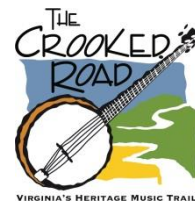


Southwest Virginia Cultural Heritage Foundation

Annual Report for 2015



Preface

On behalf of the Southwest Virginia Cultural Heritage Foundation it is our pleasure to submit this report to the Governor and General Assembly pursuant to Section 2.2-2736 of the Code of Virginia. This report summarizes the Foundation's activities during calendar year 2015.

The 2011 General Assembly created the Southwest Virginia Cultural Heritage Foundation (the Foundation) to operate as successor to the Virginia Cultural Heritage Commission. The Foundation encompasses 19 counties and four cities in Southwest Virginia. The 23 members of the Board of Trustees represent state, local and regional governments; state and local tourism, educational, cultural and music organizations, and the Virginia General Assembly. Friends of Southwest Virginia, a 501(c) 3 organization was later established to manage the financial and operational responsibilities of the Foundation and its' programs.

The legislature created the Foundation to serve as the state's catalyst for regional economic development in Southwest Virginia, drawing upon and enhancing the impact of resources available through state and regional governmental and private organizations. The Foundation continues to advance its purpose by working with collaborative ventures such as The Crooked Road Music Heritage Trail and 'Round the Mountain Artisan Network, promoting new entrepreneurial and employment opportunities by drawing on the region's distinctive cultural and natural heritage. From its prominent location in Abingdon near Interstate 81, the Heartwood Artisan Gateway has become the focal point for the Foundation's efforts to draw state, regional, and national attention to the music, artisanal products, and the cultural and natural resources of Southwest Virginia.

Foundation Activities in 2015

The Foundation's activities in 2015 continued to work towards achieving its goal of building a new, creative economy, both utilizing and preserving the unique cultural and natural heritage of the region in the process. The activities undertaken to achieve this goal in 2015 can be divided into four categories:

- Marketing
- Heartwood Operations
- Cultural Heritage Promotion and Preservation
- Community and Economic Development

While the stated activities have a primary focus, it is important to note that the Foundation and its partners are part of a collaborative process where overall success requires the integration of many efforts from diverse groups.

Marketing

In order to promote economic development in Southwest Virginia, the Foundation has pursued a number of strategies intended to increase awareness of Southwest Virginia and its diverse cultural and natural offerings. Certain existing marketing strategies have been

continued while a new initiative has been aimed at developing a branding strategy for the region's cultural and natural heritage assets. The Foundation took part in the following marketing activities in 2015:

- The Foundation's marketing committee continued to meet quarterly at locations throughout the 19 county, four city region.
- The marketing committee approved a regional marketing brand development strategy, contracting with Arnett Muldrow & Associates, a community branding consultant, for an intensive discovery and brand development process.
 - The yearlong effort included visits to all development regions in Southwest Virginia, including meetings with community leaders. Businesses, recreation groups, and citizens in all 19 counties and four cities were included.
 - The brand and related marketing tools are complete and will be communicated across Southwest Virginia to government, tourism, education, health, and cultural entities.
- The new Southwest Virginia brand will be implemented in order to enhance cohesion and strengthen regional marketing at both the community and governmental levels.
- The Appalachian Spring Initiative, in conjunction with the Foundation's marketing committee, contracted with Arnett Muldrow & Associates for an outdoor recreation branding initiative. The brand will be completed in spring 2016.
- Southwest Virginia has completed a website and video promoting outdoor recreation - <https://www.myswva.org/outdoors>
- Eighteen counties and four cities have submitted letters of support for an official Virginia Tourism Corporation designation of Southwest Virginia as a distinct region and destination.
- The Foundation's recent marketing activities include the development and distribution of a bi-monthly newsletter, presentations to Boards of Supervisors, Chambers of Commerce, tourism professionals, and town representatives in all 19 counties and four cities in the region.
- Community Videography: Filming and editing is complete for the community videography program in which 19 localities are the subject of videos on the Southwest Virginia website and YouTube.

Heartwood Operations

The showplace for the creative economy efforts in Southwest Virginia is Heartwood: Southwest Virginia's Artisan Gateway, a 29,000 square foot artisan and performance center. Heartwood provides an interactive venue for the region's artisans to showcase and sell craft, and is also a major performance and festival venue. Heartwood also serves as a meeting and conference facility for various regional and state-wide entities.

Due to the large amount of space that Heartwood devotes to exhibiting the cultural assets of the region and its communities, and in serving as the focal point for the community development work of the Foundation, its aligned initiatives (e.g. The Crooked Road and 'Round

the Mountain) and their staffs, it is difficult for Heartwood to be self-sustaining. In light of limited funding, the Foundation's Executive Director initiated *Heartwood 360* in 2014, evaluating all of the physical and operational aspects of Heartwood as a business and hospitality destination; including the facility's contract with Fairfax-based Guest Services Incorporated (GSI). The following adjustments have been made as a result of the findings:

- The contract with Guest Services (GSI) was restructured, tasking them with the responsibility to manage all operations at Heartwood to ensure quality and to institute stringent cost controls; GSI agreed to reduce their management fee.
- The elimination of two Friends of Southwest Virginia positions.
- Transfer of Sales Manager and overall Heartwood marketing responsibilities to GSI.
- New core staff has been put in place by GSI to institute operational measures, including the elimination of one management position.
- The cost of all services and inventory of all products has been passed on to GSI.
- Total savings of management and restructuring is expected to be approximately \$130,000 to \$140,000 per year.
- The Foundation's Finance Committee has been granted greater responsibility to advise the Executive Director on oversight of the commercial operations of Heartwood; including bimonthly budget meetings and operational assessments.
- The front yard of Heartwood has been developed into a, "Festival Marketplace," to provide a location for music, craft, outdoor recreation, and food and beverage festivals and sales in order to increase visitation and sales.

In addition to operational restructuring efforts, Heartwood continues to function as a venue to showcase and sell artisan crafts from the region, using a juried approach to ensure that the products to be offered for sale accurately represent the distinctive regional culture and resources of Southwest Virginia. The following figures represent Heartwood's craft sales in 2015:

- Two craft jury sessions were held in 2015 bringing the total number of 'Round the Mountain Artisan Network members who have passed the jury process to 374; of those, 48 have passed more than one medium. Those members have the opportunity to have their work considered for sale at Heartwood.
- More than \$300,000 was been spent at Heartwood on products created by Southwest Virginia artisans and musicians.
- Ownership of all craft products has been transferred from Friends of Southwest Virginia to GSI.
- Approximately 218 book titles about the history, communities, people, and cultural and environmental assets of Southwest Virginia are approved and available for purchase.
- 676 copies of a special compilation CD featuring 50 Southwest Virginia artists were sold throughout the year.

Cultural Heritage Promotion and Preservation

A key aspect of economic development in Southwest Virginia involves showcasing the region's unique cultural resources both within the region and as a draw for visitors. Local music and artisanal crafts form a backbone for these efforts with the Foundation continuing to work with The Crooked Road and 'Round the Mountain, promoting and preserving Southwest Virginia's traditional music and craft.

In 2015, Heartwood and the Foundation continued to support The Crooked Road, assisting with live performances, music education efforts, and the Mountains of Music Homecoming event. Additionally, with funding from the Appalachian Regional Commission (ARC), the Tobacco Region Revitalization Commission, and the Virginia Tourism Corporation, The Crooked Road worked with Virginia Tech's Office of Economic Development to conduct an updated economic impact assessment in 2015. The final report is expected to be completed in early 2016. The following figures provide insight into Heartwood's collaboration with The Crooked Road in 2015:

Live Music

- The Crooked Road's Heartwood Music Series showcases communities within the region through their jams, their traditional music venues, and youth music. Programs included:
 - 10 venue showcases and 12 Youth Music Series performances at Heartwood which featured over 200 musicians attended by 1,652 guests.
 - One Youth Music Festival at Heartwood featuring 191 musicians and presenters, attended by 791 guests.
- A series of nine concerts were given at locations in Virginia, Maryland, and Pennsylvania as part of *The Crooked Road on Tour*
- *The Crooked Road Concert Series* was organized and presented at the Jettie Baker Center in partnership with the Town of Clintwood, three concerts by seven groups were provided.

Music Education

- After-School Programs: Added one new program, Washington County in addition to the six existing JAMS programs. A total of 350 students were served. Assisted organizing two new programs for kick-off in January 2016 in Smyth County and Bland County.
- Regional distribution of 450 copies of *Traditional Music in the Classroom – A Teacher's Guide*, an SOL-correlated publication that is designed to encourage bringing traditional music into the classroom through existing curricula in K-12 through college.
- Teaching on The Crooked Road, a teacher re-certification course established at Virginia Highlands Community College to provide professional K-12 teachers in the region with skills for bringing traditional music into the classroom. Four teachers trained in 2015.
- Youth Music Performance Series at Heartwood: Monthly performances provide a platform for interaction among young musicians and a professional setting for these

musicians to gain experience in front of a live audience. 176 youth musicians performed a total of 12 concerts which were attended by a total of 898 people.

- School Assembly Programs: The Crooked Road has developed an Artist Roster for School Performances highlighting professional, traditional artists from Southwest Virginia that present age-appropriate and engaging programs in schools. School Assembly Programs were presented at six schools for 1,552 students, teachers, and administrators.
- The Youth Music Festival at Heartwood featured 25 bands and traditional music programs (ca. 200 youth musicians) in performances for over 800 attendees.
- Grants from the Ratcliffe Foundation and the Wayne C. Henderson Scholarship Program have helped support these activities.

In addition to the regular music performances put on by The Crooked Road at Heartwood, significant planning by The Crooked Road and Foundation staff (as well as officials from throughout the region) went into hosting the first annual Mountains of Music Homecoming (MoMH) – a nine day, region-wide celebration of music and culture. The event included participation from 64 communities in Southwest Virginia participating in concerts, Barter Shows, and over 260 cultural experiences highlighting the best of Southwest Virginia and its people. The marketing reach included:

- 46 Press releases engaging over 650 media outlets
- 43 stories featuring the MoMH in over 20 newspapers, magazines, radio and TV stations
- 135 digital stories on 70 websites and blogs
- Over \$38,000 in donated media coverage
- Over 13 million total media impressions

Complementing the rich musical heritage of Southwest Virginia is an equally unique artisan craft culture. The Foundation, working with 'Round the Mountain as well as the Artisans Center of Virginia and the Virginia Tourism Corporation accomplished the following in 2015:

- 352 individuals, farms, and craft venues were actively engaged in 'Round the Mountain's outreach activities.
- A resource guide: *Creative Culture: Ideas for In School Activities and Field Trips in SWVA* was updated and distributed to public and private K-12 schools in Southwest Virginia.
- Business resource guides were updated for both artisans and agritourism businesses.
- Marketing materials were shared with the artisan community to strengthen and build the 'Round the Mountain and Artisan Trails of Southwest Virginia brand.
- A study was conducted by Chmura Economics & Analytics on the Economic and Fiscal Impact of the Artisan Industry
- A collaborative effort to actively promote craft during the national American Craft Week Campaign in October; Governor McAuliffe named October as Virginia Artisan Month.

Economic and Community Development

The Foundation continues to support activities that aggregate resources to promote tourism and economic and community development in the region. A major focus of economic and community development for the Foundation has become the development of a recreational based tourism sector in the region. The following activities supported these efforts in 2015:

- **Appalachian Spring Initiative:** In addition to continuing to work towards planning and implementing a sector-based outdoor recreation economic development strategy for Southwest Virginia, the Appalachian Spring Initiative assisted with the following in 2015:
 - Assisted 49 businesses.
 - Trained (directly and indirectly) 83 entrepreneurs.
 - Helped entrepreneurs secure nearly \$900,000 in loan, grant and award funds.
 - Assisted planning and hosting the second annual Southwest Virginia Outdoor Expo; featuring more than 1,500 visitors and 91 vendors.
- **Clinch River Valley Initiative (CRVI):** The Foundation and Friends of Southwest Virginia have participated in providing administrative support for the Clinch River Valley Initiative. The Clinch River is one of the eight major anchor and project areas for the Appalachian Spring Initiative. Some major accomplishments of the CRVI in 2015 include:
 - Circulation of The Clinch map/brochure, highlighting communities and access points up-and-down the Clinch River; continued access point development in Cleveland, Old Castlewood, and Dungannon; signage and informational kiosks installed at access points up-and-down the Clinch River
 - Support new businesses catering to the users of the Clinch River; two outfitters initiated canoe/kayak rentals on the Clinch and Holston Rivers with 2,100 and 2,300 customers respectively last year.
- **New River Valley Initiative:** The Foundation is a lead participant in the New River Valley Initiative, a collaboration of stakeholders seeking ways to access the entire New River for recreational uses. The work group is engaged in community development initiatives with communities along the New River, including downtown revitalization projects in Pembroke and Narrows.
- **High Knob Recreation Area:** The Appalachian Spring Initiative is a lead participant in the High Knob Initiative, which has an objective of developing recreational assets and access to them in and around the High Knob Recreational Area and connecting them to eight surrounding localities for community and economic development outcomes.
- **Breaks Interstate Park:** Appalachian Spring has convened stakeholders in Virginia and Kentucky to develop recreational destinations in the Breaks Interstate Park area; including a bike trail from the Breaks to Haysi, connection to the elk herd in Buchanan, enhancement of downtown Haysi, and development of recreational assets for Clinchco.

- **Blue Ridge Parkway:** Appalachian Spring is the convening entity for an initiative begun in 2015 to connect communities, businesses, and recreational asset for collaborative efforts to create tourism and entrepreneurial opportunities related to the Blue Ridge Parkway and nearby assets.
- **POWER GRANT:** In 2015, Friends of Southwest Virginia received a \$360,000 POWER grant through the U.S. Economic Development Administration and the Appalachian Regional Commission. The objective of the POWER program is to assist coal-reliant communities in restructuring their economies. The grant has four objectives:
 1. Feasibility study including curriculum and business plan for an environmental education center on the Clinch River.
 2. Feasibility study for design and business plan for a recreation center and business incubator for outdoor related businesses on the New River, in conjunction with the New River Blueway.
 3. Employment of a Senior Development Planner to work with initiatives related to the Clinch River, High Knob, Breaks Interstate Park, and the New River to develop a capital improvements plan and develop projects that will provide visitor ready, accessible outdoor recreation destinations.
 4. Develop marketing tools and events to promote outdoor recreation opportunities in Southwest Virginia.

In addition to the Foundation's involvement with developing the region's recreational tourism sector in 2015, it was active with other economic development activities as well. These activities include but are not limited to the following:

- **My Southwest Virginia Opportunity:** This consortium of small business development/entrepreneurship programs in Planning Districts 1, 2 & 3 conducted a business plan competition over a ten week period with 19 entrepreneurs completing a training and plan presentation regimen; the 1st place entrepreneurs received a \$20,000 award, 2nd place \$10,000 and 3rd place \$5,000.
- **Downtown Revitalization:** The Foundation has been active in promoting and providing technical assistance in the revitalization of downtowns. In 2015, the Foundation, in conjunction with Appalachian Spring, has been actively involved in downtown revitalization planning and construction projects in: Cleveland, Pembroke, St. Paul, Damascus, Dungannon, Narrows, Norton, and Meadows of Dan.

Fiscal Outlook and Conclusion

In 2014, the General Assembly allocated \$475,000 for the Foundation's regional and community development work and the operation of Heartwood. Friends of Southwest Virginia received \$600,000 from the Virginia Tobacco Indemnification Commission to supplement and sustain operations and marketing efforts to the end of the current fiscal year. As Heartwood continues to act as a center for economic and community development activity, showcasing the

region's music and craft and providing resources and space for The Crooked Road and 'Round the Mountain, the Foundation has indicated the need for sustainable funding moving forward. It should be noted that 29 Southwest Virginia localities, including towns as well as counties and cities, have demonstrated their commitment to the efforts of the Foundation through annual investments of financial support. During FY 14-15, they contributed \$165,016 to the work of the Foundation.

In 2015, the Foundation and its partners continued their vital work in developing the new creative economy of Southwest Virginia. Both new and ongoing initiatives contributed to these efforts with marketing, Heartwood operations, cultural heritage promotion and preservation, and community and economic development serving as focus areas. The Foundation and its partners look forward to building on past successes and continuing to leverage the unique cultural and natural heritage of the region as a catalyst for making Southwest Virginia a great place to live, work, visit, and do business in 2016 and beyond.