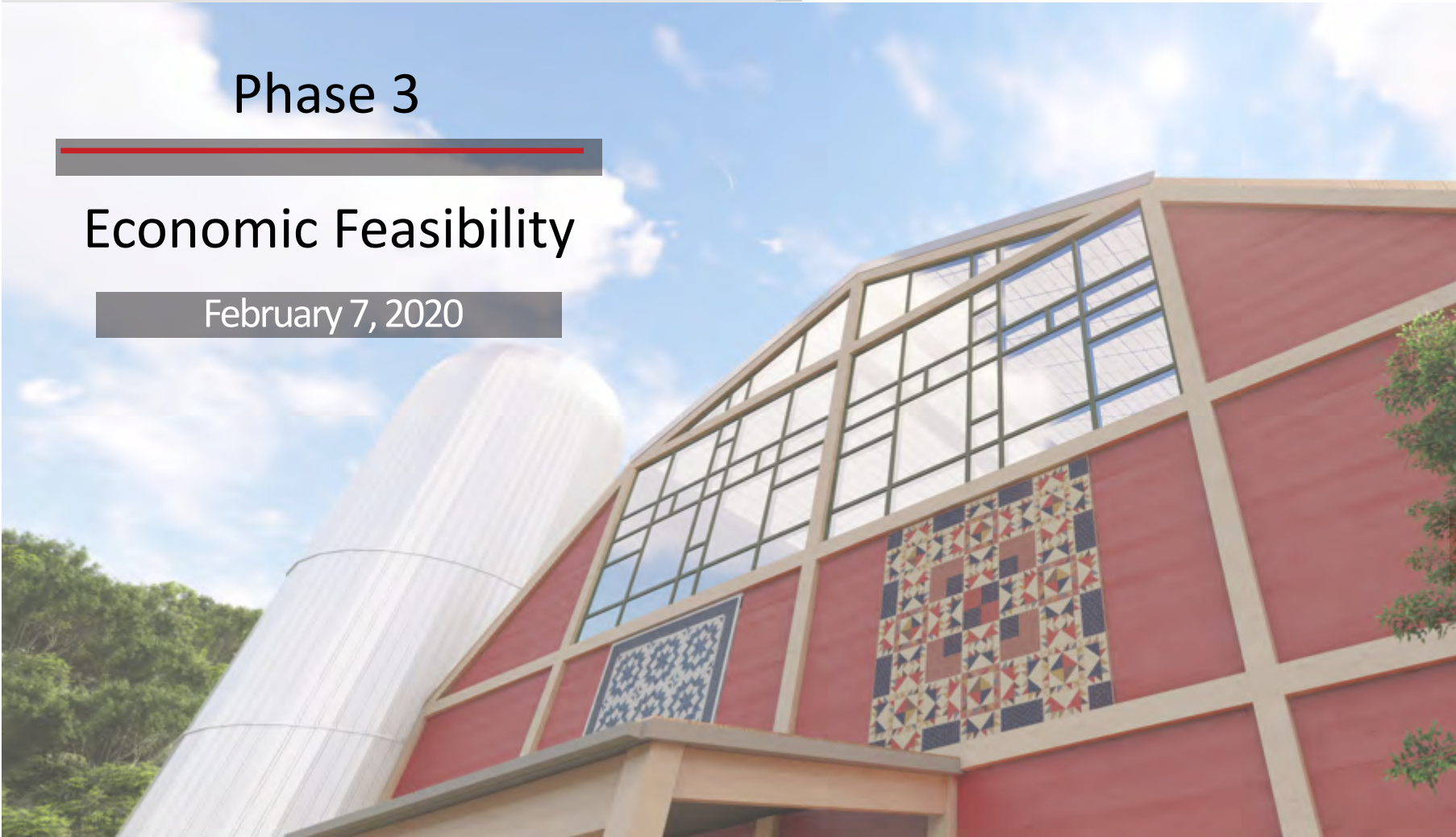


APPALACHIAN HEARTLAND INITIATIVE STRATEGIC MARKETING & ECONOMIC FEASIBILITY STUDY

Phase 3

Economic Feasibility

February 7, 2020



For the:
REGION 2 PLANNING & DEVELOPMENT COUNCIL
Attn: Mr. Chris Chiles, Executive Director
400 Third Ave • Huntington, WV 25712

By:
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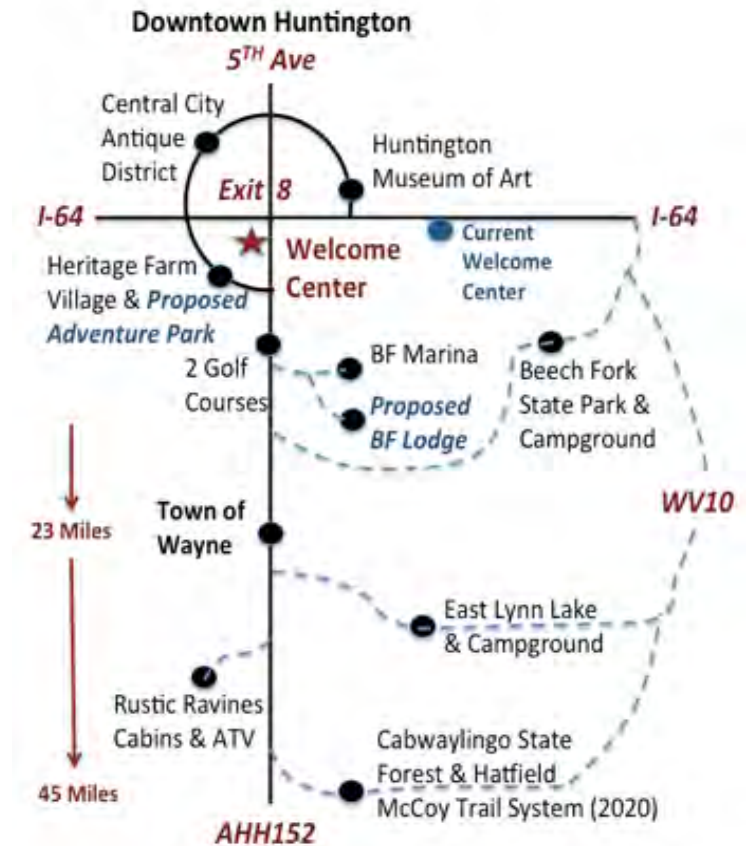
OVERVIEW

FINDINGS

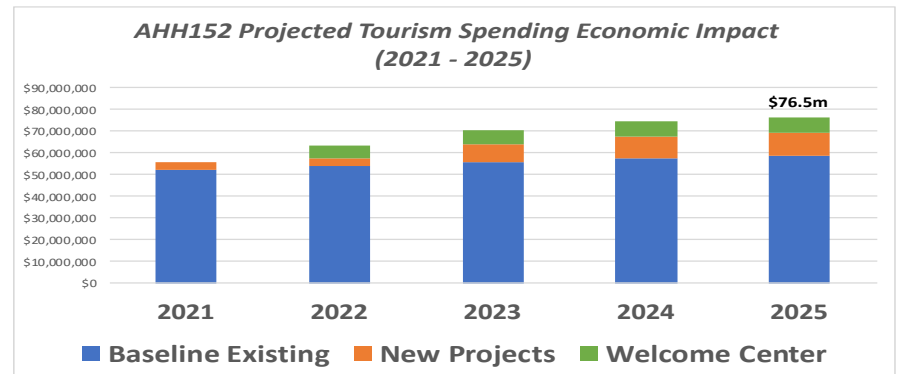
This report is an internal steering committee document focused on the Phase 3 Economic Analysis. A summary of the findings are as follows:

- Travel-generated spending in West Virginia declined 14% from 2012 to 2016, but from 2016 to 2018 spending grew an average of 3.2% to \$4.55 billion annually.
- West Virginia's top 5 counties capture 50% of the state's tourism spending.
- The 5 counties surrounding AHH152 earned 5.6% of the state's total tourism spending, equating to \$253 million in 2018.
- Wayne County tourism (almost solely along AHH152), earned 1.0% of the state's total tourism spending, equating to \$47 million in 2018. Much of this expenditure will be in neighboring Huntington and Cabell County as AHH152 lacks primary tourist-oriented amenities such as accommodations, food service, retail and entertainment.
- By 2025, proposed new tourism projects in Wayne County AHH152 could grow tourism expenditure to nearly \$70 million annually.
- The new Hatfield McCoy Trail System 2020 opening in Cabwaylingo SF is expected to contribute \$3m annually.
- The proposed Gateway to Appalachia Welcome Center is projected to contribute a conservative 10% more visitation to AHH152 attractions adding another \$7 million annually to the economy by 2025.
- Construction impact of proposed new projects along the AHH152 tourism corridor could reach nearly \$56 million.

AHH152 ATTRACTIONS



PROJECTED ECONOMIC IMPACT



A WELCOME CENTER TO PROMOTE THE REGION & STATE

To energize tourism along the I-64 western corridor, our goal is to capture a higher percentage of the 45,000 vehicles traveling daily on the I-64, the state's most vital tourism artery. This vision embraces the WV State Office of Tourism strategy focusing on ***“welcome center upgrades to turn bathroom breaks into return visits.”***

When coupled with AHH152's new attractions, partnerships and marketing, our vision is to transform Huntington's current I-64 West Virginia welcome center / rest stop located at mile 10 which only serves east-bound traffic ...



... into a the **Gateway to Appalachia Welcome Center** strategically located just off I-64 Exit 8, also the gateway to Wayne County's AHH152 heritage and outdoor attractions.



Studies on welcome centers reveal many contributions.

Welcome Centers:

- ✓ Set the stage for a visitor's experience, helping to establish a consumer's first impression of a state by providing essential tourist information and "sense of place" depth to enhance the visitor's experience.
- ✓ Are an effective way to increase length of stay, which results in increased in-state expenditures.
- ✓ Influence route selection, attractions visited, and future return trips with new information collected.
- ✓ Users are more likely to have higher incomes, travel in large parties, and be on a pleasure trip.
- ✓ Millennials can be "mobile absorbed" & bypass centers unless the centers are technologically interactive.
- ✓ Key locational consideration should be a major transportation artery or gateway. Visitors to border welcome centers in Michigan were nearly 5x more likely to be residents of other states.

Noted Welcome Center Impacts

- ✓ A Rhode Island study estimated \$35 in new tourism expenditures for every \$1 of operating budget [Oregon \$41, Louisiana \$20].
- ✓ Travelers who extended their visit to Indiana by one day or longer because of information obtained at a state welcome center spent an additional \$42.70 per day.
- ✓ The Tierney Study reported information obtained at state welcome centers resulted in a 25% increase in visitors' average daily expenditures.

THE DIVERSITY OF OUR PRIMARY ATTRACTIONS

BEECH FORK LAKE STATE PARK



VISITATION

213,000

CABWAYLINGO STATE FOREST



124,000

HUNTINGTON MUSEUM OF ART



55,000

HERITAGE FARM MUSEUM & VILLAGE



45,000

ECONOMIC ANALYSIS – WEST VIRGINIA TOURISM

West Virginia Tourism Impact (2016-2018)

Category	2016	2017	2018	CAGR
Direct Spending (\$Million)	\$4,142	\$4,277	\$4,554	3.2%
Employment (Jobs)	44,900	44,800	45,400	0.4%
Local Govt. Revenue (\$000)	\$ 474,500	\$ 467,200	\$ 481,200	0.5%
State Govt. Revenue (\$000)	\$ 526,200	\$ 517,200	\$ 534,500	0.5%

Source: West Virginia Tourism Office, Dean Runyan Associates
CAGR: Compound Annual Growth Rate from 2016 to 2018

West Virginia Visitor Spending Adjusted for Inflation, 2000-2018p



WEST VIRGINIA TOTAL VISITOR SPENDING

Tourism in West Virginia experienced rapid growth until 2012, declining until 2016, and then showing positive growth for the last several years. The research shows traveler spending in West Virginia grew at a compound annual growth rate of 3.2% between 2016 to 2018, totaling \$4.55 billion and employing 45,400 people in 2018.

TRAVEL MOTIVATION

Reviewing the 2018 statewide visitor profiles, Visiting Friends & Relatives is by far the primary motivation for travel to WV (45%), some 40% of visitation is for leisure activities, and 15% for business purposes.

WV TRAVEL MOTIVATIONS - 2018	
Visiting Friends & Relatives	42%
Touring	10%
Outdoors	9%
Special Event	7%
Casino	7%
City Trip	5%
Business Trip	6%
Business - Leisure	4%
Conference / Convention	3%
Resort	3%
Golf	1%

Source: WV Office of Tourism

An important strategy for AHH152 and Huntington tourism is to actively engage the regional resident population as: 1) a majority of the attraction visitation is from residents (70-80%); 2) many non-residents in the area visiting friends & relatives will desire to experience the region's unique offerings.

West Virginia is fortunate to be bordered by 5 states with the largest population centers north and east.



WV VISITOR ORIGINS - 2018	
West Virginia	20%
Ohio	12%
Virginia	11%
Pennsylvania	8%
Maryland	6%
North Carolina	6%

Source: WV Office of Tourism

PRIMARY CITY MARKETS

Washington, DC; Pittsburgh, PA; Harrisburg-Lancaster, PA; Columbus, OH; Cleveland, OH; Roanoke, VA; Richmond, VA; Charlotte, NC

WV Top 5 Tourism Impact Counties (2016-2018)

County	2016	2017	2018	CAGR	% of State
Jefferson	\$805	\$796	\$843	1.5%	19%
Kanawha	\$566	\$571	\$580	0.9%	13%
Ohio	\$287	\$318	\$334	5.2%	7%
Hancock	\$304	\$304	\$285	-2.1%	6%
Wayne 5 County Region	\$241	\$243	\$253	1.6%	6%
Greenbrier	\$199	\$211	\$228	4.5%	5%
Source: West Virginia Tourism Office, Dean Runyan Associates					55%

WV STATEWIDE COMPARISON

The state's top 5 counties earn 50% of the WV tourism expenditures. The Cabell-Wayne collective region of 5 counties would rank #5 comparatively in tourism expenditure.

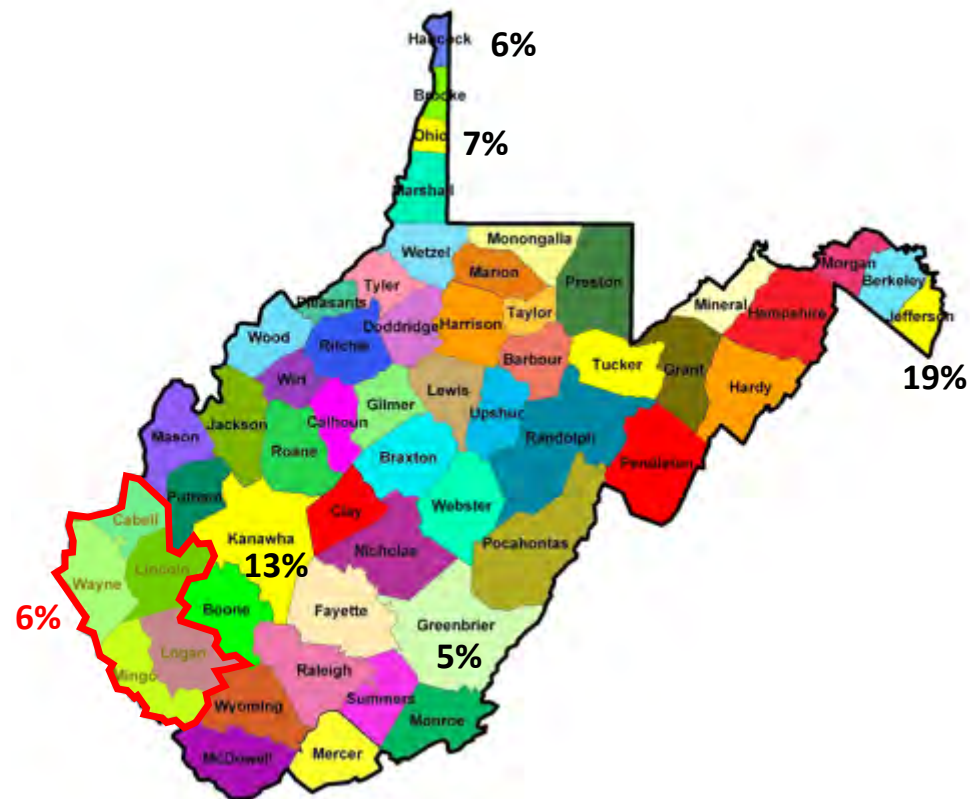
5 County Regional Tourism Impact (2016-2018)

Category	2016	2017	2018	CAGR
Direct Spending (\$Millions)	\$241	\$243	\$253	1.6%
% of State	5.8%	5.7%	5.6%	
Employment (Jobs)	2,500	2,440	2,470	-0.4%
% of State	5.6%	5.4%	5.4%	
State Govt. Revenue (\$000)	\$16,350	\$16,234	\$16,714	0.7%
% of State	3.1%	3.1%	3.1%	
Source: West Virginia Tourism Office, Dean Runyan Associates				

CABELL, WAYNE, LOGAN, MINGO & LINCOLN

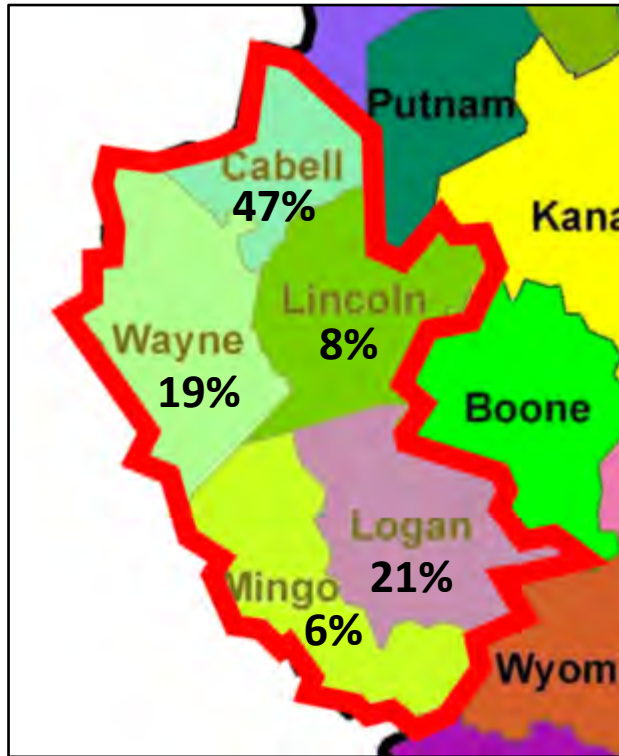
The 5-county, western tourism region earned \$252 million in direct tourism spending, equating to over 5% of the state's total tourism spending. Some 2,470 jobs are held with over 3% contributed to state tourism revenues.

WV TOP 5 TOURISM SPENDING COUNTIES



Regional Impact (\$m)	%
Cabell	\$118 47%
Logan	\$52 21%
Wayne	\$47 19%
Mingo	\$21 8%
Lincoln	\$14 6%
TOTAL	\$252 100%
5.5% of state total	

REGIONAL 5-COUNTY TOURISM is dominated by Cabell County / Huntington with the prime tri-state I-64 location along with Marshall University and urban attractions.



Category	2016	2017	2018	CAGR
Direct Spending (\$Millions)	\$ 45	\$ 47	\$ 52	4.9%
% of State	1.1%	1.1%	1.1%	
Employment (Jobs)	340	320	340	0.0%
% of State	0.8%	0.7%	0.7%	
State Govt. Revenue (\$000)	\$ 3,451	\$ 3,532	\$ 3,834	3.6%
% of State	0.7%	0.7%	0.7%	

Source: West Virginia Tourism Office, Dean Runyan Associates

LOGAN COUNTY contributes 21% of the regional tourism receipts and also posting the top growth for the region.

Category	2016	2017	2018	CAGR
Direct Spending (\$Millions)	\$20	\$21	\$21	1.5%
% of State	0.5%	0.5%	0.5%	
Employment (Jobs)	210	200	210	0.0%
% of State	0.5%	0.4%	0.5%	
State Govt. Revenue (\$000)	\$1,465	\$1,494	\$1,495	0.7%
% of State	0.3%	0.3%	0.3%	

Source: West Virginia Tourism Office, Dean Runyan Associates

MINGO COUNTY contributes 8% of the regional tourism receipts, although recent growth has been slow.

Category	2016	2017	2018	CAGR
Direct Spending (\$Millions)	120	115	118	-0.6%
% of State	2.9%	2.7%	2.6%	
Employment (Jobs)	1,450	1,420	1,420	-0.7%
% of State	3.2%	3.2%	3.1%	
State Govt. Revenue (\$000)	8,400	8,100	8,200	-0.8%
% of State	1.60%	1.57%	1.53%	

Source: West Virginia Tourism Office, Dean Runyan Associates

CABELL COUNTY contributes nearly 50% of the regional tourism receipts, although growth has flatlined over the last 3 years.

Category	2016	2017	2018	CAGR
Direct Spending (\$Millions)	14	15	15	2.8%
% of State	0.3%	0.3%	0.3%	
Employment (Jobs)	130	130	120	-2.6%
% of State	0.3%	0.3%	0.3%	
State Govt. Revenue (\$000)	1,020	1,043	1,070	1.6%
% of State	0.2%	0.2%	0.2%	

Source: West Virginia Tourism Office, Dean Runyan Associates

LINCOLN COUNTY contributes 6% of the regional tourism receipts, reporting slight growth over the last 3 years.

Wayne County (Generated*) Tourism Impact (2016-2018)

Category	2016	2017	2018	CAGR
Direct Spending (\$Millions)	42	45	47	3.5%
% of State	1.0%	1.1%	1.0%	
Employment (Jobs)	370	370	380	0.9%
% of State	0.8%	0.8%	0.8%	
State Govt. Revenue (\$000)	2,014	2,065	2,115	1.6%
% of State	0.38%	0.40%	0.40%	

Source: West Virginia Tourism Office, Dean Runyan Associates

WAYNE COUNTY TOURISM IMPACT

The West Virginia Travel Impact Report identifies modest growth of 3.5% over the last 3 years in the Wayne County tourism sector, reaching \$47 million in 2018 visitor spending creating 380 jobs. *Wayne County Generated: Note that much of this spending will be in the tourism hub of adjacent Cabell County as Wayne has limited tourism amenities such as lodging, restaurants, retail and entertainment.*

Wayne Tourist Spending by Category (2018)

Category	Amount	% of Ttl
Food Service	\$13,772,848	29%
Local Trans & Gas	\$12,274,442	26%
Accommodations	\$7,267,269	15%
Retail Sales	\$6,755,313	14%
Attractions	\$3,983,262	8%
Food Stores	\$2,946,865	6%
	\$47,000,000	100%

WAYNE COUNTY TOURISM IMPACT BY CATEGORY

No direct data exists for Wayne County visitor spending by category. West Virginia State Park visitor spending profile was applied capturing a similar profile to AHH152 outdoor leisure and recreation visitor revealing food and transportation as top expenditure categories. Note again that much of this spending will be in the Cabell / Huntington tourism hub.

Wayne Estimated Spending Impacts (2019)

Impact	Employment	Labor Income	Output
Direct	499.4	\$12,140,066	\$30,658,185
Indirect	56.1	\$2,536,929	\$8,481,752
Induced	77.3	\$3,024,896	\$9,830,951
Total	632.9	\$17,701,891	\$48,970,888
		Multiplier	1.60

WAYNE SPENDING / EMPLOYMENT ANALYSIS - 2019

IMPLAN analysis of Wayne county's 2019 total tourism impact estimated of \$49 million equates to over 630 employed and nearly \$18 million in payroll regionally.

Wayne Estimated Spending Impacts (2025)

Impact	Employment	Labor Income	Output
Direct	607.6	\$ 14,770,246	\$ 37,300,369
Indirect	68.2	\$ 3,086,562	\$ 10,319,348
Induced	94.1	\$ 3,680,249	\$ 11,960,855
Total	770.0	\$ 21,537,058	\$ 59,580,573
		Multiplier	1.60

NOMINAL GROWTH FORECASTED IMPACTS - 2025

Using a nominal 3% growth rate from recent past local and state tourism performance yields a 2025 tourism economy of \$59.6 million generating 770 jobs with a \$21.5 million payroll.

HATFIELD McCOY TRAIL SYSTEM COMING TO WAYNE CO.



	2021	2022	2023	2024	2025
Hatfield McCoy	\$2,880,000	\$3,360,000	\$3,360,000	\$3,360,000	\$3,360,000
PROPOSED					
HF Adventure	\$400,000	\$448,000	\$520,000	\$544,000	\$575,000
Hat-Mc E Lynn			\$1,920,000	\$3,360,000	\$3,360,000
BF Lake Lodge				\$2,400,000	\$3,040,000
Total	\$3,280,000	\$3,808,000	\$5,800,000	\$9,664,000	\$10,335,000

* Visitation provided by Operator / Multiplier 1.60

NEW PROJECT VISITOR EXPENDITURE IMPACT

Projects proposed for the upcoming 5 years hold excellent potential to improve the offering of the AHH152 tourism corridor, particularly in the outdoor and adventure segments, potentially adding \$10 million of spending impact by 2025.

In the north, the Heritage Farm Mill Creek Adventure Park will be just miles for Exit 8, with a proposed \$5m road connecting Heritage Farms directly to AHH152. The road and new tourism development will encourage nearby AHH152 and hillside frontage for a “Gateway to Appalachia Village” very close to the Welcome Center and busy I-64.

Near the middle of the AHH152 corridor, the proposed 75-room Beech Fork Lake Lodge & Conference center would bring much needed room capacity to AHH152 to encourage multi-day vacations to visit all attractions.

At the southern end of AHH152, the Hatfield McCoy Cabwaylingo State Forest Trail system opening in April 2020 will jumpstart tourism all along the corridor with the potential to open a trail system near East Lynn Lake by 2023.

HERITAGE FARM EXPANSION PLANS



HF Adventure Park Construction (One-time Impacts)

Impact	Employment	Labor Income	Output
Direct	31.7	\$1,740,701	\$5,000,000
Indirect	6.2	\$325,307	\$1,148,012
Induced	10.9	\$426,195	\$1,385,553
Total	48.8	\$2,492,203	\$7,533,566
		Multiplier	1.51

The Heritage Farm Mill Creek Adventure Park is in the final planning stages with construction anticipated to begin summer 2020. The \$5 million construction investment is projected to yield over \$7.5 million of economic impact. The indoor “soft top” design will make this a year-round facility, very necessary to address the region’s seasonality. Winter adventure will include snow tubing, ice skating, and a snow playfield. Summer adventure will include a water park, mountain coasters and rock climbing.

HERITAGE FARM ADVENTURE PARK SPENDING



	2021	2022	2023	2024	2025
HF Adventure	\$400,000	\$448,000	\$520,000	\$544,000	\$575,000

The spending projections for the HF Mill Creek Adventure Park are anticipated to grow to \$575,000 by 2025.

NEW HERITAGE FARM EXPERIENCES



Themed as the “Appalachian Backyard Adventure,” Heritage Farm is nearing completion of a netted playground near their petting zoo for more engagement with their youth market. Addressing the teen and older market, the Skypark Canopy Adventure will be a “self-belay” ropes course amidst the lush forest canopy challenging all skill levels, with construction beginning summer 2020. Also nearing completion this year will be an interpretive nature center. Last, a very extensive wild animal park is also under feasibility consideration.

BEECH FORK LAKE LODGE & CONFERENCE CENTER



Beech Fork Lodge Construction (One-time Impacts)

Impact	Employment	Labor Income	Output
Direct	180.6	\$9,690,516	\$25,190,397
Indirect	28.6	\$1,467,674	\$4,856,809
Induced	58.9	\$2,301,327	\$7,481,066
Total	268.1	\$13,459,517	\$37,528,271
		Multiplier	1.49

The Beech Fork Lake Lodge has been under consideration for the last 15 years, with a recent feasibility study now being reviewed by state agencies. The projected \$25 million construction cost will have a \$37.5m economic impact creating nearly 270 jobs.

BEECH FORK LAKE LODGE VISITOR SPENDING

	2021	2022	2023	2024	2025
BF Lake Lodge				\$2,400,000	\$3,040,000

Projecting an opening in 2024, estimated visitor spending impacts for the lodge will be just over \$3 million by 2025. As the lodge is in the middle heartland of AHH152, it is anticipated that multi-day vacations will spread visitor spending throughout the corridor. Not only does Beech Lake have an active boat-rental marina and swimming beach, but nearby Lavalette has two excellent golf courses.

HATFIELD McCOY TRAIL SYSTEM CABWAYLINGO SF



Hatfield McCoy Trail System Visitor Spending (2021 - 2025)

	2021	2022	2023	2024	2025
Hat-Mc Cabway	\$2,880,000	\$3,360,000	\$3,360,000	\$3,360,000	\$3,360,000
Hat-Mc E Lynn			\$1,920,000	\$3,360,000	\$3,360,000

In early 2020, stimulating AHH152’s southern anchor, the new Hatfield McCoy Trail System will open 50-70 miles of Off-Highway Vehicle (OHV) trails in the Cabwaylingo State Forest some 45 miles from Exit 8. Additionally, a new system is under study and consideration nearby at East Lynn Lake. By 2025, the combined trail systems are projected to generate over \$7m annually, and \$25m total for 5 years.

The HMTS Cabwaylingo attraction is expected to provide an important economic stimulus to the AHH152 southern anchor as the region retains very limited accommodations and other tourism amenities. Notably: Cabwaylingo SF (14 cabins / 11 electrical camp sites / 8 rustic camp sites), Rustic Ravines (9 cabins), and Pioneer Motel (25 rooms).



The Hatfield McCoy Trail System also refurbishes or builds welcome centers at their major trailheads, which can further promote AHH152 attractions.

RUSTIC RAVINES “BIG ZIPPER” HALF-MILE ZIP LINE



Surrounded by 50,000 acres of private and public ATV trails, the Rustic Ravines resort is a prime southern AHH152 destination for outdoor sports including kayaking, archery, fishing, and hunting. The 9-cabin, 300-acre complex includes a variety of large and small lodges and yurts, with excellent outdoor event facilities. Under construction is a saloon-restaurant event center. New projects under consideration include an RV/ATV campground along AHH152 and an adventure park.



The new “Big Zipper” zipline is a half-inch stainless steel cable stretching across the Rustic Ravines valley a half-mile between two mountain ridges. The cable is approximately 300 feet above the valley floor, and riders can reach speeds upwards of 60 mph.

WELCOME CENTER CONSTRUCTION IMPACT



Research reveals new or revitalized welcome centers can attract an additional 10 – 30% visitation based upon many factors, most importantly adjacent high levels of daily vehicular traffic, integral location, ease of access, awareness via professional highway signage, and compelling presentation and staffing.

WELCOME CENTER DEVELOPMENT COSTS	
CONSTRUCTION	\$4,290,000
SITE DEVELOPMENT	\$1,550,000
UTILITIES	\$120,000
SOFT COSTS	\$1,150,000
TOTAL COST	\$7,110,000

Source: The Thrasher Group

The initial modeling cost breakdown for the site development and construction of the Gateway to Appalachia Welcome Center is just over \$ 7 million with an extended impact of nearly \$11 million and 77 jobs to the economy.

Welcome Center Construction (One-time Impacts)

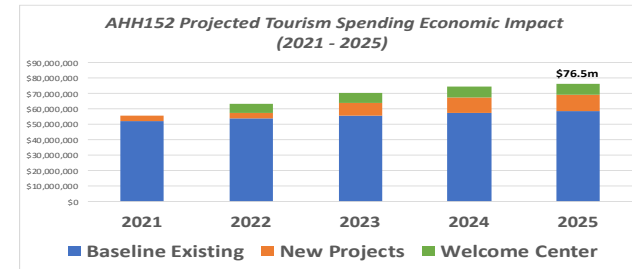
Impact	Employment	Labor Income	Output
Direct	50.2	\$2,890,784	\$7,105,216
Indirect	9.3	\$471,442	\$1,410,017
Induced	17.7	\$693,476	\$2,254,360
Total	77.2	\$4,055,702	\$10,769,593
		Multiplier	1.52

WELCOME CENTER IMPACT TO THE TOURISM ECONOMY

Welcome Center Visitor Spending Economic Impact (2021 - 2025)					
	2021	2022	2023	2024	2025
Baseline Existing (+3%)	\$52,488,800	\$54,063,464	\$55,685,368	\$57,355,929	\$59,076,607
New Projects	\$3,280,000	\$3,808,000	\$8,200,000	\$10,304,000	\$10,527,000
Projected Tourism Impact	\$55,770,821	\$57,873,486	\$63,887,391	\$67,661,953	\$69,605,632
Welcome Center (+10%)		\$5,787,349	\$6,388,739	\$6,766,195	\$6,960,563
Total Spending Impact	\$55,770,821	\$63,660,835	\$70,276,130	\$74,428,148	\$76,566,195

Multiplier 1.60

Using a conservative **10%** increased visitation impact, by 2025, the **Gateway to Appalachia Welcome Center** is projected to contribute nearly \$7m annually to the regional and statewide tourism economy.



AGGREGATE AHH152 TOURISM IMPACT 2021 - 2025

When aggregating the total tourism spending impact of the baseline current tourism attractions growing at a nominal 3% per year; adding the new projects of Hatfield McCoy Cabwaylingo and East Lynn Trail Systems, the Heritage Farm Mill Creek Adventure Park, and the Beech Fork Lake Lodge; and lastly including the “pull off & get on” AHH152 impact of the welcome center, an aggregate 5-year total for the total tourism impact for the region will reach just over

\$340 million.

Aggregate Tourism Impact (2021-2025)	
Baseline Existing Tourism	\$278,670,168
New Projects	\$36,119,000
Welcome Center	\$25,902,846
Aggregate Total	\$340,702,129

A VIBRANT AHH152 TOURISM CORRIDOR STARTS HERE

THE GATEWAY TO APPALACHIA WELCOME CENTER DESIGN

There will be many small steps in strategic planning, branding, marketing and funding in the creation of a vibrant AHH152 tourism corridor. However a new Welcome Center - *the big idea cornerstone* – will be the connective tissue energizing all parties toward partnership and success.

The AHH152 Steering Committee extensively discussed the center’s mission and design desiring to capture the spirit of Appalachian culture, history and future through both architectural design and building material selection.



After pursuing several design concepts, an agri-tourism theme resonated with the committee with a bright, high-ceiled barn maximizing the limited parcel footprint and also providing excellent roadway visibility through its artistic design. Materials like timber and stone will be used that are reminiscent of West Virginia’s natural beauty, or materials like steel and glass that represent the important industrial history of the region. The goal is to commemorate as much as possible while maintaining a cohesive design appearance that looks intentional and not haphazardly placed together.



The site plan chosen arranges the building to face the AHH152 corridor entry from I-64 where most visitors will access the facility. This option utilizes earthwork and the construction of a retaining wall to grow the developable footprint of the site to 2 acres. This retaining wall not only helps to create more usable space but will serve as an excellent way to implement a gateway sign welcoming visitors not only to the Welcome Center but also to the Appalachian Heartland Highway.



Key Elements:

Spaces:

1. Covered Porch
2. Entry Vestibule
3. Public Area
4. Table Sitting
5. Booth Sitting
6. Lounge Sitting
7. Performance Stage
8. Information Desk
9. Offices/Work
10. Storage Rooms
11. Women's Restroom
12. Janitor/Mech
13. Men's Restroom
14. Family Restroom
15. Drinking Fountains
16. Vending Machines

Exhibits/Displays:

- A. Guest Book
- B. Info Kiosks
- C. Way Finding Maps
- D. Local/Rt. 152 Maps
- E. Outdoor Simulations
- F. Climbing Wall
- G. Selfie Feature
- H. Artwork / Artifacts
- I. Timeline



Technology & interactivity will be essential features



KEY FEATURES INCLUDE

- A. **Electronic Guest Book** - Interactive, vertically oriented, touch-screen monitor for use by multiple users. Visitors could voluntarily add low-level personal info such as name, hometown and planned destination to an ever-growing list of visitors. A digital interface could allow visitors to upload messages and selfies. When in passive-mode, the monitor could display a US or World Map that pins the hometowns of visitors.
- B. **Information Kiosks** - Interactive touch screen monitors for individual use. This feature could include calendars that feature AHH 152 attractions and events when in passive-mode, and interactive wayfinding maps and details for the attractions and events, as well as educational games with Appalachian facts and history questions.
- C/D. **Wayfinding Maps** - Interactive, wall-mounted touch-screen monitor that features attractions along AHH 152, including markets, food, retail outlets, etc. Program could allow visitors to select multiple destinations and have directions forwarded to their smart phone.
- E. **Outdoor Simulations** - A semi-immersive virtual experience on large, vertically oriented monitors. Controlled by separate stand-mounted touch screen devices, the viewer can experience a variety of different outdoor first person simulations that are available at nearby AHH 152 attractions i.e. Mountain biking, kayaking, fishing, zip lining, and ATV riding.
- F. **Climbing Wall** - An artificial rock wall approximately twelve feet in height to engage families with a belay system and retractable floor pads to prevent climbing when an attendant is not available for supervision.
- G. **Selfie Feature** - A compelling photographic feature of Appalachian interest to use as a social-media backdrop.
- H. **Artwork / Artifacts** - Locally produced paintings, sculptures, quilts, pottery or others items produced by local artisans could be on display in the Welcome Center to bring attention to the rich artistic heritage of the region. Additionally, museum type exhibits of significant Appalachian interest could educate about historic individuals, coal, timber, agriculture, railroads, etc.
- I. **Wall Time-line** - A wall-mounted display with historic time-line of regional highlights which could include different time-lines from geological changes, or early settlers to recent history.



Outside a feeling of agri-authenticity.



Inside open & sunny ... outside a feeling of agri-authenticity.

CASE STUDY: NEW YORK'S ADIRONDACK WELCOME CENTER

Opening in September 2018, the 8,500 sf Adirondack Welcome Center is an excellent regional example of similar size with compelling design, amenities and interactivity to become a destination unto itself.



The center contains I LOVE NY interactive kiosks which highlight regional attractions and tourism destinations. For family travelers, an outdoor children's play area with a zip line is available, along with a pet comfort area, and picnic tables. Inside is free Wi-Fi, cell phone charging stations, and a fireplace living-room with Adirondack chairs.

Food and beverages sourced from the region are showcased in nine state-of-the-art Taste NY vending machines. This includes craft sodas, locally sourced water, maple syrup and maple novelties, honey, jams, sauces, artisan cheese, fresh milk, ice cream, nuts, snack, candy and also small souvenirs.

BRANDING – HIGHLIGHTING AHH152 UNIQUENESS

Designated tourism areas benefit from having a specific brand to distinguish their product from the competition. This brand can be implemented in the form of logos, wayfinding signage, informational kiosks, tourism brochures and maps, webpages, mobile applications and more. Visitors to the area will begin to associate this brand with their experiences in the region. This brand will be useful for marketing the region and could be incorporated into licensed merchandise for sale by various vendors.



The creation of a logo that is identifiable to the Appalachian Heartland Highway is a logical first step to help designate this region as a tourism area of interest. While some logos simply state a name or region others will tell a story and create excitement through graphic design. Once a logo has been created the fonts, colors and graphics can be incorporated into other branding initiatives as shown in the examples on the opposite page.



WEBPAGE EXAMPLE



BROCHURE MAP EXAMPLE



ADVERTISING EXAMPLE





The West Huntington Central City antique district at the northern top of the AHH152 pendant is currently deeply involved in a reinvention into a cultural destination. To the right are the branding themes under consideration, with elements of each theme resonant to themes discussed for AHH152 and summarized below.

THE FUTURE OF HERITAGE

Heritage Farm Museum & Village - a key northern anchor just 15 minutes from Central City – captures West Virginia’s spirit of Appalachian resiliency and reinvention, framing each past historical era into how it shaped the future. Stops along AHH152 should capture this theming.

ENGAGING ADVENTURE

Ziplining, ATV trail riding, hiking, mountain biking, boating, fishing all within an hour’s drive of Exit 8. Scheduled to begin construction late 2020, the Heritage Farm Adventure Park will encapsulate the family-style engagement of these elements.

FARM TO AHH

Farm to Table restaurants, food stands and tours along AHH152 can build upon the agri-tourism opportunities.

West Huntington branding considerations:

RENEGADE MAKERS

West Huntington is the renegade Appalachian community bucking stereotypes with bold progressive values, a strong maker economy, and a vibrant arts + entertainment district. The business district features local and sustainable food, independent shops, small performance venues, and programs involving the community in improving the built environment and local ecology.

WHERE RURAL MEET URBAN

West Huntington is known as a regional food hub, where farmers bring fresh produce, a vibrant restaurant scene promotes and supports urban and rural food production, and new food based businesses test products and incubate ideas in a shared facility. Year-round food and music festivals and pop-up cultural events attract visitors from throughout the region.

REINVENTION & RESILIENCY

West Huntington is known for reinvention and resiliency. The creative district features repurposed historic buildings where artisans and makers specialize in upcycling, trade vintage clothing and artifacts, and locally-made products. Residents are deeply involved, with access to training programs, startup funding, and real estate in the district to support local participation.

WAYFINDING – CREATING OUR UNIQUENESS

Wayfinding signage is an important component of any tourism brand. Gateway signs are a significant way to identify to visitors that they have officially entered a specific region of tourism interest.

GATEWAY EXAMPLE



While the Welcome Center will serve as the notification on the northern end of the corridor, a series of gateway signs or totems could be implemented at other key points of entry. Wayfinding signs help to reinforce visitors who traveling to specific destinations but they are also a great way of generating interest for destinations that visitors may not know about yet to inspire return visitation.



WAYFINDING EXAMPLE



This signage should incorporate the developed brand and utilize architectural themes that resemble the chosen design intent for the Welcome Center. While using local materials for this signage would be preferred, there are several manufactured materials that could be utilized to mimic natural and local materials but are cheaper in cost and are potentially longer lasting.



A series of wayfinding signage concepts has been developed to demonstrate how wayfinding could be incorporated with the conceptual building designs that were created for this report. The signage shown below is preliminary in nature and should be developed in coordination with the branding efforts and final designs for the Appalachian Heartland Highway Welcome Center. The signage concepts use materials that are complementary to the conceptual Welcome Center structure and show how a consistent brand and design intent could be carried throughout the corridor.

GATEWAY EXAMPLE



One of the conceptual designs for the site utilized a retaining wall that would face WV 152 and presents an opportunity to place a large sign that would be the first thing people notice when exiting I-64 and heading south on WV 152.

TOTEM EXAMPLE:

Similar to signage used at entry points to National Forest or Parks, multiple totems could be placed at different entry points throughout the corridor. Totems are a way to mark or designate an area while taking up significantly less space than traditional gateway signs. They are usually ten to twelve feet in height or more and contain letters that are easily legible when driving between 35-50 mph.



KIOSK EXAMPLE

Outdoor kiosks are a great way to provide information about the region or place graphic maps with points of interest highlighted. While some of this should be covered by exhibits on the interior of the Welcome Center having an outdoor exhibit provides additional information for those that choose to spend their road break outdoors. These kiosks could be incorporated in other areas throughout the region to provide information to those who approach the corridor from somewhere other than I-64.



Areas of the four lane adjacent to the Welcome Center could benefit from beautification projects such as installation of new landscaping in the existing grass medians. Low growing, low maintenance and salt tolerant plant material could be installed to beautify the gateway to the corridor. In addition to beautifying the corridor these underutilized spaces can be transformed to manage stormwater runoff in an environmentally sensitive way

ROAD BEAUTIFICATION EXAMPLES:

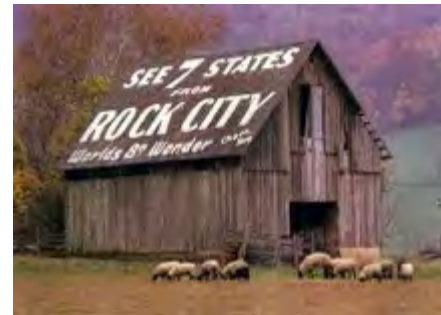


Installation of best management practices such as rain gardens and bioswales in the medians will help to control stormwater runoff while adding animal habitat and contributing to the beautification of the manmade environment. Maintenance agreements for such plantings or stormwater facilities would need to be undertaken by local municipalities or volunteer groups as such partnerships would likely be required to perform these projects on state owned highways.



BARN ART

Following the Welcome Center agri-tourism barn design, AHH152 and tourism corridors throughout West Virginia have fantastic blank canvases to create the Appalachian unique sense of place theming.



CONTINUING WITH THE HUNTINGTON QUILTS

The Central City Antique District on the northern end of AHH152 began a quilt-themed artistic beautification program. This theme can extend perfectly down the corridor.



ROADSIDE ATTRACTIONS

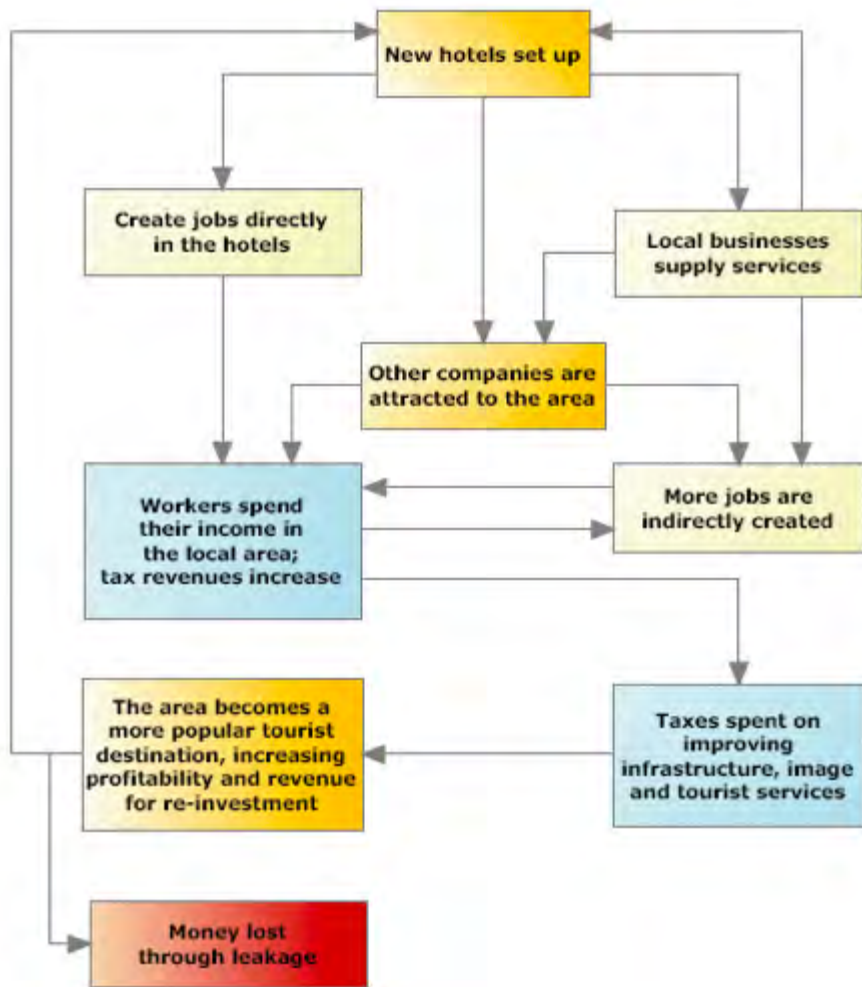
America is world famous for road-trip tourism which has inspired many destinations with very limited attractions to become famous with their artistic ingenuity turning dilapidated structures into roadside art perfect for selfies.



ROAD ART

The roadway can be a fantastic canvas for both branding, wayfinding and artistic creativity. A 152 logo interspersed with relevant artwork can make the highway come alive.





SECONDARY IMPACT MEASUREMENT

As well as measuring the direct effects of visitor spending, this study also calculated secondary effects which comprise economic activity from subsequent rounds of re-spending of visitor dollars.

There are two types of secondary effects: indirect and induced.

- Indirect effects describe the changes in sales, income and jobs to businesses that supply goods and services to the entities where visitors spend their money directly.
- Induced effects entail the changes in economic activity in the region stimulated by household spending of income earned through direct and indirect effects of visitor spending.

Secondary spending is calculated through the use of multipliers. Multipliers reflect the degree of interdependency between sectors in a region's economy and can vary substantially across regions and sectors .

As an illustration: if the multiplier for the hotel sector in a given region is 1.67, it can be estimated that every dollar spent at a hotel results in 67 cents of secondary economic activity in the region.

Economic multipliers for West Virginia are commercially available in an economic impact estimation software titled IMPLAN commercialized by MIG, Inc.

A review of the IMPLAN tourism multipliers for other counties in West Virginia revealed a similar 1.60 indirect + induced multiplier as determined for Wayne County and region.



Center for Business and Economic Research

An Assessment of Tourism Related Economic Impacts in Wayne County, WV

Final Report
January 30, 2020

Prepared for Solimar International

An Assessment of Tourism Related Economic Impacts in Wayne County, WV

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Prepared for:
Solimar International

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Background and Motivation

The Center for Business and Economic Research at Marshall University (CBER) was engaged by Solimar International to provide an analysis of the economic impacts associated with tourism in Wayne County, WV.

Methodology and Data

CBER used the IMPLAN^{®1} regional economic input-output (I-O) software to analyze the impact of current and potential impact of Wayne County tourism on the state of West Virginia. IMPLAN[®] analyzes the relationships between industries and socioeconomic characteristics of the local economy.² The resulting economic impact provides estimates of income, output and employment as they directly and indirectly affect the statewide economy. For the purpose of this analysis, monetary output values represent 2020 dollars.

The economic impact of Wayne County tourism is described in terms relating to the direct, indirect and induced spending and is measured in three main categories:

- Output. Total output reflects **the dollar value of industry production and represents the total effect of direct, indirect and induced spending** on the regional economy.³ Output is represented as an annual estimate of the impact of economic activity.
- Employment. IMPLAN measures employment in **full-time equivalent (FTE) positions** and reflects the number of FTEs directly and indirectly supported by the facility, as well as FTEs supported by induced spending. Thus, employment numbers provided in the following results section reflect both full-time and part-time positions and are not a count of individual jobs.
- Labor income. Labor income is inclusive of **all types of employment income**. This includes employee compensation, such as wages and benefits, as well as income received by those who are self-employed and unincorporated business owners.⁴

For this report, three separate impact estimates are provided. The first focuses solely on estimated visitor spending, the second on estimates of planned and potential construction spending and the third focuses on operational expenditures for eight current tourism related entities in Wayne County.

¹ IMPLAN[®] stands for IMpact analysis for PLANning. For more information please visit the IMPLAN Group, LLC website at <http://implan.com/>.

² This model uses a Type SAM (Social Accounting Matrix) multiplier. A Type SAM multiplier represents the direct, indirect and induced effects of spending and re-spending \$1 in the regional economy (IMPLAN 2014). Further detail is provided in the "**Error! Reference source not found.**" subsection.

³ IMPLAN, 2020.

⁴ IMPLAN, 2020.

While the activities described herein are at the county level, impacts occur statewide and are expected annually from operations and visitors. Subsequent annual impacts may differ as operational spending patterns change. Construction impacts are also statewide but are a one-time event and are expected to occur only during the construction period.

CBER also generated multipliers for the economic activities associated with Wayne County tourism. Multipliers describe how for a given change in a particular industry; a resultant change will occur in the overall economy. For example, a multiplier of 1.25 implies that for every dollar spent in the economy an additional \$0.25 of economic activity is generated.

Data

CBER used operational expenditure data for tourism related attractions located in Wayne County as well as planned and potential construction data for a Welcome Center, Beech Fork Lodge and an expansion of Heritage Farm Museum and Village. These expenditure and construction data parameters were provided by Solimar International and/or their project partners.

To approximate visitor spending, CBER was provided with data and estimates and from the October 2019 “West Virginia Travel Impacts” report completed by Dean Runyan Associates.⁵ Spending categories include accommodations, food service, food stores, local transportation and gas, recreation and retail sales.

Fiscal Impact Analysis

The state and local tax impacts are calculated using the IMPLAN tax model. Tax Impact results are based on the collected and reported taxes within the region for the given data year. The categories within the Tax Impact Report correspond to the categories in the Social Accounting Matrix. The Tax Impact data is developed to provide more detail to IMPLAN’s economic impact estimates and cannot be added to any summary results as they are already included as a portion of output.⁶

⁵ “West Virginia Travel Impacts 2000 – 2018p”, Dean Runyan Associates, Prepared for the West Virginia Tourism Office, October 2019.

⁶ IMPLAN 2020, <https://implanhelp.zendesk.com/hc/en-us/articles/360041584233-Taxes-Where-s-the-Tax->.

Analysis Results

Visitor Spending

Impacts associated with visitor spending⁷ were estimated for 2018 to 2022 and are presented beginning with Table 1.

Table 1: Estimated Visitor Spending Impacts (2018)

Impact	Employment	Labor Income	Output
Direct	480.2	\$11,673,140	\$29,479,024
Indirect	54.0	\$2,439,355	\$8,155,531
Induced	74.4	\$2,908,554	\$9,452,838
Total	608.5	\$17,021,049	\$47,087,392
		Multiplier	1.60

Table 2: Estimated Visitor Spending Impacts (2019)

Impact	Employment	Labor Income	Output
Direct	499.4	\$12,140,066	\$30,658,185
Indirect	56.1	\$2,536,929	\$8,481,752
Induced	77.3	\$3,024,896	\$9,830,951
Total	632.9	\$17,701,891	\$48,970,888
		Multiplier	1.60

Table 3: Estimated Visitor Spending Impacts (2020)

Impact	Employment	Labor Income	Output
Direct	519.4	\$12,625,669	\$31,884,512
Indirect	58.4	\$2,638,406	\$8,821,022
Induced	80.4	\$3,145,892	\$10,224,189
Total	658.2	\$18,409,967	\$50,929,723
		Multiplier	1.60

Table 4: Estimated Visitor Spending Impacts (2021)

Impact	Employment	Labor Income	Output
Direct	540.2	\$13,130,695	\$33,159,893
Indirect	60.7	\$2,743,943	\$9,173,863
Induced	83.6	\$3,271,728	\$10,633,157
Total	684.5	\$19,146,366	\$52,966,912
		Multiplier	1.60

Table 5: Estimated Visitor Spending Impacts (2022)

Impact	Employment	Labor Income	Output
Direct	561.8	\$13,655,923	\$34,486,288
Indirect	63.1	\$2,853,700	\$9,540,817
Induced	87	\$3,402,597	\$11,058,483
Total	711.9	\$19,912,221	\$55,085,589
		Multiplier	1.60

⁷ Increases in visitor spending were determined by assuming a 4 percent increase year over year, roughly accounting for the national average of 4.1 percent per the Runyan report.

Construction

Impacts associated with construction activities were estimated as one-time events for a Welcome Center, Beech Fork Lodge and the expansion of Heritage Farm. Each of these are presented individually and then combined beginning with Table 6.

Table 6: Welcome Center Construction (One-time Impacts)

Impact	Employment	Labor Income	Output
Direct	50.2	\$2,890,784	\$7,105,216
Indirect	9.3	\$471,442	\$1,410,017
Induced	17.7	\$693,476	\$2,254,360
Total	77.2	\$4,055,702	\$10,769,593
		Multiplier	1.52

Table 7: Beech Fork Lodge Construction (One-time Impacts)

Impact	Employment	Labor Income	Output
Direct	180.6	\$9,690,516	\$25,190,397
Indirect	28.6	\$1,467,674	\$4,856,809
Induced	58.9	\$2,301,327	\$7,481,066
Total	268.1	\$13,459,517	\$37,528,271
		Multiplier	1.49

Table 8: Heritage Farm Construction (One-time Impacts)

Impact	Employment	Labor Income	Output
Direct	31.7	\$1,740,701	\$5,000,000
Indirect	6.2	\$325,307	\$1,148,012
Induced	10.9	\$426,195	\$1,385,553
Total	48.8	\$2,492,203	\$7,533,566
		Multiplier	1.51

Table 9: Combined Construction (One-time Impacts)

Impact	Employment	Labor Income	Output
Direct	262.5	\$14,322,001	\$37,295,613
Indirect	44.1	\$2,264,423	\$7,414,838
Induced	87.5	\$3,420,998	\$11,120,979
Total	394.1	\$20,007,423	\$55,831,430
		Multiplier	1.50

Operations

Impacts associated with ongoing operations activities were estimated using expenditure data outlined in Table 10 and are presented in Table 11.

Table 10: 2018 Estimated Annual Total Operating Revenues and Expenditures

Revenues	\$3,609,396
Expenditures	\$3,199,266

Table 11: Combined Operations Impacts (2018)

Impact	Employment ⁸	Labor Income	Output
Direct	66.0	\$1,384,149	\$3,199,266
Indirect	30.8	\$986,147	\$2,660,270
Induced	5.2	\$203,191	\$660,320
Total	102.0	\$2,573,487	\$6,519,856
		Multiplier	2.04

Total Estimated Statewide One-Year Impacts

Table 12 illustrates the combined impacts of all estimated activities including estimated visitor spending, construction and ongoing operations.

Table 12: Combined One-Year Impacts (Visitor Spending, Operations and Construction)

Impact	Employment	Labor Income	Output
Direct	808.7	\$27,379,290	\$69,973,903
Indirect	128.9	\$5,689,925	\$18,230,639
Induced	167.1	\$6,532,743	\$21,234,137
Total	1,104.7	\$39,601,958	\$109,438,679
		Multiplier	1.56

Fiscal and Tax Impact Estimates

Tax Impact results derived using the IMPLAN modeling component are provided in Table 13.

Table 1: Estimated Tax Revenues (One-Year)

	Spending	Operations	Construction	Total
Sales Tax	\$1,501,967	\$53,909	\$687,345	\$2,243,221
Property Tax	\$920,609	\$33,042	\$421,298	\$1,374,949
Severance Tax	\$259,943	\$9,330	\$118,958	\$388,231
Other Taxes	\$155,252	\$5,572	\$71,048	\$231,872
Personal Income Tax	\$360,291	\$26,889	\$426,143	\$813,323
Personal Property Tax	\$5,474	\$409	\$6,475	\$12,538
Total	\$3,203,536	\$129,151	\$1,731,267	\$5,063,954

⁸ The operations model was created by using an Industry Spending Pattern run in IMPLAN. Unlike a standard Industry Impact there are no direct effects and the spending pattern reflects the first round of indirect purchases. Employment and Labor Income data were obtained from *County Business Patterns by Legal Form of Organization and Employment Size Class for U.S., States, and Selected Geographies: 2017*. Employment data was adjusted by the client based on projected staffing patterns and the Labor Income figure reflects this adjustment.

