is voluntary. The data includes mostly the name and town of the visitor.

![Figure 2.2: Welcome sign at The Carter Family Fold](image)

**Country Cabin**

Country Cabin II presents old time and bluegrass music every Saturday night, featuring local and regional musicians. Mountain-style clogging is also taught and practiced at Country Cabin II. Live music is performed and ranges from traditional bluegrass to classic country style offerings. Other special events include the Dock Boggs/Kate O’Neill Peters Sturgill Memorial Music Festival, jam sessions, picking lessons, weddings, birthday celebrations, music benefit shows and bus tours. The original Country Cabin was constructed in 1937-38 as a local recreational facility where local musicians would gather on weekends. The new Country Cabin II was built across the street in 2002 to accommodate a larger audience and a covered multi-purpose covered stadium was recently constructed behind the Cabin to accommodate festival crowds and special events.
The Country Cabin maintains a voluntary visitor registration at the door. The registration includes name, address and contact details for attendees.

Figure 2.3: Country Cabin during the Doc Boggs Festival 2008

Ralph Stanley Museum

The Ralph Stanley Museum is located in Clintwood, Virginia (Dickenson County) and is essentially the western anchor of The Crooked Road. It contains a major collection of memorabilia from the life and career of Dr. Ralph Stanley and the Clinch Mountain Boys.

The Ralph Stanley Museum contains a visitor register that provides for the name and address of the visitor. In addition, the entrance ticket sales are segregated based on those that are considered local (Dickenson, Wise, Buchanan and Russell) and those from outside the region. Ages of the visitors are segregated from youth (less than 12 years of age), adult and senior (over 55).

Figure 2.4: Ralph Stanley Museum – Clintwood, Virginia
Birthplace of Country Music

Bristol, Virginia was recognized in 1998 by the U.S. Congress as the “Birthplace of County Music.” This is due to the ‘Bristol Sessions’ of recordings made in 1927 that launched the careers of the Carter Family, Jimmy Rodgers and others. The Birthplace of Country Music Museum celebrates and documents this event and history. The original location of the Birthplace of County Music was in the Bristol Mall. The new Birthplace of County Music (BCM) will be located in downtown Bristol and is scheduled for construction in 2009 (see rendering below). It will capture visitor information via a register and entrance fees with sales transactions tracked electronically. The new BCM Cultural Heritage Center is currently in the planning and fundraising stage. According to a recent economic study completed by the University of Virginia’s Weldon Cooper Center, the downtown Bristol location will attract 75,000 annual visitors with an economic impact of over $43,232,806 over five years ($8.6 million per year average or $115 per visitor) and direct tax revenue to the region of $1,041,253. The total cost of the new Cultural Heritage Center will be $9.5 million. This study did not assess for construction phase impacts and used a fairly conservative multiplier of 1.711 for all revenue streams (discounted by 0.2).

The Birthplace of Country Music (Bristol Mall) collected visitor information via a voluntary register. However, only approximately 1 in 4 people typically registered. This information provides some useful data on the origin of visitors.

Figure 2.5: Rendering of proposed Birthplace of Country Music in downtown Bristol, Virginia.
Rex Theater in Galax

Figure 2.6: Rex Theater in downtown Galax

Galax is home to the Old Fiddlers Convention, the oldest and largest such convention in the world. Founded in 1935, the Convention attracts approximately 40,000 visitors a year over a six day period. The Rex Theater is an old movie theater located in downtown Galax that has been converted for live performances. The live broadcasts are heard every Friday night as the Blue Ridge Backroads show. A voluntary visitor registration book is provided but it does not appear to be extensively used.

Blue Ridge Music Center

The Blue Ridge Music Center (BRMC) is located along the Blue Ridge Parkway (at mile post 213). It straddles Grayson and Carroll Counties and is near the town of Galax. The National Council for the Traditional Arts operates the BRMC in cooperation with the National Park Service. Shows are only offered from May to September at the outdoor amphitheater but small performances are typically held Thursday through Sunday in the interpretive center.

The first phase of the Blue Ridge Music Center opened in 2001 and includes an outdoor amphitheater and seating for up to 2,000 people. Phase II is now complete and includes a 17,000 square foot interpretive center. Shows are held every Saturday night unless there is inclement weather. If needed, the show is moved indoors a few miles away to the Rex Theater in Galax.
Floyd Country Store

The Floyd Country Store is located in downtown Floyd, Virginia (Floyd County). The Country Store celebrates traditional Appalachian music and heritage and offers a selection of local music as well as CDs, clothing, candy and other traditional items. It also serves food from an authentic soda fountain.

The Floyd Country Store provides live music every Friday night (Friday Night Jamboree), plus an occasional performance on Saturday nights. The Country Store is open six days a week during the busy season and four days a week during the slow season. The Floyd Country Store maintains an informal sign-up for visitors and is in the process of developing a more formalized visitor database. This will be used for future email notices of upcoming events, etc.

County Sales is located at 117 West Main Street in Floyd and is one of the nation’s largest retailers of bluegrass and old time music. County Records began operation in 1965 and became a pioneer in recording of old time, traditional country, and bluegrass music. It has expanded to include additional labels as well as a record distributorship and mail order business.

Figure 2.8: Floyd Country Store in downtown Floyd, Virginia

The Blue Ridge Institute and Museum

The Blue Ridge Institute (BRI) and Museum at Ferrum College is open Monday through Saturday all year and on Sundays during the summer travel season. Admission is free. In addition to the museum, gift shop and exhibits, BRI also presents the Blue Ridge Folk Life Festival and other events throughout the year.
The Blue Ridge Institute collects visitor data by way of a volunteer registry which includes name, town and state. No online registry is available at this time. A visitor questionnaire is acceptable to them with the recommendation that the data be collected over several consecutive days during the busy season.

Figure 2.9: Blue Ridge Institute and Museum at Ferrum College

The Affiliated Partners of The Crooked Road cover a diverse range of institutions ranging from music venues such as the Lays Hardware in Coeburn to the State Line Grocery in Patrick County. Other Partners such as the Home Craft Days at the Mountain Empire Community College or the Wayne C. Henderson Festival at the Grayson Highlands State Park are more specific to just those yearly events. All of these Partners have the right to market themselves as an Affiliated Partner of The Crooked Road. By selection of the Board of Directors, any of the Affiliated Partners may, in the future, be granted full Major Venue status.

In addition to the Major Venues and Affiliated Partners of TCR, there are a host of other organizations, venues, retail establishments, accommodations, food and beverage providers and other businesses that stand to benefit financially from the increase in tourism associated with TCR. The economic benefits derived by the supporting services are accounted for in this EIA through the use of economic multipliers.
3.0 GEO-TOURISM TRENDS

3.1 General Tourism Trends

United States

Nationally, tourism continues to play a strong role in the economy, despite the recent rise in fuel costs. The travel and tourism industry, as measured by the real output of goods and services sold directly to visitors, grew for the fifth straight year in 2006. Current dollar tourism-related output increased to $1.23 trillion within the U.S. during 2006 (up 7.12% from 2005). Direct domestic and international travelers' expenditures totaled $739.4 billion in 2007 with the food services sector representing 23.7 percent of the total spending. International tourism spending increased at a faster rate than domestic during 2007, a trend that is likely to continue if the dollar weakens against European and Asian currencies. The U.S. travel industry generated a more than $17.6 billion trade surplus for the U.S. in 2007.

Total tourism employment for the nation increased by 133,000 jobs in 2007 to approximately 8.63 million. The greatest gain in travel employment occurred in the arts/entertainment/recreation industry with a 2.5% increase over 2006 levels. Over the last five years, tourism has begun to rebound to its pre-2001 (9/11) levels and by most indicators has surpassed previous levels. However, given the recent surge in fuel prices, tourism output for 2008 may be lower. Figure 3.1 represents the flow of tourism dollars into the U.S. economy for 2007 based on projections from the Office of Travel and Tourism Industries/International Trade Administration (note the total employment estimates are slightly different from the U.S. BEA and Virginia Tourism estimates).

The non-profit arts and culture industry generated $166.2 billion (without multipliers) for the U.S. economy in 2006 and generated 850,000 jobs. This equates to $29.6 billion revenue to the government (a 7:1 return on investment). Each customer spent on average $28 per person per event (exclusive of entrance/admission fees) with travelers spending twice the average of locals.

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10 Arts and Economic Prosperity III. The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences. No Date. Americans for the Arts.
Virginia

Tourism continues to play a major role in the economic condition of the Commonwealth of Virginia. The state of Virginia had 54.76 million visitors in 2005, an increase of 640,000 from 2004. During 2007, domestic travelers spent close to $18.7 billion (5.8 percent increase over 2006) on transportation, lodging, food, entertainment, and recreation and incidentals in Virginia (see Figure 3.2).
In 2007, travel and tourism was the sixth largest industry by non-farm employment in Virginia. During 2007, domestic travel spending in Virginia generated 210,300 jobs, including full-time and seasonal/part-time positions in the state, up 1.0 percent from 2006. On average, every $88,882 spent by domestic travelers in Virginia directly supported one job.

3.2 Regional Trends

Within Virginia there is a considerable discrepancy between the regions with respect to domestic travel spending. The top five jurisdictions (Fairfax, Arlington, Loudoun, Virginia Beach City and Norfolk City) received more than $8.1 billion in direct domestic travel expenditures, generating $286.5 million in tax revenue for the state and $208.9 million for local governments (2007). While the thirteen jurisdictions of The Crooked Road combined only generate a total of $401 million per year or only 4.3% of the state’s total. In fact, the total of the entire Crooked Road region did not equal the top earning county (Fairfax) and combined would not even be within the top ten for the state. However, this fact only highlights the glaring differences in demographics, population size and proximity to a major urban population center such as Washington, D.C. Still, taken as a whole, the Crooked Road counties are fairly low in proportion to the other counties in the state with greater than half of the thirteen jurisdictions being in the lower 25 percentile and none ranked higher than 39th (Washington County ranked the highest).

Despite this poor showing relative to the other counties in the state, the Crooked Road counties have shown increases in tourism revenue and, there are a number of new tourism initiatives, in addition to TCR that will likely drive further increases in the future. Specifically, the following new tourism initiatives have the potential to increase tourism to the region:

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These other initiatives will likely have a positive impact upon TCR as they will market to a similar demographic but not directly conflict with the attraction of the Crooked Road audience. The opportunity to cross-market and strengthen tourism experiences in the region should be seen as an opportunity.

The Virginia Coalfields Economic Development Authority (VCEDA) region recently evaluated employment trends for the counties of Lee, Scott, Russell, Dickenson, Wise, and Buchanan. It found that employment in the “arts, entertainment, and recreation” sector of the economy grew at a rate of 31.4 percent over the period of 2001-2004 outpacing all twenty employment sectors. Influence by The Crooked Road upon these growth rates is the subject of this EIA.

3.3 Existing Regional Economic Data

Data on local tax generation from TCR versus non-TCR counties was investigated as part of this research. The rates of increase over time (pre-TCR and post-TCR) were analyzed. This included, business tax receipts, admissions taxes, lodging taxes and restaurant taxes by locality.

Findings:

- State and Local Tax Receipts are inconclusive as to a trend in TCR versus non-TCR counties due to lack of consistency in tax structures and inappropriate scale to TCR influence.
- Many jurisdictions do not collect admissions taxes so this number was not used for comparison.
- Lodging taxes for those jurisdictions that participate did show a higher increase in TCR versus non-TCR counties (see Figure 3.4).
- Meals taxes for those that participate do appear to be higher for some TCR versus non-TCR localities but not for others. Overall not enough jurisdictions impose a meals tax to render any conclusive findings for the entire region.
- Overall expenditures of domestic travel show some regional distinctions between the Crooked regions and the balance of the State, however, at a county to county comparison they do not show a clear increase in TCR versus Non-TCR jurisdictions. This is likely due to a scale of assessment being too coarse to reflect any real economic impact from the Crooked Road venues.

Figure 3.3 is an example of the Virginia Tourism Corporation (VATC) data run for Bland County. This data is available for all reporting municipalities but there is little consistency in the types of local taxes imposed and their rates. Figure 3.3 for Bland County (non-Crooked Road) shows a modest increase in the lodging excise tax collected and a substantial increase from 2004 to 2005 in the meal tax. Yet, taken as a

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whole, TCR counties showed a substantially higher increase over time for lodging excise tax receipts than non-TCR counties.

Figure 3.4 represents changes in revenues for lodging taxes for all TCR versus non-TCR counties during the period of 2003-2006. Meals taxes were compared for select jurisdictions as part of this assessment and in general show a significantly higher percentage of increase during the period of 2003 (just before the start of the Crooked Road initiative) to 2006. For instance, the City of Galax showed an increase in meals tax of 29.15 percent during this period while Pulaski (not part of TCR) showed only a 19 percent increase. The City of Norton (home of the Country Cabin) showed a 41.71 percent increase while Big Stone Gap (not part of TCR) showed only a 10.19 percent increase.

Overall domestic travel expenditures in Virginia for the period of 2003 to 2007 were also assessed as part of this work. Specifically, the rate of change from 2003-2007 was evaluated for TCR and non-TCR jurisdictions during this period to assess if any changes can be attributed to the Crooked Road initiative. The rate of increase for the Crooked Road regions during this period was on average 32.4 percent as compared to the remainder of the State at 30.5 percent. However, subtracting out the region with the highest rate of increase (Northern Virginia), the non-TCR counties are at only 29.5 percent compared to 32.4 percent for the Crooked Road region. Thus a significant increase in the TCR counties is observed.
## Bland

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Population Change</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>7,606</td>
<td>-1.3%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2004</td>
<td>7,654</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>6,943</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Travel Impacts

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures</th>
<th>Payroll</th>
<th>Employment</th>
<th>Sales Tax Receipts</th>
<th>Local Tax Receipts</th>
<th>Percent Change</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$ 9,593,400</td>
<td>$ 2,230,864</td>
<td>154</td>
<td>$ 407,766</td>
<td>$ 263,166</td>
<td>9.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2004</td>
<td>$ 9,553,752</td>
<td>$ 2,331,070</td>
<td>133</td>
<td>$ 431,158</td>
<td>$ 301,850</td>
<td>2.4%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2005</td>
<td>$ 10,447,641</td>
<td>$ 2,387,680</td>
<td>135</td>
<td>$ 448,971</td>
<td>$ 316,552</td>
<td>1.6%</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

### Excise Tax Collections

<table>
<thead>
<tr>
<th>Year</th>
<th>Lodging Excise Tax Collected</th>
<th>Food Service Excise Tax Collected</th>
<th>Admissions Excise Tax Collected</th>
<th>Percent Change</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$ 3,182</td>
<td>$ 92,973</td>
<td>$ 0</td>
<td>4.9%</td>
<td>n/a</td>
</tr>
<tr>
<td>2004</td>
<td>$ 3,353</td>
<td>$ 103,752</td>
<td>$ 0</td>
<td>4.0%</td>
<td>n/a</td>
</tr>
<tr>
<td>2005</td>
<td>$ 3,354</td>
<td>$ 73,069</td>
<td>$ 0</td>
<td>6.6%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

### Excise Tax Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Lodging Excise Tax Rate</th>
<th>Food Service Excise Tax Rate</th>
<th>Admissions Excise Tax Rate</th>
<th>Percent Change</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2.0%</td>
<td>4.0%</td>
<td>0.0%</td>
<td>2.0%</td>
<td>n/a</td>
</tr>
<tr>
<td>2004</td>
<td>2.0%</td>
<td>4.0%</td>
<td>0.0%</td>
<td>2.0%</td>
<td>n/a</td>
</tr>
<tr>
<td>2005</td>
<td>2.0%</td>
<td>4.0%</td>
<td>0.0%</td>
<td>2.0%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Figure 3.3: Typical VTC Data run for Bland County, VA (non-TCR)
3.4 Existing Data Gap Assessment

A review of the above information indicates the following:

- Tourism continues to play a strong role in the national economy, despite rising fuel costs.
- Tourism in Virginia remains strong providing a total of 210,300 jobs and over $18.7 billion to the economy in 2007.
- Regionally, the Crooked Road counties and cities are increasing their share of the tourism market in comparison to other regions of the state. From 2003-2007 they outpaced the other regions of the state by almost two percent but they still lag behind other parts of the state in overall tourism spending.

Given this information, it is clear that tourism development in the Crooked Road region is an important contributor to the local economy and shows signs of strengthening. However, the existing data is not entirely sufficient to determine the actual and anticipated impact that the Crooked Road tourism initiative has had on the local economy. Therefore, it was determined that primary data should be collected to determine more specifically the total economic impact to the region.

Based on the preliminary assessment of existing data (see Scoping Report dated 11 February 2008) it was determined the following information is needed in order to accurately estimate the total economic impact for TCR.
• Detailed Micro-economic data on new development (including CBD redevelopment)
  – New accommodations opportunities (new & expanded such as B&B, hotels, campsites, guest houses, etc)
  – New retail outlets that cater to tourists
  – New restaurants
  – New venues (other than official TCR stops)
  – Park/Recreational area visitation
• Detailed data on visitation
• Data is needed on appropriate economic multipliers
• Data on real estate values (commercial properties) may be useful
4.0 METHODOLOGY

This EIA developed the following methodology to overcome the existing data gaps and more accurately assess the total economic impacts from the Crooked Road initiative. These are each described below in detail. The overall approach is to develop as much specific data as possible and then segregate the most accurate and reliable information. Three points of reference were included:

- Primary data collection at the venues,
- Research on local investment in target and control communities, and
- Industry multipliers sourced from the U.S. Bureau of Economic Analysis (BEA)
- Comparable studies have been used for reference purposes and for comparison against the findings of this research.

4.1 Primary Data Collection

Primary data collection is the most important aspect of this EIA as it constitutes the first comprehensive data collection effort for TCR since its inception. It has also yielded the greatest amount of information (both quantitative and qualitative) for consideration. Data presented is at the 95 percent confidence level with a less than one percent margin of error.

4.1.1 2008 Visitor Profiles

During the 2008 summer season, visitor profile surveys were completed at each of the major venues on TCR and at one affiliated venue. The purpose of the visitor profile questionnaire was to capture data on visitor demographics (including socio-economic factors), spending and travel habits. The questionnaires were voluntary, and self-administered in the majority of cases. The questionnaires were voluntary, and self-administered in the majority of cases. A copy of a typical questionnaire can be found in Appendix 2. A trained technician was available during the completion of the questionnaire to answer any questions and to provide background information such as the purpose of the effort. A summary of the results of the venue visitor profile survey can be found in Section 5 and a copy of the full spreadsheet is available electronically.

Questionnaires were administered during the months of May through September of 2008. Each of the following major live music venues were surveyed a minimum of two times during this period:

- Blue Ridge Music Center
- Floyd Country Store
- Rex Theater
- Carter Fold
- Country Cabin II

The Lays Hardware in Coeburn was also surveyed as an Affiliate Partner of The Crooked Road in order to ascertain any differences between Major Venues and Affiliated Partners.
Surveys were not completed during special events with the exception of the Country Cabin II – Doc Boggs Festival. Surveys were only conducted at the venue locations. No surveys were conducted at other off-site venues, festivals, or other special occasions, even if these were affiliated with TCR. Events such as the Old Fiddlers Convention in Galax, Virginia are affiliated with TCR but are not held at the site of a major venue. Future surveys should include these off-site venues in order to more accurately assess their contribution to total economic impact.

4.1.2 Longitudinal Community Economic Investment

A longitudinal assessment of target and non-target communities (control group) was initiated as part of this EIA. Target communities investigated each contain at least one major venue on The Crooked Road as follows:

- Town of Clintwood (Ralph Stanley Museum)
- City of Galax (Rex Theater)
- Town of Floyd (Floyd Country Store)

The following non-target communities were requested to provide information:

- Town of Pulaski
- Town of Lebanon
- Patrick County (within the TCR region but no major venues)
- Town of Independence (on TCR but no major venues)

Information such as the level of public and private investment with the jurisdiction, number of tourism related businesses and increased visitation was obtained where available for each community. The Town of Lebanon and Independence did not provide responses to the survey and were thus eliminated from further consideration. A copy of the data form provided to the communities is included in Appendix 3.

4.2 Analysis and Model Development

SDCI determined that the U.S. Department of Commerce Bureau of Economic Analysis (BEA) Regional Input-Output II Modeling System (RIMS II) is the most appropriate data source for regional economic multipliers. Two options are available for multiplier data, regional and industry specific. Given that the TCR market area is spread over a wide region, it was determined that the industry specific data should be used with the nearest BEA economic regional adjustment applied. For this Study, the Johnson City-Kingsport-Bristol and the Roanoke-Radford region industry specific multipliers were utilized. These economic areas bracket both ends of the Crooked Road region. Industry specific data was obtained for the following aggregate industries:

- Accommodation
- Amusements, gambling and recreation
- Food services and drinking places
- Performing arts, museums, and related activities

Type II data was ordered for each industry.
5.0 Results of Visitor Profiles

The following is a summary of the results of the EIA per data type. Section 5.1 provides a summary of the data collected through the visitor profile surveys. Section 6 describes the GIS based market analysis and Section 7 describes the results of the longitudinal community surveys. Section 8 provides the results of the total economic impact assessment for the Crooked Road region.

5.1 Visitor Profile Survey Results

Visitor survey questionnaires were completed throughout the 2008 tourist season. The following table is a summary of the number of surveys and dates completed for each.

Table 5.1: Visitor survey summary

<table>
<thead>
<tr>
<th>VENUE</th>
<th>NUMBER OF SURVEYS</th>
<th>DATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Ride Music</td>
<td>44</td>
<td>18 July</td>
</tr>
<tr>
<td>Center</td>
<td></td>
<td>12 September</td>
</tr>
<tr>
<td>Carter Fold</td>
<td>53</td>
<td>17 May</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14 June</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26 July</td>
</tr>
<tr>
<td>Country Cabin II</td>
<td>29</td>
<td>21 June</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16 August</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13 September</td>
</tr>
<tr>
<td>Floyd Country Store</td>
<td>78</td>
<td>4 July</td>
</tr>
<tr>
<td></td>
<td></td>
<td>22 August</td>
</tr>
<tr>
<td>Rex Theater</td>
<td>39</td>
<td>18 July</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12 September</td>
</tr>
<tr>
<td>Lays Hardware</td>
<td>10</td>
<td>27 June</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>253</strong></td>
<td><strong>13</strong></td>
</tr>
</tbody>
</table>

A total of 253 visitor profiles were completed during the summer 2008 season at six different venues on thirteen separate occasions. With the exception of Lays Hardware, each venue was surveyed on a minimum of two separate occasions that were thought to be representative of the overall period of visitation (five months).

For each survey completed, the following information was requested:

1. Number of adults in party?
2. Number of children in party? (under 18)
3. How did you hear about the venue? (8 options provided)
4. What other activities do you plan on undertaking while in the region? (8 categories provided)
5. How many days will you stay in the region?
6. How much will your party spend while in the region? (on fuel, lodging, food & beverages, entrance fees and purchases)
7. What is your home zip code?
8. Highest level of education attained?
9. Age (in ten year brackets)
10. Annual household income (in $20,000 brackets)
11. Did you plan the trip on the internet and if so, which sites were used?
12. Opportunity for comments regarding the venue or The Crooked Road.

The following is a summary of the findings for each of these questions by Venue and totaled:

Table 5.2 provides a summary of the answers to questions 1 and 2.

Table 5.3 provides a summary of the answers to question number 3.

Table 5.4 provides a summary of other activities planned by the party with additional detail provided in Tables 5.4.1 and 5.4.2.

Table 5.2: Number of surveyed individuals

<table>
<thead>
<tr>
<th>Venue</th>
<th>Number of Visitors Surveyed</th>
<th>Adults</th>
<th>Children</th>
<th>Mean Average Party Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Ridge Music Center</td>
<td>141</td>
<td>129</td>
<td>12</td>
<td>3.7</td>
</tr>
<tr>
<td>Carter Fold</td>
<td>218</td>
<td>185</td>
<td>33</td>
<td>4.1</td>
</tr>
<tr>
<td>Country Cabin</td>
<td>64</td>
<td>63</td>
<td>1</td>
<td>2.2</td>
</tr>
<tr>
<td>Floyd Country Store</td>
<td>262</td>
<td>246</td>
<td>16</td>
<td>3.4</td>
</tr>
<tr>
<td>Rex Theater</td>
<td>114</td>
<td>98</td>
<td>16</td>
<td>2.9</td>
</tr>
<tr>
<td>Lays Hardware</td>
<td>31</td>
<td>22</td>
<td>9</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>830</strong></td>
<td><strong>743</strong></td>
<td><strong>87</strong></td>
<td><strong>3.3</strong></td>
</tr>
</tbody>
</table>

A recent Conversion Study prepared by AnswerSearch, Inc., (March 2008) on behalf of The Crooked Road included a survey of 156 respondents to emailed questionnaires. This EIA includes information that is comparable to the AnswerSearch, Inc., data and thus useful comparisons are presented. For instance, the Conversion Study questionnaire included information on the average party size (Question 14) with a mean average of 2.82 party size for overnight trips and 3.07 for day trips. This compares to a mean average party size of 3.3 (both day and overnight trips) per this EIA Visitor Profile.
The mean average party size per this EIA is also slightly larger than the Virginia Profile of Leisure Travelers (2.7) which also only represents those individuals traveling greater than 50 miles. The most likely explanation for the larger party size in this Study is that a higher percentage of respondents to the Visitor Profile completed as part of this assessment are local (within 50 miles of the Venue) whereas only 6 percent were Virginia residents from the AnswerSearch data (13 of 219). Thus, this may represent a trend for multi-family groupings or groupings of friends attending together to travel to the specific venue. Additionally, gasoline prices were at an all-time high during the summer 2008 traveling season and the larger party size may have represented a greater trend towards car-pooling.

Question number 2 of the Visitor Preferences Survey deals with the source of information visitors used to learn about the Venue or to plan their trip to TCR. The specific question was: “How did you hear about the ‘Venue’ (please check all that apply)?” A total of eight options were provided (see Table 6.3). Given that respondents may have used more than one source of info (and in fact most did), the total number of responses exceeds the number of surveys completed. Therefore percentages are based on the number of respondents, not potential responses. For example, 14 percent (6/43) of the visitors to the BRMC (during the dates surveyed) used the Radio to learn of the Venue or event. However, they may also have used another source such as a friend/co-worker (in fact 75% of the respondents who used the radio as their source of information also used a friend or co-worker). Therefore, percentages for all sources will exceed 100% in total. However, the data has only been interrogated individually and then summed for all major venues. Detailed interrogation can be done through additional analysis of the survey data.

This data clearly indicates that the majority of respondents (at each Venue and in total) are receiving information from ‘friends or co-workers.’ Almost half of all respondents stated that they received information on the Venue from this source. Second was the ‘Other’ category and third was a split between the internet and the radio. The lowest percentages were from ‘Billboards or Highway Markers’ and ‘Television.’ The response rate for those who used the internet as a source of info is significantly lower (12% overall) than the rate identified in the AnswerSearch survey as having visited the Crooked Road website (31%). This visitor profile survey is likely to be a more accurate representation of all visitors to TCR as it surveyed a cross-section of visitors at the specific venues whereas the AnswerSearch data was only reported via individuals who use email and thus have greater access to and familiarity with the internet. This data is further elaborated upon in Table 5.8.

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Table 5.3: Summary of data on source of information (Q: How did you hear about this Venue?)

<table>
<thead>
<tr>
<th>Venue &amp; Number of Respondents</th>
<th>TV</th>
<th>Radio</th>
<th>Newspaper</th>
<th>Magazine</th>
<th>Internet</th>
<th>Friend or Co-worker</th>
<th>Billboard or Highway Marker</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Ridge Music Center (43)</td>
<td>0</td>
<td>6 (14%)</td>
<td>6 (14%)</td>
<td>7 (16%)</td>
<td>10 (23%)</td>
<td>16 (37%)</td>
<td>4 (9%)</td>
<td>9 (21%)</td>
</tr>
<tr>
<td>Carter Fold (53)</td>
<td>3 (6%)</td>
<td>6 (12%)</td>
<td>1 (2%)</td>
<td>3 (9%)</td>
<td>5 (9%)</td>
<td>10 (57%)</td>
<td>0</td>
<td>13 (25%)</td>
</tr>
<tr>
<td>Country Cabin (29)</td>
<td>0</td>
<td>4 (14%)</td>
<td>1 (3%)</td>
<td>0</td>
<td>4 (14%)</td>
<td>13 (45%)</td>
<td>0</td>
<td>7 (24%)</td>
</tr>
<tr>
<td>Floyd Country Store (77)</td>
<td>0</td>
<td>4 (5%)</td>
<td>5 (6%)</td>
<td>4 (5%)</td>
<td>8 (10%)</td>
<td>43 (56%)</td>
<td>0</td>
<td>26 (34%)</td>
</tr>
<tr>
<td>Rex Theater (39)</td>
<td>0</td>
<td>13 (33%)</td>
<td>6 (15%)</td>
<td>2 (5%)</td>
<td>2 (5%)</td>
<td>16 (41%)</td>
<td>1 (3%)</td>
<td>10 (26%)</td>
</tr>
<tr>
<td>Lays Hardware (10)</td>
<td>1 (10%)</td>
<td>1 (10%)</td>
<td>1 (10%)</td>
<td>0</td>
<td>6 (60%)</td>
<td>0</td>
<td>2 (20%)</td>
<td></td>
</tr>
<tr>
<td><strong>Totals (251)</strong></td>
<td>4 (2%)</td>
<td>31 (12%)</td>
<td>25 (10%)</td>
<td>15 (6%)</td>
<td>29 (12%)</td>
<td>124 (49%)</td>
<td>1 (0.4%)</td>
<td>67 (27%)</td>
</tr>
</tbody>
</table>

Note: See description below regarding totals for Table 5.3.
Table 5.4: Summary of data on activity preferences (Q: What other activities do you plan on undertaking while in the region or that were associated with your visit to this venue?)

<table>
<thead>
<tr>
<th>Venue &amp; Number of Respondents</th>
<th>Shopping</th>
<th>Outdoor Trips</th>
<th>Cultural/Agricultural or Historical tours</th>
<th>General Sightseeing</th>
<th>Dining Out</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Ridge Music Center (44)</td>
<td>19 (43%)</td>
<td>22 (50%)</td>
<td>14 (32%)</td>
<td>22 (50%)</td>
<td>24 (55%)</td>
<td>5 (11%)</td>
</tr>
<tr>
<td>Carter Fold (53)</td>
<td>17 (32%)</td>
<td>10 (19%)</td>
<td>10 (19%)</td>
<td>16 (30%)</td>
<td>23 (43%)</td>
<td>14 (26%)</td>
</tr>
<tr>
<td>Country Cabin (29)</td>
<td>16 (55%)</td>
<td>10 (35%)</td>
<td>7 (24%)</td>
<td>10 (35%)</td>
<td>11 (38%)</td>
<td>8 (28%)</td>
</tr>
<tr>
<td>Floyd Country Store (78)</td>
<td>37 (47%)</td>
<td>31 (40%)</td>
<td>29 (37%)</td>
<td>39 (50%)</td>
<td>38 (49%)</td>
<td>5 (6%)</td>
</tr>
<tr>
<td>Rex Theater (39)</td>
<td>25 (64%)</td>
<td>20 (51%)</td>
<td>11 (28%)</td>
<td>21 (54%)</td>
<td>28 (72%)</td>
<td>5 (13%)</td>
</tr>
<tr>
<td>Lays Hardware (10)</td>
<td>3 (33%)</td>
<td>2 (20%)</td>
<td>2 (20%)</td>
<td>3 (33%)</td>
<td>5 (50%)</td>
<td>4 (40%)</td>
</tr>
<tr>
<td><strong>Totals (253)</strong></td>
<td><strong>117 (46%)</strong></td>
<td><strong>95 (38%)</strong></td>
<td><strong>168 (66%)</strong></td>
<td><strong>111 (44%)</strong></td>
<td><strong>129 (51%)</strong></td>
<td><strong>41 (16%)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Visitor Activity Preferences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping</td>
</tr>
<tr>
<td>Outdoor Experiences</td>
</tr>
<tr>
<td>Cultural/Agric of Hist Sightseeing</td>
</tr>
<tr>
<td>General Sightseeing</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

Chart 5.1: Summary of visitor preferences for activities combined with a visit to TCR
The data presented in Table 5.4 was interrogated further to determine what other types of activities visitors participated in during their visit to the region (identified as Southwest Virginia) or that were associated with their visit to a particular venue (such as dining out before a show). This data is important as it indicates the visitor preferences with respect to other tourism and retail opportunities the Crooked Road initiative can help to generate. As choices are not mutually exclusive, the data is presented in similar fashion as in Table 5.3. For shopping, the opportunities included: music items (CDs, books, instruments – as examples), Clothes (t-shirts, hats, jackets, other), and arts and crafts (hand-made items, paintings, prints, pottery, jewelry, other). This detail was added to attempt to gauge the types of accommodations and shopping experiences visitors were most interested in. The other questions were simply coded as yes/no responses in order to gauge the overall level of interest. The ‘Other’ category also included the phrase, “no other activities planned”.

For overnight stay, options included: Bed and Breakfast, Hotel/Motel, Cabin/Campground or Other (such as a private home).

Table 5.4.1: Detail of accommodation preferences

<table>
<thead>
<tr>
<th>Venue &amp; Number of Respondents</th>
<th>Bed &amp; Breakfast</th>
<th>Hotel / Motel</th>
<th>Cabin Campground</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Ridge Music Center (42)</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>34</td>
</tr>
<tr>
<td>Carter Fold (43)</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>36</td>
</tr>
<tr>
<td>Country Cabin (23)</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Floyd Country Store (71)</td>
<td>8</td>
<td>11</td>
<td>18</td>
<td>34</td>
</tr>
<tr>
<td>Rex Theater (37)</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>21</td>
</tr>
<tr>
<td>Lays Hardware (10)</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td><strong>Totals (251)</strong></td>
<td>15 (6%)</td>
<td>26 (10%)</td>
<td>32 (13%)</td>
<td>153 (61%)</td>
</tr>
</tbody>
</table>

At first glance it would appear that the majority of visitors stay in some ‘Other’ form of accommodation. This high percentage is actually a reflection of the larger percentage of respondents who are day visitors and chose “Other” as to represent that they travel back to their own home or in some cases this may include staying at a friend’s/relative’s house in the area. This is supported by the high percentage of travelers who report only visiting the area for one day without an overnight stay. For instance, at the Floyd Country Store, 48% of the respondents chose ‘Other’ while 58% stated that they were staying only one day in the region. Future studies should segregate only those who plan to stay overtime in the region as well as paid versus non-paid accommodation stay.

This data is not dissimilar from the AnswerSearch results which indicated that 13.3% of the respondents stayed at a B&B and 67% stayed at a hotel/motel and the Virginia Leisure Traveler survey for 2007 which indicated a larger preference for staying in hotels/motels and a much lower comparative number staying in cabins/campgrounds.
However, the EIA results are from a much larger data set (251 responses versus 15 for the AnswerSearch data) and show a much wider spread of preferences including cabins/campgrounds. The respondents to this survey are also more specifically segmented than the larger and more generalized data set from the leisure travel survey. A more detailed assessment of accommodation options and preferences (such as unmet demand) could further support the conclusions of this assessment. For instance, the Carter Fold, Country Cabin and Lays Hardware responses for paid accommodation could likely be representative of the fact that there are fewer accommodation options in the vicinity of the Venue.

Table 5.4.2 Detail of shopping preferences

<table>
<thead>
<tr>
<th>Venue &amp; Number of Respondents</th>
<th>Music Items</th>
<th>Clothes</th>
<th>Arts &amp; Crafts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Ridge Music Center (19)</td>
<td>17</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Carter Fold (17)</td>
<td>7</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Country Cabin (16)</td>
<td>12</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Floyd Country Store (37)</td>
<td>23</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td>Rex Theater (25)</td>
<td>13</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Lays Hardware (3)</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Totals (117)</td>
<td>74 (63%)</td>
<td>51 (44%)</td>
<td>73 (62%)</td>
</tr>
</tbody>
</table>

Shopping preferences were surveyed as part of the Visitor Profile. Of the 117 respondents to this question, there was a fairly even split between shopping preference for music items (CDs, books, instruments) and arts and crafts (hand-made items, pottery, jewelry, etc). Clothing showed a slightly lower percentage, but was still preferred by 44 percent of the respondents. Overall, shopping was listed as a planned activity by 46% of all respondents and is thus a strong co-activity for visitors to The Crooked Road. Thus, those venues that provide a shopping experience in addition to the music offering may stand a greater chance of capturing additional revenue and meeting visitor expectations.
Chart 5.2: Visitor shopping preferences while visiting Venues on TCR

This reinforces the concept identified in Chart 5.1 in that visitors enjoy other tourism related opportunities while traveling The Crooked Road. This also points to the opportunity for collaboration with the planned Artisan Trails and other driving tour initiatives being considered in the region.

Question 4 of the Visitor Profile requested data on the number of days that the visiting party will stay in the region. Table 5.5 indicates the results.
Table 5.5: Days in the region

<table>
<thead>
<tr>
<th>Venue &amp; Number of Respondents</th>
<th>1 Day</th>
<th>2 Days</th>
<th>3 Days</th>
<th>4-5 Days</th>
<th>&gt;5 Days</th>
<th>Total Days in Region</th>
<th>Mean Average / Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Ridge Music Center n = 42</td>
<td>26</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>124</td>
<td>3 (range 1-30)</td>
</tr>
<tr>
<td>Carter Fold n = 43</td>
<td>25</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>6</td>
<td>113</td>
<td>2.6 (range 1-14)</td>
</tr>
<tr>
<td>Country Cabin n = 27</td>
<td>17</td>
<td>6</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>49</td>
<td>1.8 (range 1-7)</td>
</tr>
<tr>
<td>Floyd Country Store n = 78</td>
<td>41</td>
<td>14</td>
<td>12</td>
<td>5</td>
<td>6</td>
<td>168</td>
<td>2.15 (range 1-8)</td>
</tr>
<tr>
<td>Rex Theater n = 34</td>
<td>15</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>6</td>
<td>189</td>
<td>5.3 (range 1-40)</td>
</tr>
<tr>
<td>Lays Hardware n = 10</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>57</td>
<td>5.7 (range 1-45)</td>
</tr>
<tr>
<td><strong>Totals (234)</strong></td>
<td><strong>131</strong></td>
<td><strong>33</strong></td>
<td><strong>24</strong></td>
<td><strong>20</strong></td>
<td><strong>25</strong></td>
<td>700</td>
<td><strong>3.0 avg.</strong></td>
</tr>
</tbody>
</table>

The overall trend identified in this table is that slightly over one half of the visitors spent one day or less in The Crooked Road region (56%) and that 33 percent spent between 2 and 5 days in the region. This is an impressive figure given the high cost of fuel during the Summer of 2008 which may have limited the number of traveling days per party as well as the number of visitors driving to a destination (people opting for shorter alternatives). This number is somewhat different than that reported by the Conversion Study in that 78% of those respondents opted for only a day trip.

Per a recently completed study by Economic Research Associates, the breakdown between day trips and overnight trips for regional visitors is evenly split, with approximately 52 percent of visitors staying overnight. The average party size is 1.83 persons and parties staying in Virginia overnight are approximately 2.0 in size (showing a slight tendency for couples and families). According to the Virginia Leisure Traveler Profile (2007) the mean average nights spent (including zero nights) was 3.5 with 71 percent spending less than three nights in the State. This is roughly consistent with the data presented in this EIA.

Question 5 of the Visitor Profile dealt with their expenditure patterns while visiting the Crooked Road region. Table 5.6 summarizes the results of this portion of the survey.

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54 One entry of 180 days was omitted from the analysis. The respondent is most-likely a part-year (non-primary) resident in the region.

Table 5.6: Expenditure patterns for visitors to the Crooked Road venues (average spending per party per visit)

<table>
<thead>
<tr>
<th>Item</th>
<th>Blue Ridge Music Center</th>
<th>Carter Fold</th>
<th>Country Cabin</th>
<th>Floyd Country Store</th>
<th>Rex Theater</th>
<th>Lays Hardware</th>
<th>Average for all Venues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>$ 90</td>
<td>$ 80</td>
<td>$ 51</td>
<td>$ 69</td>
<td>$114</td>
<td>$158</td>
<td>$ 94</td>
</tr>
<tr>
<td>Lodging</td>
<td>$133</td>
<td>$308</td>
<td>$263</td>
<td>$225</td>
<td>$252</td>
<td>$263</td>
<td>$241</td>
</tr>
<tr>
<td>Food &amp; Beverages</td>
<td>$157</td>
<td>$100</td>
<td>$ 66</td>
<td>$ 97</td>
<td>$150</td>
<td>$ 21</td>
<td>$ 99</td>
</tr>
<tr>
<td>Entrance Fees</td>
<td>$ 45</td>
<td>$ 68</td>
<td>$ 31</td>
<td>$ 35</td>
<td>$114</td>
<td>$ 21</td>
<td>$ 52</td>
</tr>
<tr>
<td>Purchases</td>
<td>$ 85</td>
<td>$126</td>
<td>$ 99</td>
<td>$112</td>
<td>$246</td>
<td>$214</td>
<td>$147</td>
</tr>
<tr>
<td>Total Avg.</td>
<td>$307</td>
<td>$323</td>
<td>$238</td>
<td>$281</td>
<td>$632</td>
<td>$417</td>
<td>$366</td>
</tr>
<tr>
<td>Avg. per Day</td>
<td>$102</td>
<td>$124</td>
<td>$132</td>
<td>$131</td>
<td>$119</td>
<td>$ 73</td>
<td>$122</td>
</tr>
</tbody>
</table>

The data presented in Table 5.6 was compared to the recently completed conversion study by AnswerSearch and the 2007 Leisure Traveler Profile published by the Virginia Tourism Corporation and presented in Table 5.7.

Table 5.7: Comparison of Traveler Spending between three recent studies

<table>
<thead>
<tr>
<th>STUDY</th>
<th>AVERAGE SPENDING PER PARTY</th>
<th>AVERAGE SPENDING PER PARTY PER DAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 Leisure Traveler Profile</td>
<td>$463</td>
<td>$146</td>
</tr>
<tr>
<td>AnswerSearch Conversion Study for TCR</td>
<td>$457-$1,039</td>
<td>$346</td>
</tr>
<tr>
<td>Economic Impact Assessment for TCR (SDCI)</td>
<td>$366</td>
<td>$122</td>
</tr>
</tbody>
</table>

Of the three studies compared, the SDCI EIA is likely to best represent actual spending by traveling party. The data was collected in real-time (during the visitor’s period of travel) and it is inclusive of local travel (those traveling less than 50 miles). The local visitor is an important component of the Crooked Road clientele and their spending habits and preferences need to be accounted for in both marketing efforts and economic impact assessment. While their inclusion is the likely result of the lower average per party and per day spending on the TCR as determined by this assessment, it also is a more accurate reflection of real spending habits and economic impact to the local economies.

5.2 Visitor Profile Demographic Data Results

This EIA also determined basic demographic data for as part of the Visitor Profiles. Chart 5.3 is a depiction, in real numbers, of the spread of reported household income (in $20,000 increments) for the respondents by venue surveyed. The total responses recorded for this data set was 205. Trend analysis of all venues showed similar results with the predominant yearly household income in the $20-$60,000 range. All venues
except for the Lays Hardware also exhibited a spike in the >$100,000 yearly household income range (the Lays Hardware data set was the smallest of all venues).

Chart 5.3 is a summation of the reported yearly household income (for the individual completing the questionnaire) for all venues based on all surveys. Again, the trend is similar with the $20-40,000 and $40-60,000 range representing approximately one half of all respondents (45% collectively). Again, the >$100,000 income bracket is also significant representing 20% of all respondents.

This data is similar but slightly lower than that reported by the 2007 Visitor Survey wherein 61 percent reported income above $50,000 per year. In the AnswerSearch data set, 54 percent of the respondents reported a yearly household income of greater than $55,000. This EIA is likely more reflective of the actual income levels as it reflects a greater inclusion of local residents (within 50 miles of the venue) than the other referenced studies.

Chart 5.3: Yearly household income distribution of visitors across different venues (shown in real numbers of responses)
Chart 5.4: Yearly household income as reported across all venues combined (shown in percentage of income brackets reported)

Chart 5.5: Reported education levels for respondents
Another key demographic indicator is the average age bracket of visitors. The Visitor Profile identified the age bracket for each individual completing a questionnaire. In some cases, data was added for additional party members. A total of 244 responses were recorded. Chart 5.6 below identifies the age groupings (in real numbers) per Venue. It is obvious that The Crooked Road demographic is dominated by an older cohort (mean weighted average age of 50.4), considerably older than the mean average for the traveling public (leisure travelers in Virginia) at 46 years old yet much closer to the average age of 50.5 years per the AnswerSearch study.

Chart 5.6: Age bracket for respondents per Venue

Chart 5.7: Age brackets for visitors to all venues surveyed (n=244).

Charts 5.6 and 5.7 indicate the age bracket of the dominant percentage of visitors to venues along TCR based on this survey. It indicates which age groups could be
targeted with more selective advertising and the need to target younger audiences to ensure a continued clientele into the future.

Table 5.8 below indicates the websites used (per the memory of the respondent at the time the questionnaire was administered) to plan that particular trip to the Crooked Road. The results indicate a strong reliance upon the Crooked Road website but also for more locally based venue information. For instance, the BRMC had the highest level of internet use by respondents (30%) while overall the rate of response was 23 percent for all venues combined.

Table 5.8: Most often cited websites used to plan their visit to the Crooked Road Venue

<table>
<thead>
<tr>
<th>Venue &amp; Number of Positive Responses</th>
<th>Most often cited internet sites used to plan trip</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRMC (13) / 30%</td>
<td>Blue Ridge Music Center website (2)</td>
</tr>
<tr>
<td></td>
<td>Hillsville.com (1) / Grayson Highlands State Park (1)</td>
</tr>
<tr>
<td></td>
<td>No Speed Limit (1) / Blue Ridge Parkway (1) / VisitMayberry.com (1)</td>
</tr>
<tr>
<td>Carter Fold (11) / 21%</td>
<td>Carter Family Fold site (6) / Carterfamily.org (3)</td>
</tr>
<tr>
<td></td>
<td>CrookedRoad.com (3) / Dollywood (1)</td>
</tr>
<tr>
<td></td>
<td>Clinch Mountain Fest website (1) / Sons of the Mountain (1)</td>
</tr>
<tr>
<td>Country Cabin (7) / 24%</td>
<td>Crooked Road website (4)</td>
</tr>
<tr>
<td></td>
<td>Appalachian Traditions / Country Cabin website (2)</td>
</tr>
<tr>
<td></td>
<td>Doc Boggs Festival (2) / WAXM (1)</td>
</tr>
<tr>
<td>Floyd Country Store (19) / 24%</td>
<td>Floyd Country Store website (7)</td>
</tr>
<tr>
<td></td>
<td>Crooked Road website (3) / Virginia Tourism-VA is for Lovers (1)</td>
</tr>
<tr>
<td></td>
<td>Hotel Floyd (1), Floyd Chamber of Commerce (1) / Nat Geographic (1)</td>
</tr>
<tr>
<td>Lays Hardware (2) / 20%</td>
<td>Crooked Road website (1)</td>
</tr>
<tr>
<td></td>
<td>Camp Bethel</td>
</tr>
<tr>
<td>Rex Theater (5) / 13%</td>
<td>Crooked Road website (1) / New River State Park website (1)</td>
</tr>
<tr>
<td></td>
<td>Blue Ridge Back Roads (1) / Fancy Cabins (1)</td>
</tr>
</tbody>
</table>

General comments were also solicited from the respondents. These were overwhelmingly favorable and are contained in Appendix 4.
6.0 Geographic Information System (GIS) Based Market Analysis

In order to determine the market area (defined as the primary source of visitors to each Venue), the Visitor Profile survey requested information on the visitor's home zip code. In most cases this was recorded for the individual who completed the survey on behalf of the party however, in some cases zip codes representing all members of the party were included. This information was then fed into a GIS system for graphical representation for each venue surveyed and for the entire TCR region. It is important to note that these are based on the specific survey dates and other dates or specific events may yield a slightly different result. Additionally, each venue typically included a small number of outliers (locations well beyond the typical range identified). These were mapped but are not graphically represented.

Maps 6.1 to 6.8 identify the zip codes recorded for each major venue surveyed as part of this EIA. The data is not weighted to indicate the number of respondents for each zip code but this data is available in a tabular format. The information provides a useful tool to determine the primary market area, secondary market area and those markets not currently served (or served to their full potential) by marketing efforts. It also offers the opportunity to review the data in light of recent marketing efforts or media events in order to gauge the impact upon visitation during those dates surveyed.

The above analysis provides some useful information for each major venue and for the Crooked Road organization. The following summary points are provided:

- The GIS analysis for all venues indicates a very wide region of market area (approximately 785,000 square miles) extending from Philadelphia, Pennsylvania to Akron, Ohio to Louisville, Kentucky to Atlanta, Georgia.
- Core visitation is more confined to the regions surrounding the specific venues in an oval shape approximately 300 miles long (east to west) and 100 miles wide (north to south).
- Major markets are not adequately represented by all venues with varying levels of market penetration despite geographic similarities. For instance, the Rex Theater shows a very reasonable market penetration into the Charlotte and Raleigh region while the Floyd Country Store shows very little. Alternatively, the Rex Theater and BRMC show very little penetration into the much closer Radford – Christiansburg and Roanoke markets.
- Primary markets are defined for each venue and identified in Map 6.8. These typically extend out no more than fifty miles from the venue location. The secondary market for all venues is identified as an oval of approximately five hundred miles in width and six hundred miles in length.

Maps 6.1 and 6.2 identify the visitor origins during the survey events for the Blue Ridge Music Center (BRMC). A total of 49 zip codes were represented by these surveys with the following repeat zip codes:

- 24312 – 3
- 24333 – 2
- 27023 – 2
- 24354 – 2
The primary market area for the BRMC appears to be dominated by the border counties just north and south of the Virginia/North Carolina boundary with reasonably good penetration further south into the Winston-Salem, Greensboro, Raleigh and even Charlotte region of North Carolina. What is lacking in these results is representation into the Christiansburg and Roanoke metropolitan region which is actually closer to the venue than the North Carolina markets.

Map 6.3 identifies the visitor origins for the Carter Family Fold in Hiltons, Virginia. A total of 54 zip codes were represented during these surveys with the following repeat zip codes:

- 37660 – 3
- 24273 – 3
- 24251 – 3
- 24263 – 2
- 24266 – 2
- 37643 – 2
- 37601 – 2
- 37664 – 2
- 24210 – 2

The primary market area is dominated around the Abingdon, Bristol and Kingsport region with additional visitation from north of Norton. Wider zip codes include single recordings from as far away as Atlanta, Georgia, Greenville, South Carolina and Richmond, Virginia.

Map 6.4 represents the visitor responses for the Country Cabin in Norton, Virginia. A total of 30 zip codes were identified in the surveys with the following repeat zip codes:

- 24224 – 4
- 24219 – 3
- 24273 – 3
- 41858 – 2

The primary market area is generally close to the venue with the majority of respondents coming from the immediate vicinity of the Kentucky and Virginia border.

Maps 6.5 and 6.6 identify the respondent zip codes for the Floyd Country Store. A total of 77 zip codes were recorded during the surveys. The following were repeat zip codes:

- 24073 – 6
- 24091 – 4
- 24018 – 3
- 24072 – 3
- 24380 – 3
- 23188 – 2
The primary market area for Floyd is well represented in the Christensburg and Roanoke metropolitan areas. What is noticeable is that the region south of the Virginia border with North Carolina is under represented given its proximity to the venue.

Map 6.7 identifies the primary market area of the Rex Theater in Galax. A total 30 zip codes were recorded during the surveys with the following repeats:

- 24333 – 6
- 24328 – 3

The Rex Theater demonstrates good penetration into the Charlotte and Raleigh-Durham market but very little representation from the Radford, Christensburg and Roanoke markets (located at a comparable distance).
Map 6.1: BRMC visitation by zip code (n=44)
Map 6.2: BRMC visitation by zip code – core area (n=44)
Map 6.3: Carter Fold visitation by zip code (n=54)
Map 6.4: Country Cabin II visitation by zip code (n=30)
Map 6.5: Floyd Country Store visitation by zip code (n=77)
Map 6.6: Floyd Country Store core area of visitation by zip code (n=77)
Map 6.7: Rex Theater visitation by zip code (n=39)
Map 6.8: All Venues – visitation by zip code (n=243)
Map 6.9: Primary market areas (per venue) and secondary market area [red] (all venues)
7.0 Community Longitudinal Analysis Results

A major consideration of the total economic impact of The Crooked Road is the complimentary impact of additional community investment in the communities that form a part of the Crooked Road Trail. This investment includes the development and expansion of existing and new businesses that support tourism, the investment of local and state government to support new infrastructure and economic restructuring and other less tangible benefits such as improved quality of life that can be used to attract and maintain industry to the region.

Text Box 7.1: Quote by Louis M. Slaughter

Across America, cities that once struggled economically are reinventing and rebuilding themselves by investing in art and culture. Both are proven catalysts for growth and economic prosperity.

Louise M. Slaughter
U.S. House of Representatives (NY)
Co-Chair, Congressional Arts Caucus

Text Box 7.2: Quote by Mayor Peterson

Having an abundance of unique arts and events means more revenue for local businesses and makes our communities more attractive to young, talented professionals—whose decisions on where to start a career or business are increasingly driven by quality of life and the availability of cultural amenities.

Bart Peterson
Mayor of Indianapolis, IN
President, National League of Cities

A longitudinal case study of three communities with major venues on The Crooked Road was completed as part of this assessment. Data from one county without a major venue but along the Crooked Road Trail was added for comparison and one community off TCR but in Southwest Virginia was used as a control in order to account for background influences of the regional and national economy. The communities are identified in Table 7.1.
A variety of metrics were used to compare the communities and assess the total economic impact of TCR. In general, the following trends over time were assessed:

- Changes in businesses potentially impacted by TCR,
- Changes in economic indicators for TCR versus non-TCR communities, and
- Estimates of local and state investment in TCR versus non-TCR communities.

These were assessed over a five year period of time (2003-2007). TCR was officially launched in 2004 and thus 2003 was used as a base year for comparison. Given the relatively short time frame of this longitudinal study, no inflation adjustments have been made and all numbers are reported as 2007 dollars. Specifically, the following information was obtained for each of the above communities:

- Number of accommodation businesses (B&Bs, hotel/motels, guest houses, etc) for each year starting in 2003.
- Number of restaurants in business for each year (2003-2007)
- Retail outlets (2003-2007)
- Music venues (those locations that feature live entertainment) 2003-2007
- Tourist information center visits (if available)
- Investment by local and state government (with private match)

The following is a summary of the results of the longitudinal survey of TCR and non-TCR communities. Table 7.2 identifies the specific communities and number of accommodations reported for each. The trend is for an increasing number of accommodation entities located in TCR communities versus non-TCR communities (see Chart 7.1). The TCR communities show an increase of 56 percent, with the TCR Trail community (Patrick County) indicating a 9 percent increase while the non-TCR community shows no increase.
Table 7.2: Changes in the number of accommodations within each community

<table>
<thead>
<tr>
<th>STATUS</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clintwood TCR</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>67%</td>
</tr>
<tr>
<td>Venue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floyd TCR Venue</td>
<td>9</td>
<td>7</td>
<td>11</td>
<td>13</td>
<td>15</td>
<td>44%</td>
</tr>
<tr>
<td>Galax TCR Venue</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>Patrck County TCR Venue</td>
<td>No data</td>
<td>No data</td>
<td>22</td>
<td>23</td>
<td>25</td>
<td>9%</td>
</tr>
<tr>
<td>Pulaski Non-TCR</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0%</td>
</tr>
</tbody>
</table>

Chart 7.1: Trend in accommodation providers in TCR versus non-TCR communities

Since 2003 yearly accommodation sales in Floyd County have increased from $451,067 to $858,729 in 2007 (a 90% increase). The number of venues was not reported for Galax over this period however, total accommodations sales rose from approximately $222,500 in 2004 to over $524,000 in 2007, a 236 percent increase. With a 2.0 percent lodging excise tax Galax collected $11,422 in 2007.
Chart 7.2: Trend in number of restaurants in TCR versus non-TCR communities

Chart 7.3: Trend in the number of music venues for TCR versus non-TCR communities
These graphs represent growth in these important tourism related businesses in the Crooked Road communities with major venues and no or much lower growth in the non-TCR communities. The data collected as part of the longitudinal community survey shows a clear improvement in the tourism economy for the Crooked Road versus the non-Crooked Road communities. It represents a high level of sustainability for tourism related infrastructure and an ability to capture additional market share from other regions. It also represents lost economic opportunities in those communities that do not current collect excise taxes for lodging, meals and admissions.

Total investment into the communities (both target and non-target) was estimated from information provided by the local governments. However, given the time involved in developing new projects, the investments were summarized over the study period.

Downtown investment through private sector development, local government participation and state or federal grants has also been significant with the target communities. For instance, within the Town of Floyd, the following investments have been recorded in just the last two years:

Table 7.3: Local investment in the Town of Floyd

<table>
<thead>
<tr>
<th>Year</th>
<th>Project</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Angels in the Attic</td>
<td>$ 53,000</td>
</tr>
<tr>
<td>2006</td>
<td>Town of Floyd</td>
<td>$ 160,000</td>
</tr>
<tr>
<td>2007</td>
<td>Floyd Country Store</td>
<td>$ 360,000</td>
</tr>
<tr>
<td>2007</td>
<td>Town of Floyd</td>
<td>$ 235,000</td>
</tr>
<tr>
<td>2007</td>
<td>Hotel Floyd</td>
<td>$2,358,000</td>
</tr>
<tr>
<td>2007</td>
<td>Village Green</td>
<td>$ 650,000</td>
</tr>
<tr>
<td>2007</td>
<td>Winter Sun</td>
<td>$ 201,000</td>
</tr>
<tr>
<td><strong>Total Since 2006:</strong></td>
<td></td>
<td><strong>$4,017,000</strong></td>
</tr>
</tbody>
</table>

The Town of Clintwood has also invested approximately $3.8 million in tourism related development (both private and public sector) in the last few years and the Town of Galax has recently invested $1.3 million. While not all of this investment is specifically related to The Crooked Road, and other communities (both on an off The Crooked Road) have also made significant downtown tourism investments, the ability of these particular communities (such as Floyd, Galax and Clintwood) to support this level of investment demonstrates the demand and capacity for tourism development. It demonstrates that even very small communities (both Floyd and Clintwood have populations of less 5,000) with limited financial resources can support a tourism restructuring strategy with funds leveraged from both private and public sector sources.
The data collected as part of the longitudinal community survey shows a clear improvement in the tourism economy for the Crooked Road versus the non-Crooked Road communities. It represents a high level of sustainability for tourism related infrastructure and an ability to capture additional market share from other regions. It also represents lost economic opportunities in those communities that do not currently collect excise taxes for lodging, meals and admissions.

Text Box 7.4: Quote from Lydeana Martin

I think it’s been very clear that the Crooked Road has stimulated more music venues in Floyd. The media attention on Floyd, much of which has been generated by The Crooked Road, has definitely resulted in more visitors and investment in Floyd. I think the greatest gift the Crooked Road has brought has been a greatly heightened sense of self-worth for the region as we’ve seen how others are gaining new respect and interest for our music and us.

Lydeana Martin
Community and Economic Development Director
Floyd County
Tourism economic impacts for The Crooked Road are difficult to quantify using traditional economic tourism models. This is due to a number of confounding variables. For instance, many of the venues and festivals that are now associated with TCR have actually been in existence for years or even decades, thus ascribing an impact to the Crooked Road may actually overstate TCR’s impact. Some visitors who attend these venues and events are not aware of The Crooked Road as they have been attending for years and would likely do so with or without the association with TCR. However, a number of smaller venues and associated businesses have developed or expanded as a result of the increased tourism generated by the TCR marketing and branding efforts. Their impact may not be adequately captured by only conducting surveys along the Major Venues. Thus, this EIA has developed a specific economic impact model to more accurately estimate the total economic impact of The Crooked Road, taking these variables into account and prescribing proportionality to the existing events. Additionally, the primary data collected in the field at the Major and Affiliated Partners is being used to more accurately assess impact (as opposed to using regional data). The following information has been utilized in this model.

- Visitation numbers at Major Venues and one representative Affiliated Partner for 2008.
- Spending data from primary data collected at these venues.
- Visitation at festivals associated with The Crooked Road.
- Visitation at Affiliated Partners is estimated for 2008 with spending data provided by the 2008 Visitor Profile data collected as part of this Study.

Since this EIA was tasked with identifying the total estimated economic impact to the communities that make up the Crooked Road, a regional assessment model has been developed based on the methodologies discussed in Chapter 4 and the results as reported in Chapters 5 and 7. The following is a summary of the model results.

**Total Economic Impact Assessment Model:**

**Table 8.1: Estimated visitation for major venues for 2008**

- Birthplace of Country Music  11,600
- Blue Ridge Institute        4,950
- Blue Ridge Music Center     32,700
- Carter Fold                 21,700
- Country Cabin               5,500
- Floyd Country Store         18,000
- Ralph Stanley Museum        2,500
- Rex Theater                 12,500

**Total estimated 2008 Major Venue Visitation:**  109,450
In order to account for the potential of visitors to visit more than one venue along (and to avoid double counting of direct expenditure), the total visitation estimate has been reduced as follows. Approximately 44 percent of visitors stayed longer than one day (average of 3.0) and assuming that one half of those attended a second venue, then, the total visitation should be reduced by 22 percent. Thus, the total yearly visitation estimate used for estimating direct economic impact is 85,371. Visitations is multiplied by the amount of money spent per person while visiting the Crooked Road. Based on the data collected by this research, the Major Venue expenditures, per person, for 2008 are approximately $37 per day and the average days spent in the region are 3 per person per visit. Thus, each person spends on average $111 per visit (including other visitation to area attractions – see results in Chapter 5 for detailed expenditure patterns).

Major Venue economic direct impact is then 85,371 x $111 or $9,476,181 per year.

Affiliated Partners with TCR must also be accounted for. Affiliated Partners that offer live entertainment, and are featured on the Crooked Road website calendar of events were included in this survey. In total, these offer an extensive opportunity for additional visitation and revenue, though not at the same level as the Major Venues. For these, the data collected at Lays Hardware in Coeburn, Virginia was used to estimate total direct economic impact from these venues. In order to account for varying levels of seasonal attendance (unreported for many Affiliated Partners), and to provide a more conservative estimate, the average weekly attendance at the Affiliated Partners was set at 60 individuals. The weekly event average visitation range, based on interviews with four venue managers, was 40-300 with a mean average of 116. However as no data on expenditures was available, except for that collected at the Lays Hardware during the summer of 2008, the average event attendance was reduced to 60 in order to not over-estimate impact.

Typical seasonal opportunities for the Affiliated Partners are numerous with varying levels of visitation rates (depending upon the venue, date, entertainment offering, etc). For instance, during the month of September 2008 there were approximately 75 events advertised on TCR’s website for Affiliated Partners and other locations within Crooked Road jurisdictions (see Table 8.2 below).
Table: 8.2: Affiliated Partners and other advertised events along TCR during September 2008

<table>
<thead>
<tr>
<th>Venue</th>
<th>Location</th>
<th>Number of Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pickin Parlor</td>
<td>Weber City</td>
<td>4</td>
</tr>
<tr>
<td>2. Pickin Porch</td>
<td>Bristol</td>
<td>4</td>
</tr>
<tr>
<td>3. Historic 1908 Courthouse Inn</td>
<td>Independence</td>
<td>4</td>
</tr>
<tr>
<td>4. Hillsville VFW</td>
<td>Hillsville</td>
<td>4</td>
</tr>
<tr>
<td>5. Hot Country Nights</td>
<td>Bristol</td>
<td>4</td>
</tr>
<tr>
<td>6. Stateline Grocery Jam</td>
<td>Patrick County</td>
<td>4</td>
</tr>
<tr>
<td>7. Sheriff Shively's Storehouse</td>
<td>Independence</td>
<td>1</td>
</tr>
<tr>
<td>8. Art Under the Sun</td>
<td>Floyd</td>
<td>1</td>
</tr>
<tr>
<td>9. Christopher’s Pizza</td>
<td>Meadows of Dan</td>
<td>12</td>
</tr>
<tr>
<td>10. Pound Weekly Jam</td>
<td>Pound</td>
<td>4</td>
</tr>
<tr>
<td>11. Jettie Baker Center</td>
<td>Clintwood</td>
<td>1</td>
</tr>
<tr>
<td>12. American Legion Post 105</td>
<td>Patrick Springs</td>
<td>4</td>
</tr>
<tr>
<td>13. Willis Gap Community Center</td>
<td>Willis Gap</td>
<td>4</td>
</tr>
<tr>
<td>14. Senior Center</td>
<td>Carroll County</td>
<td>2</td>
</tr>
<tr>
<td>15. Flatridge Community Center</td>
<td>Troutdale</td>
<td>4</td>
</tr>
<tr>
<td>16. Patrick County Music Assoc.</td>
<td>Stuart</td>
<td>1</td>
</tr>
<tr>
<td>17. Whitetop Heritage Music</td>
<td>Whitetop</td>
<td>1</td>
</tr>
<tr>
<td>18. Dairy Queen</td>
<td>Rocky Mount</td>
<td>4</td>
</tr>
<tr>
<td>19. Historic Fries Saturday Night</td>
<td>Fries</td>
<td>4</td>
</tr>
<tr>
<td>20. Lays Hardware</td>
<td>Coeburn</td>
<td>4</td>
</tr>
<tr>
<td>21. Mountain Art Works</td>
<td>Haysi</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>75</strong></td>
</tr>
</tbody>
</table>

Add to these the twenty weekly events (minimum) at the Major Venues and you have almost 100 Crooked Road related events being held just in September. This is exclusive of festivals and special events (which brings the total to over 100). This EIA used an average of 60 visitors per event and based on the yearly calendar as posted on the TCR website, there are approximately 932 events held during the year (most venues hold events throughout the year or for at least eleven months while others are seasonal). Thus the total visitation estimate for Affiliated Partners is as follows:

Average visitation per event \((60) \times 932\) events per year = 55,920

Using the expenditure pattern as recorded by direct surveys at Lays Hardware (Affiliated Partner), the following direct economic impact is calculated for year 2008.

\[55,920 \times \$24\text{ per person (assuming only one day spent in the region)} = \$1,342,080\]

The extent to which The Crooked Road influences the attendance and spending patterns at regional music festivals has not been quantified to date. This is a subject that requires additional investigation in order to test the assumptions built into this economic impact model. However, it is reasonable to assume that the Crooked Road branding, marketing and national media coverage has increased attendance at the regional music festivals that are affiliated with TCR. The following regional music festivals are officially associated with and promoted by TCR along with the projected 2008 attendance:
Table 8.3: Festivals officially associated with The Crooked Road and the 2008 attendance estimates

<table>
<thead>
<tr>
<th>Festival</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bristol Rhythm &amp; Roots</td>
<td>30,000</td>
</tr>
<tr>
<td>Blue Ridge Folklife Festival</td>
<td>8,000</td>
</tr>
<tr>
<td>Galax Old Time Fiddlers Convention</td>
<td>40,000</td>
</tr>
<tr>
<td>City of Norton Doc Boggs Festival</td>
<td>1,000</td>
</tr>
<tr>
<td>Home Craft Days Mountain Empire</td>
<td>15,000</td>
</tr>
<tr>
<td>Grayson County Old time Fiddlers and Bluegrass Festival</td>
<td>2,000</td>
</tr>
<tr>
<td>Wayne C. Henderson Bluegrass Festival</td>
<td>2,200</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>98,200</strong></td>
</tr>
</tbody>
</table>

Based on the data collected by this research, the expenditures, per person, for 2008 are approximately $37 per day and the average days spent in the region are 3 per visit. Thus each person spends on average $122 per visit (including other visitation to area attractions – see results in Chapter 5 for detailed expenditure patterns). However, given that all of the festivals listed above pre-date the Crooked Road initiative, the total visitation attributed to TCR is estimated to be only 20 percent. This equates to an average yearly increase in visitation of only 5 percent. Given that the festivals are far apart (both geographically and by date, no reduction in visitation was made for multiple visits during one trip. Thus, the direct economic impact of TCR for associated festivals is calculated as follows:

$$98,200 \times 0.20 = 19,640 \times 111 \text{ (per person per event)} = $2,180,040$$

Adding all direct impacts from visitation to Major Venues, Affiliated Partners and Affiliated Festivals yields the following:

- Major Venues Direct Impact: $9,476,181
- Affiliated Partners: $1,342,080
- Affiliated Festivals: $2,180,040
- **Total:** $12,998,301

As discussed in Chapter 1, direct economic impact alone does not adequately describe the total economic impact to the local economy resulting from increased visitation and expenditure at the various venues and events. It is appropriate to apply a multiplier to the direct impacts in order to determine induced economic impacts as well. This EIA has obtained the economic multipliers used by the U.S. Bureau of Economic Analysis (BEA) developed as part of the Regional Input-Output Multiplier II (RIMS II) model.

Multipliers were applied based on specific industry related categories using the 2006 input/output data set for accommodation, retail, food and beverage and performing arts industries in Virginia. The direct impacts above were pro-rated accordingly.

Accommodation was pro-rated based on the percentage of individuals paying for overnight accommodation in the region and again by the amount of associated spending per person. This number was then multiplied by the industry specific multiplier to estimate direct and indirect spending.
Based on the data collected for this assessment, it was determined that approximately 44 percent of visitors stay overnight with an average of $241 spent on accommodation during their visit ($73 per day). Thus,

Accommodation Estimate = 44% of 85,371 = 37,563 x ($241 avg. for accommodation/3.3 avg. persons/party = $73/person) = $2,742,099

Final Demand Output Multiplier = 1.9659
Earnings Multiplier = 0.5193
Employment = 19.122 (per $1 mil in output)

Total Economic Output: $5,197,678
Earnings: $1,423,972
Equivalent FTE (full-time equivalent) Jobs = 52 (plus 30 FTE per direct expenditure) = 82 FTE

Retail was pro-rated based on the percentage of individuals making retail purchases as part of their visit to The Crooked Road and again by the amount of spending for this category. Based on the data collected for this assessment, it was determined that approximately 46 percent of visitors spent money on retail purchases with approximately $147 spent per party.

Retail Estimate = 46% of 85,371 = 39,271 x ($147 avg. for retail purchase/3.3 avg. persons/party = $44.55) = $1,749,523

Final Demand Output Multiplier = 1.26 (per MGM2 rural areas model)
Earnings Multiplier = 0.6
Employment = 18.84 (per $1 mil in output)

Total Economic Output: $2,204,399
Earnings: $1,049,714
Equivalent FTE (full-time equivalent) Jobs = 33 (plus 20 FTE per direct expenditure) = 53 FTE

Food and Beverage sales were pro-rated based on the percentage of individuals making purchases as part of their visit to The Crooked Road and again by the amount of spending for this category. Based on the data collected as for this assessment, it was determined that approximately 51 percent of visitors spent money on dining out with approximately $99 spent per party ($30 per person) during their visit.

Food and Beverage Estimate = 51% of 85,371 = 43,539 x ($99 avg. for F&B/3.3 avg. persons/party = $30) = $1,306,176

Final Demand Output Multiplier = 2.1097
Earnings Multiplier = 0.5383
Employment = 26.51 (per $1 mil in output)

Total Economic Output: $2,755,640
Earnings: $703,115
Equivalent FTE (full-time equivalent) Jobs = 35 (plus 15 FTE per direct expenditure) = 50 FTE
The balance of the expenditures for the region can be classified as “Performing Arts” as they mostly occur at or related to spending at a musical performance at a venue on The Crooked Road. The BEA (2006) multiplier for performing arts economic impacts in Virginia were used for this assessment.

Total expenditures by visitors to venues:

$12,998,301 – $7,702,138 (spent on accommodation, retail and food and beverages) leaves a balance of $5,296,163

Final Demand Output Multiplier = 2.0413
Earnings Multiplier = 0.6752
Employment = 30.6123 (per $1 mil in output)

Total Economic Output: $10,811,058
Earnings: $3,575,969
Equivalent FTE Jobs = 222

As mentioned above, the local/state investment in tourism dollars directly into these communities as a result of Community Development Block Grants and other funding streams (most requiring at least a fifty percent local match) further enhances the total economic impact of The Crooked Road. However, it is appropriate to pro-rate these impacts over time and only attribute a portion of the stimulus directly to the Crooked Road’s influences on local demand for tourism related infrastructure. Using the Towns of Clintwood, Floyd and Galax as examples, it is clear that a full 50 percent of the total local investment can be directly attributed to The Crooked Road. The investment average per year = $1,820,000 (averaged over five years), and using only 50 percent of this impact is approximately $910,000 per year.

Using the Performing Arts Final Demand Output multiplier of 2.0413 equals $1,857,583 for the region (assuming no other activity beyond the three target communities), $614,432 in earnings and 38 FTE jobs.
This brings the total per year economic impact to the Southwest Virginia region as a result of The Crooked Road to:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>$5,197,678</td>
</tr>
<tr>
<td>Retail</td>
<td>$2,204,399</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$2,755,640</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>$10,811,058</td>
</tr>
<tr>
<td>Local Investment</td>
<td>$1,857,583</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$22,826,358</strong></td>
</tr>
</tbody>
</table>

Total Jobs = 445 FTE

Induced impacts are based on the tax revenue generated by the sales of product and wages paid in the Commonwealth. Based on the total estimated direct earnings of $7,367,202 the total return to the Commonwealth on wage taxes (at 2 percent) is $147,344 per year. Sales tax was calculated for merchandise plus food and beverage sales. The total merchandise plus food and beverage sales ($6,364,020) tax revenue is estimated at $254,561 yearly to the Commonwealth (4.0%) and $63,640 to the local governments (1.0%). Excluding excise and local wage taxes, the Commonwealth receives a total of almost $402,000 per year in wage and sales taxes from The Crooked Road.

Additionally, the impact of local tax revenue based on accommodation income (also referred to as an Occupancy tax), was not determined as these vary considerably by jurisdiction. However, this revenue stream could be significant to local municipalities. For instance, accommodation sales in Floyd County were $858,729 in 2007. An occupancy tax was passed in 2008 in Floyd County to capture a portion of this revenue stream with a percentage of the taxes to be applied towards additional tourism investment. This should be considered in light of the fact that the Floyd accommodation revenue has been increasing at an average rate of 22.5 percent per year since 2003.
9.0 Conclusions and Recommendations

This Economic Impact Assessment (EIA) provides a summary of the total economic impact to the communities on and around The Crooked Road: Virginia's Heritage Music Trail. This assessment included a five month data collection effort which included tourism surveys, data provided by Crooked Road and non-Crooked Road communities and Commonwealth of Virginia economic reports (both taxation and tourism data). Despite a wealth of anecdotal data on the positive economic benefits of TCR, there was a need to gather and interpret more specific data and document the actual economic impact on the communities in the region, in particular, those with major venues on the Crooked Road. Through research conducted at the specific venues and within the communities along the Crooked Road, this Assessment sought to determine revenues, expenditures patterns, existing and potential markets and other data in order to estimate and predict the total economic impact.

A total of 253 visitor profiles were completed during the summer 2008 season. These surveys revealed a number of useful results for The Crooked Road organization and the local communities that make up the driving trail. The following is a summary of the results:

- Regionally, the Crooked Road counties and cities are increasing their share of the tourism market in comparison to other regions of the state. From 2003-2007 they outpaced the other regions of the state by almost two percent.
- A review of the communities surveyed as part of the longitudinal assessment revealed that in all three major categories, (number of accommodation providers, restaurants and music venues), the rate of increase was significantly greater for the TCR versus non-TCR communities.
- Direct expenditures in the TCR region from all venues along with pro-rated festival attendance provided a total estimated direct economic impact of almost $13 million in 2008.
- Tax revenue generated to the Commonwealth and local governments for 2008 will equal approximately $600,000 in 2008 as a result of The Crooked Road.
- Total economic impact as a result of The Crooked Road is estimated to be almost $23 million for 2008 with 445 full-time equivalent jobs.

Recommendations

The following general recommendations are provided for The Crooked Road organization and potential funding agencies/sponsors.

- The Crooked Road has been very successful to date in branding of the name and it maintains a great reputation. Increased branding opportunities that should be considered are to provide a more uniform presentation of marketing materials, educational products and merchandise.
- Increasing merchandising opportunities should be considered. These may include a more uniform merchandising strategy for all major and Affiliated Partners, additional franchising of merchandise to other retail and tourism related vendors including food and beverage providers. For example, tagging a food
items such as, “Crooked Road beans and cornbread” and offering it at all venues and festivals may help to identify the brand plus increase sales and income.

- Using the results of the GIS data provided in this assessment, the TCR organization and the individual venues can assess and more strategically target marketing and public relations opportunities. These should be continually assessed to determine if the objectives are being achieved.
- Provide a uniform collection strategy for basic visitor data at each venue (such as recording zip codes at point of sale) and consistent attendance records and gate receipts. This includes all venues and associated festivals.
- Festivals should be surveyed to more accurately determine TCR’s contribution to attendance and overall economic impact.
- Local government should continue to provide investment into the TCR organization and supporting industries such as food and beverage and accommodation providers in order to increase beneficiation of the total economic impact. They should also consider optimizing their opportunities for collection of occupancy, meals and admissions taxes to the fullest extent practicable as a source of revenue that can be leveraged for additional local investment.
Appendix 10.1: Summary of Economic Activities of The Crooked Road since 2004

The Crooked Road: Virginia’s Heritage Music Trail  
A Sparkplug of Southwest Virginia’s Economic Engine

In the spring of 2002 an innovative idea was germinated to spark development of heritage tourism in Southwest Virginia when the concept of an Appalachian heritage music trail was born. Since that time a consortium of local, state and federal agencies, as well as private organizations and citizens have built this concept into an economic development engine for the region.

Two basic objectives were initially set for the project that became known as The Crooked Road: Virginia’s Heritage Music Trail.

Those two goals were:

1. **Within three years from the trail’s inception, the Appalachian region of Southwest Virginia would be nationally recognized as a major heritage tourism destination.**  
   This goal is well on its way to becoming a reality. Southwest Virginia is increasingly being recognized as a go-to region for heritage music tourism. The word is out that Southwest Virginia is the place to hear traditional music of all types.

2. **Within four years, revenues from tourism in the Appalachian region of Southwestern Virginia will triple.**  
   Those two goals still remain the primary focus of the project but much has happened along The Crooked Road in the intervening four years since the project was born. Although The Trail remains focused on the uniqueness and vitality of this region’s heritage music, it also is developing access to outdoor recreation opportunities, museums, crafts as well as historic and cultural programs. There are reports from throughout the region that tourism based revenues are on the rise. It is estimated by the Virginia Tourism Corporation that more than **475 new jobs** will be created in heritage tourism related businesses in The Crooked Road region. In short, there is a lot going on along The Crooked Road.

Marketing

In 2004 a comprehensive marketing plan was developed by regional tourism professionals to promote the Trail. Ad placements in 2005 yielded an estimated **17,727,871 media exposures.** It is projected that approximately **1% of those requested information (177,278)** about the trail. Using a 2002 Conversion Study commissioned by the Virginia Tourism Corporation, it is projected that of those requesting information, **34% or 60,275 visitors, traveled to the region.** Using the same study, each visitor spent approximately **$225 dollars during their visit.** The impact of that visitation to the region is projected to be in excess of **$13.5 million dollars** in direct tourism spending as a result of this marketing campaign. A tourist dollar is a new dollar injected into a local economy.
The Tobacco Commission continued its commitment to marketing The Crooked Road in May of 2006 with a $400,000 grant, matched by more than $216,000 in federal, state and local funds to further expand marketing into regional, national and international markets. This funding has already yielded results in a recently concluded Crooked Road sponsored tour to Scotland that was funded through the grant and drew rave reviews.

Major Venues

Marketing efforts promoting Crooked Road venues are bearing fruit.

During 2005, the Birthplace of Country Music Alliance hosted individuals from all 50 states and 28 foreign countries. The BCMA had 1,091,428 unique visitors visit its website (a 305.4% increase from previous year) and 1,287,957 page views (a 292.6% increase).

Attendance at the other Crooked Road venues, and by extension, the entire region, has increased as well. Patrick County officials state that lodging taxes increased from $24,000 in 2004 to $38,000 in 2005.

The Carter Fold in Scott County no longer has a slow season during the fall and winter months. The new expansion, completed in the spring has added an additional 200 seats to the original 600 at that venue. The house is packed every Saturday night. Chmura Economics and Analytics states in its First Quarter 2005 Economic Trends that: the total spending effect on Scott County from visitors attending The Carter Fold was $244,161 in 2004. In 2008 that spending is projected to exceed $732,000. In addition, in December 2005 the Virginia Tourism Corporation created a $73,000 marketing campaign in support of The Crooked Road’s connection to the major motion picture, “Walk the Line,” that generated more than 1,326,656 exposures in major print outlets throughout central and northern Virginia as well as the Washington D.C. metro area.

The Ralph Stanley Museum, the newest venue on The Crooked Road, reports that during the last 18 months it has hosted 4,162 visitors and has posted more than $79,000 in sales. In addition, The Crooked Road and the Ralph Stanley Museum are bringing increased economic activity to Clintwood and Dickenson County. There are three new restaurants, 10 new guest cottages and the lone motel in Clintwood has been totally renovated. The Mountain Art Works in Haysi recently became an Affiliated Partner of The Crooked Road and The Breaks Interstate Park hosted its first annual Crooked Road Old Time Music Festival on May 12-13, 2006 which was well attended.

The Country Cabin, in Norton, posts an attendance increase of 40 percent since becoming a part of The Crooked Road.

The Rex Theater in Galax has doubled its attendance since the project began.

The Blue Ridge Music Center, also in Carroll County, has seen a 25 percent increase in attendance. Galax has seen a number of new businesses open since the project began. The String Bean Coffee Shop opened in 2005 and hosts a jam on Tuesday evening. The Cliffside Cottages, Chestnut Creek Cabins, Twin Brooks Lodge and a number of other cabins and cottages have opened along the border between Grayson and Carroll counties. The New River Trail Cabins opened six cabins and is building more. Cabin owners report that rentals have remained constant even in the winter months. 11 new restaurants have opened in the Galax area.
The Crooked Road is a major sponsor of the Public Radio and Television show Mountain Stage which will be hosted by The Birthplace of Country Music Alliance and taped in Bristol on July 22-23. Mountain Stage offered BCMA the opportunity to host the show at a significantly reduced rate because of the producers’ interest in the region and its music heritage. The shows will extend promotion of BCMA, the Mountain Empire and The Crooked Road to 101 targeted markets located in 25 states as well as on Voice of America and XM Radio. To purchase this program would cost in excess of $250,000 for each of the times that it will run on television. On average, that is four times per year for four years. The retail value of the four radio and two television shows would then be in excess of $6,000,000 dollars.

Major signposts in the development of The Crooked Road:

- 2002: The idea for The Crooked Road is born.
- 2003: Volunteers committees from throughout the region begin work on the project.
- 2004: Legislation designating route was passed by the Virginia General Assembly and signed by Governor Mark Warner. The General Assembly has expanded the Trail to include 10 counties along a 265-mile route stretching from Rocky Mount in Franklin County to The Breaks Interstate Park in Dickenson County.
- 2004: The Ralph Stanley Museum opens in October.
- 2005: The Crooked Road obtains federal 501 (c) (3) status. It becomes a Virginia non-profit corporation and employs an executive director, a half-time office manager and an intern to administer and promote the project.
- 2005: Major marketing of The Crooked Road begins.
- 2005: The Crooked Road is featured at the National Folk Festival in Richmond.
- 2006: The United States Department of Commerce, U.S. Commercial Service presents The Crooked Road with a Certificate of Appreciation for Achievement in Trade for creating international trade opportunities.
- 2006: The Crooked Road series of recordings, produced by the Virginia Foundation for the Humanities Folklife Program, is released for national distribution.
- 2006: A Guide to The Crooked Road, authored by Joe Wilson, is published nationally by J. F. Blair Publishing.
- 2006: Construction of a network of 27 wayside listening posts is begun.
- 2006: The Crooked Road sponsors its first international tour to Scotland, UK. The tour produced significant media attention from the BBC and other media outlets. An example of the response to the tour states: “To be honest I didn't really know what Blue Grass was except the obvious link to the film "The Deliverance"! I can honestly say I don't think I have enjoyed a group of musicians as much as I did that afternoon, each of the acts were fantastic in their own right but when put together they were superb, the mix of music styles along with humour was brilliantly executed, it was so pleasing to see a group of people who obviously enjoy what they do give such a special performance in a village hall for people who might not normally be privileged enough to see them.” Graeme Southern, Carrick, Scotland, U.K.
Appendix 10.2: Sample Questionnaire to be completed at venues

Visitor Preferences

1. How many people are in your traveling party?
   
   Adults:  
   Children (under 12): 

2. How did you hear about this venue (insert name)? - please check all that apply
   
   _____ Television advertisement
   _____ Radio advertisement
   _____ Newspaper article or advertisement - do you remember the name? 
   _____ Magazine article or advertisement (do you remember the name?)
   _____ Internet site
   _____ Friend or co-worker
   _____ Billboard or highway marker
   _____ Other

3. What other activities do you plan on undertaking while in this region (Southwest Virginia)? – please check all that apply
   
   _____ Overnight stay
   _____ Bed and Breakfast
   _____ Hotel
   _____ Cabin/Campground
   _____ Other (such as private home)
   _____ Shopping
   _____ Music items (CDs, books, instruments)
   _____ Clothes (t-shirts, hats, jackets, other)
   _____ Arts and crafts (hand made items, paintings, prints, pottery, jewelry, other)
   _____ Outdoor trips (State Parks, hiking, biking, fishing, boating, bird-watching, other)
   _____ Cultural or agricultural tours or sightseeing
   _____ Visits to historical places of interest
   _____ General sightseeing
   _____ Other (or no other activities planned)

4. How many days will your party be spending in this region? 

5. How much do you anticipate spending (approximately) while in this region (include fuel, lodging, food and beverages, entrance fees, and purchases)? 

   $ 

6. What is your home zip code?  
7. What is the highest level of education attained by the person completing this questionnaire?
   □ Less than a High School Diploma or equivalent
   □ High School Diploma or equivalent
   □ Two year college or professional program of study
   □ Four year university degree
   □ Graduate degree

8. Check the appropriate box for your age:
   □ < 20 years old
   □ 20-30 years old
   □ 30-40 years old
   □ 40-50 years old
   □ 50-60 years old
   □ 60-70 years old
   □ 70-80 years old
   □ >80 years old

9. Check the appropriate box for your annual household income:
   □ < $20,000 per year
   □ $20-40,000 per year
   □ $40-60,000 per year
   □ $60-80,000 per year
   □ $80-100,000 per year
   □ >$100,000 per year
   □ 70-80 years old
   □ >80 years old

10. Did you plan this trip on the internet and if so, did you find the experience helpful? Please list the websites you used to plan this trip.

11. Any other comments you would like to add to assist us in this effort?
Appendix 10.3: Longitudinal Community Data Form

The baseline year from which we are measuring impact is 2003. For the years 2003, 2004, 2005, 2006 and 2007 the following information is needed:

1. Number of businesses that exist that fall under the following Virginia Department of Taxation Business Classifications (complete Table below):
   - Travel accommodations (new & expanded such as B&B, hotels, campsites, guest houses, etc) - Business code: 90
   - Retail outlets - Business code: 40, 80 and 89
   - Restaurants - Business code: 27
   - Music or entertainment venues - Business code: 28
   - Parks/Recreational areas

2. Tourist information center visits

3. Leveraged capital investments with government grants (such as CDBG) or private sector financing (approximate dollar amount) related to new tourism development within the locality

4. Downtown (CBD) commercial retail lease values per square foot per year

Table - TCR Economic Impact

Municipality: ____________________________
Completed by:___________________________  Date: ____________

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
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<th>2006</th>
<th>2007</th>
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<td>Travel Accommodation</td>
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<td>Retail Outlets</td>
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<td>Parks</td>
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<td>Question 4: Commercial (CBD) retail lease rates by square foot/year</td>
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<td>S.F. Retail Rates</td>
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</table>

Question 5: Do you have any comments regarding the economic impact that The Crooked Road has had on your locality during this period?
Appendix 10.4: General Comments

Blue Ridge Institute Visitor Comments

1. Enjoyed it.
2. Love The Crooked Road.
3. Open the Shops on Fridays.
4. We love the Rex and the Blue Ridge Music Center.
5. Beautiful area.
6. We like coming here.
7. We enjoy the concerts.
8. Music Center is great.
9. Great show.
10. Great atmosphere.

Carter Fold Visitor Comments

1. Welcome regular.
2. Nice for the family.
3. Best place for $5.
4. Love the improvements.
5. Serve beer.
6. We always bring visitors.
7. This is great fun.
8. Get this on the TLC and Discovery channels.
9. Sound system needs to be better.
10. Good clean family fun.
11. Love the dancing and mix of all ages.
12. Need more overhead fans turned on.
13. Hate the dancing.
15. We miss the bus seats but the new décor is nice too.
17. Love the Fold.
18. Good show.

Country Cabin Visitor Comments

1. Love bluegrass.
2. Would like to get a Crooked Road poster and postcards.
3. Need more advertising in the Charlotte area.
4. Love the music.
5. Need a bigger dance floor.
6. Great organization.
7. Post a map of points of interest such as places to eat.
Floyd Country Store Visitor Comments

1. The Food Lion staff was not friendly at two stores.
2. Keep up the great work.
3. We had a fun evening in Floyd.
4. Restaurants should chip in a percent for the musicians.
5. Very nice, beautiful.
6. We come to Floyd often for vacation.
7. I don’t like tourism and increased traffic.
8. Lots of fun.
10. We really enjoyed the jams and bluegrass.
11. We have visited for six years with many friends for culture and Floyd Country Store.
12. Great ideal, please continue to support the Trail.
13. Keep it up.
14. So far so good.
15. Great little friendly town, especially on Friday nights.
16. Loved it.
17. Keep up the good work.
18. Very good, but needs more chairs.
19. Thanks for keeping the tradition alive.
20. Fun, good stuff.
21. Love the upgrades to Floyd.
22. Virginia is a beautiful place.
23. Loved the music.
24. Keep up the tradition.
25. Love Floyd and surrounding area.
26. Lots of fun.
27. Love this place.
28. Floyd is a great place.
29. Love the social activities.
30. Pleasure.
31. Great place.
32. A lot of improvement from last time.

Rex Theater Visitor Comments

1. Just bought a cabin and love it here.
2. Pleasure/business trip.
3. Love Galax.

Lays Hardware Visitor Comments

1. Great fun.
2. Enjoyed Lays and the dancing.
3. This has been wonderful experience.