

Proposed Artisan Center **COMPREHENSIVE MASTER PLAN**

Commissioned by
Frontier Culture Museum
*An Agency of the Virginia
Department of Education*



Verner Johnson, Inc.
Leisure Business Advisors LLC

March 2015

About this Document

This Comprehensive Master Plan includes the stakeholder interview summaries, comparable facilities analysis, attendance projections, financial analysis, recommendations for governance and operational structures, facility program recommendations, site analysis, and a conceptual design for a proposed Artisan Center in Virginia’s Shenandoah Valley. It has been prepared by Verner Johnson, Inc. and Leisure Business Advisors LLC. Verner Johnson, Inc.’s cultural attraction architecture and planning practice focuses exclusively on special purpose buildings devoted to enhancing people’s appreciation of cultural and natural realms, while Leisure Business Advisor’s land use and attractions economics practice emphasizes the feasibility of planned development. Both firms bring decades of expertise to evaluating and creating a vibrant, engaging experience for a proposed Artisan Center.



Acknowledgements

The Comprehensive Master Plan team included cultural architect and planner Brad Nederhoff, architectural designer Sacheen Dampier, and cultural planner Tricia Cook (Verner Johnson, Inc.) and economic analyst John Gerner (Leisure Business Advisors). For their contribution to this process, the team would like to thank the Artisan Center Management Team:

- Bill Hamilton, *Economic Development Director, Staunton*
- John Avoli, *Executive Director, Frontier Culture Museum*
- Sherri Smith, *Director, Artisans Center of Virginia*
- Rhonda Turman, *Representative, Northern Shenandoah Valley Regional Commission*
- Douglas Jackson, *Capacity Development Specialist, Virginia Department of Housing and Community Development*
- Steve Galyean, *Director of Development, Virginia Tourism Corporation*
- Bonnie Riedesel, *Executive Director, Central Shenandoah Planning District Commission*
- David Blount, *Acting Executive Director, Thomas Jefferson Planning District Commission*
- Wayne Strickland, *Executive Director, Roanoke Valley-Alleghany Regional Commission*

Section Divider Image: *My Space: Cary Sober*

Certification

- I certify that, to the best of my knowledge and belief:
- The statements of fact contained in this report are true and correct.
 - The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and represents our personal, unbiased professional analyses, opinions and conclusions.
 - This consulting assignment was performed on a basis of non-advocacy; we have no present or contemplated interest in the proposed artisan center and have no personal bias with respect to the parties involved.
 - Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, the report.
 - Our analyses, opinions, conclusions and report have been prepared in conformity with professional standards.

Brad Nederhoff
Managing Principal
Verner Johnson, Inc.

John Gerner
Managing Director
Leisure Business Advisors LLC

General Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflects the most accurate and timely information possible: it is believed to be reliable. This study is based on estimates, assumptions and other information and creative solutions developed by Verner Johnson, Inc. and Leisure Business Advisors LLC from their independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agent and representatives.

This report is based on information that was current as of 2014 and Verner Johnson, Inc. and Leisure Business Advisors LLC have not undertaken any update of its research effort since.

No warranty or representation is made by Verner Johnson, Inc. and Leisure Business Advisors LLC that any of the projected values or results contained in this study will actually be achieved.

The final report shall become the property of the client. This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

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A| *EXECUTIVE SUMMARY*

Introduction

The significant decline in Virginia’s traditional economic staples, namely agriculture and manufacturing, has given rise to a new economy that rests on innovation and creativity. Policy makers have begun to examine this shift to learn what it takes to grow the Commonwealth’s creative economy to its full potential.

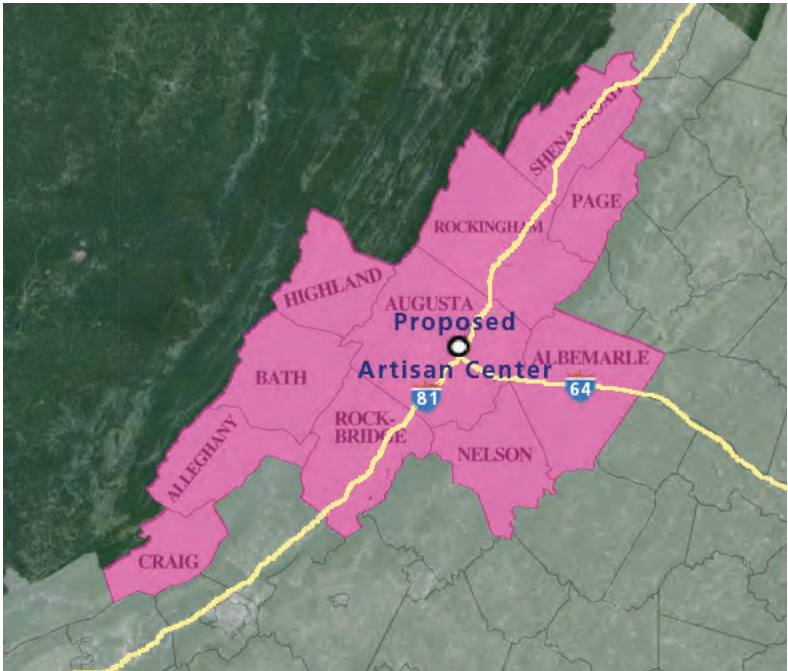
Throughout the Shenandoah Valley artisans craft heirloom products made from locally sourced fiber, wood, leather, clay, glass and metal. Collectively, this craft industry is an outgrowth of the region’s rich frontier heritage. Tourists are directed to the places where artisans live and work through Virginia’s Artisan Trail Network. While this centralized source of information has proven useful, the full growth of Virginia’s artisan economy is constrained by the lack of a physical center in the Shenandoah Valley showcasing and promoting the skill, knowledge, talent and craftsmanship abundant in the region.

Looking to seize this opportunity, the Frontier Culture Museum, an agency of the Virginia Department of Education commissioned a study to determine the feasibility and parameters for the development of an artisan center in the Shenandoah Valley Region of Virginia. The study region included the following counties: Albemarle, Alleghany, Augusta, Bath, Craig, Highland, Nelson, Page, Rockbridge, Rockingham and Shenandoah.

Verner Johnson, Inc. with Leisure Business Advisors LLC, in collaboration with the artisan center Management Team and various regional stakeholders, completed a Comprehensive Master Plan that examines the economic viability of a proposed center and recommends institutional, operational and physical plans for such an entity. The findings and recommendations contained within the Comprehensive Master Plan are based upon the analysis of existing comparable facilities, input from stakeholders, and the consultants’ professional expertise.

FINDINGS AT A GLANCE

Conceptual Framework	An authentic and sustainable heritage center that promotes and supports artisans, educates the next generation, enriches and strengthens communities, and stimulates cultural tourism throughout the Shenandoah Valley.
Size	Phase 1 - 15,000 s.f. Phase 2 - 10,000 s.f.
Location	Frontier Culture Museum Staunton, VA
Capital Budget	Phase 1 - \$7.9 million* Phase 2 - \$3.7 million
Annual Attendance	68,800 (Stabilized Year)
Operating Expenses	\$690,345
Earned Income from Visitors	\$498,800
Contribution and Grant Support	\$191,545
Operator	Artisans Center of Virginia



*Includes \$2 million in-kind equity from Frontier Culture Museum for land

Methodology

METHODOLOGY

The Comprehensive Master Plan is the result of a two phase study conducted by Verner Johnson, Inc. with Leisure Business Advisors LLC. Phase I, begun in July 2013, was intended to determine the feasibility of a proposed Artisan Center in the Shenandoah Valley. Phase I included in-person and online stakeholder interviews, comparable facilities analysis, market analysis, attendance projections, preliminary facility program recommendations and site evaluations.

With the determination in Phase I that an Artisan Center is feasible, Phase II commenced. Phase II, begun in September 2013, was intended to develop specific recommendations for Institutional, Physical, and Operational plans. These recommendations are based upon the findings from Phase I, as well as a Visioning Workshop conducted by the Consultant Team that garnered more targeted input from the Management Team and select Stakeholders.

Following is a synopsis of the process and content of the Comprehensive Master Plan.



Leafy Faery: Elizabeth Ashe

Stakeholder Input

Both in-person stakeholder interviews and an online survey were conducted to understand the needs, wants, and concerns of core constituents. The findings from this process influenced the Institutional and Physical Plans, particularly the mission, vision, goals, and facility program.

Stakeholder input indicates an interest in and desirability for an Artisan Center in the Shenandoah Valley, as well as detailing specific goals for an Artisan Center, including:

- The essence of the Center is promotion of the area’s artisans and a gateway to cultural tourism in the Shenandoah Valley.
- The Center has an obligation to nurture artisans and support them with the business skills they need.
- The Center has an interesting story to tell about heritage crafts and an opportunity to make that creative process accessible to visitors.
- The Center must have an authentic look and feel that is representative of the region.
- Long-term economic sustainability compels planners to carefully consider the trade-offs of the Center’s size, scope and location.

Comparable Facilities

Twelve total case studies were conducted of comparable facilities in various locations throughout the country. Financial, administrative, physical and experiential characteristics of each facility were evaluated. The comparable facilities exercise illustrates the potential institutional and architectural programs that a proposed Artisan Center could support. The analysis of the comparable facilities serves as the basis for many of the operational and physical recommendations for a proposed Center, as well as the empirical support for the financial assumptions and projections presented. Nine case studies are presented in the Master Plan, three can be found in the Appendix.

Content

Opportunities

The Opportunities section discusses the social and economic benefits of an artisan center in the region and how it would compliment existing networks.

Institutional Plan

The Institutional Plan includes a Mission Statement, Vision Statement, and Goals for a proposed Artisan Center. These were developed based upon analysis of stakeholder input and further refined during the Visioning Workshop with the Management Team and additional stakeholders.

Physical Plan

The Physical Plan includes a Site Recommendation, Facility Program, Site Plan, Building Plans and Section, and a Design Concept. These recommendations were formulated based on the Stakeholder Input, Comparable Facility analysis, evaluation of attributes of four different sites, and the results of the Visioning Workshop.

Operational Plan

The Operational Plan includes Attendance Projections, Partners and Funding Sources, and a Financial Analysis (operating pro forma and capital budget). The recommendations and analysis based upon the findings from the evaluation of the Comparable Facilities and the Market Analysis.

Next Steps

Next Steps detail the actions that need to be taken to make the artisan center a reality.

Appendix

The Appendix includes data and analysis from Phase I that is not presented in the body of the Comprehensive Master Plan. This include three case studies, Market Analysis, and the complete results of the Online Stakeholder Survey.



Leila's Dresser: Blaine Glaston

Institutional Plan

OPPORTUNITIES

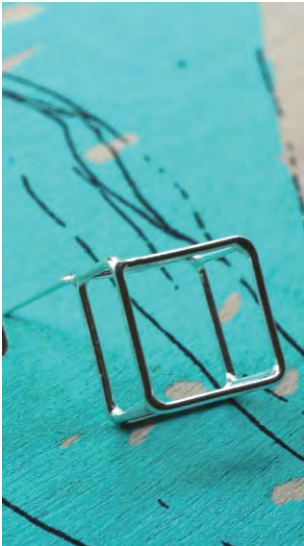
A proposed artisan center in the Shenandoah Valley region offers many opportunities, including:

- Income generation
- Entrepreneurial development
- Next generation education
- Increased tourism
- Improved quality of life
- Job creation
- Local and state tax revenue

An artisan center will fill the need for the support and cultivation of the region’s artisans, one of its most valuable cultural and economic assets. Its other benefit is that it will help sustain and enhance the economic vitality of the region within an existing framework. The artisan center will add to the diversity and stability of the regional economy while not being relied upon to be the sole driver of its economic development.



Cube Necklace & Earrings:
Elaine Butcher



INSTITUTIONAL PLAN

Mission Statement

The proposed artisan center promotes and supports Virginia artisans through sales, exhibition, interpretation, education and special events to inspire the next generation, strengthen communities, and provide an authentic cultural gateway.

Vision Statement

The proposed artisan center will be a cultural gateway for Virginia artisan-made works and will help grow Virginia’s creative economy.

Goals

- Promote Virginia artisans
- Preserve Virginia’s hand-crafted and fine arts heritage
- Instruct, educate and entertain the general public
- Provide facilities for sales, exhibitions and special events
- Support artisans with entrepreneurial training
- Help sustain local communities through cultural tourism

DESIGN CONCEPTS

Sited at the entrance to the Frontier Culture Museum, the proposed artisan center is intended to be unique and exciting, while respecting the surrounding context. This conceptual design draws inspiration from Virginia's traditional barn structures found throughout the Shenandoah Valley.

Character

- Handcrafted
- Blend of solidity and transparency
- Mix of interior and exterior spaces
- Sustainable systems and materials

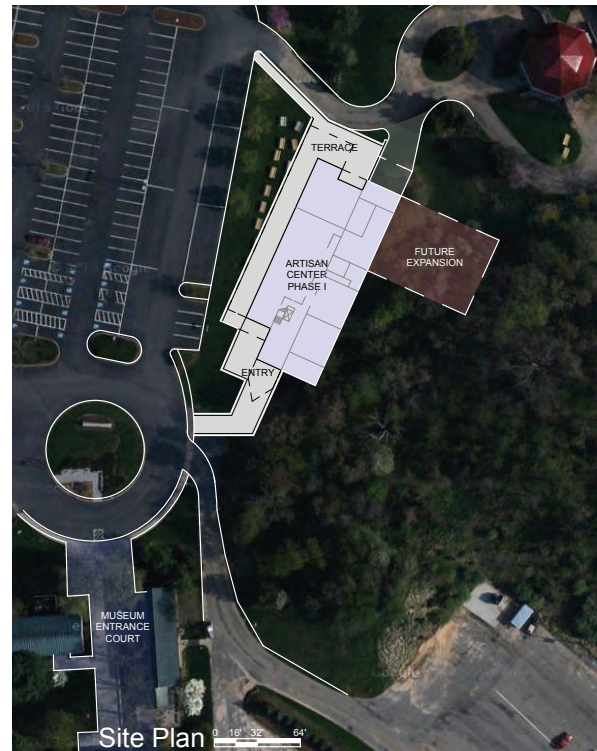
Materials

- Mahogany
- Glass
- Copper
- Stone

Interior Organization

- Simple and easily understood
- Open, airy, and grand

It captures the spirit of the artisan works promoted within, as well as the architectural aesthetic of the surrounding Frontier Culture Museum buildings. Its success in fulfilling design goals at both ends of a character spectrum will intrigue visitors to the artisan center and Museum alike.



Physical Plan

Program Phase I:

Artisan Retail - 6,000 sf
Demonstration & Education - 3,500 sf
Artisan Living Area - 500 sf
Food Service - 2,000 sf
Welcome Center - 800 sf
Visitor Amenities - 1,200 sf
Office Areas - 1,000 sf

Program Phase II:

Artisan Retail Expansion - 3,000 sf
Demonstration & Education Expansion - 700 sf
Conference Center - 2,500 sf
Visitor Amenities - 800 sf
Multi-Purpose Theater - 3,000 sf

Operational Plan

FINANCIAL ASSESSMENT

The standard used in this study to define an “economically viable” facility for a proposed artisan center is that the project “must fit into the operation of an ongoing institution or organization, or be financially self-sustaining.” If the proposed artisan center is able to take advantage of successful long-term partnerships, it has the potential to be financially sustainable. Using this definition, the analysis has shown that the proposed artisan center has the potential for economic viability.

Financial projections are given for the Center’s operation in years 1, 3 and 5. Year 3 is considered to be the base year when all programs and operations have stabilized.

Potential Earned Income from Visitors to the Artisan Center

Category	Year 1	Year 3	Year 5
Annual Attendance	54,300	68,800	69,800
Per Capita Spending	\$6.96	\$7.25	\$7.55
Total Earned Income from Visitors	\$378,163	\$498,800	\$526,990

Source: Leisure Business Advisors LLC

Potential Operating Income and Expenses for the Artisan Center

Category	Year 1	Year 3	Year 5
Operating Revenues:			
Earned Income from Visitors	\$378,163	\$498,800	\$526,990
Contributions and Grants	\$140,819	\$191,545	\$202,340
Total Operating Revenues	\$518,982	\$690,345	\$729,330
Total Operating Expenses	\$518,982	\$690,345	\$729,330

On the Wings of the Wind:
Joe Collins

Source: Leisure Business Advisors LLC



Capital Budget

Summary of Project Costs	Phase I	Phase II
1. Phase I New Construction	\$3,750,000	
2. Phase 2 New Construction		\$2,500,000
3. General Site Development Allowance	\$375,000	\$100,000
Construction Subtotal:	\$4,125,000	\$2,600,000
4. Soft Costs	\$1,240,000	\$780,000
Project Subtotal:	\$5,365,000	\$3,380,000
5. Design & Construction Contingency	\$537,000	\$338,000
6. Frontier Culture Museum In-Kind Equity	\$2,000,000	
Total Project Budget in 2014 Dollars:	\$7,902,000	\$3,718,000

Source: Verner Johnson, Inc.

NEXT STEPS

Upon approval of this Comprehensive Master Plan by the Frontier Culture Museum and the Artisan Center Management Team, the Planning Team recommends the following next steps.

1. Hold public announcement of the report's findings and recommendations. This could be in the form of public meetings, press releases and/or displays (at the Frontier Culture Museum, for example).
2. Agree on the role of Artisans Center of Virginia to operate the proposed artisan center.
3. Approve Frontier Culture Museum site location.
4. Conduct the statewide artisan industry economic impact study for which Artisans Center of Virginia has engaged Chmura Economics & Analytics, the Virginia Tourism Corporation and 'Round the Mountain to implement.
5. Seek out partnerships with supporting institutions and corporations.
6. Generate public support and support from Virginia's Governor and its Legislature.
7. Obtain public/private funding for Capital Costs.
8. Contract with architectural, engineering and construction firms to implement the project.





B| *STAKEHOLDER INPUT*

STAKEHOLDER INPUT

1.0 Introduction & Methods

The Stakeholder Meetings were the first step in assessing the desirability and feasibility of a regional Virginia Artisan Center. The many views and ideas expressed are organized by topic in the sections that follow. Comments and suggestions, unattributed to speaker or interview group, are presented in the spirit of presenting a representative sample of the feedback stakeholders shared with the consultants. Key points arising out of the interviews are summarized at the conclusion of this report.

The VernerJohnson Planning Team interviewed the Center's stakeholders on July 22 and 23, 2013 in meetings scheduled in four designated study districts throughout the Shenandoah Valley. Twenty-two stakeholders accepted the Management Team's invitation to share their thoughts with the consultants about the Center's mission and programming. An interview discussion guide was circulated in advance to all stakeholders as part of an information packet provided by the Management Team.

Each stakeholder group was fairly well balanced with respect to affiliation with the Shenandoah Valley's artisan, hospitality, tourism and economic development sectors. (It was noted that Craig County was not represented but later confirmed by e-mail that artisans in that area identify more with the Roanoke market.) Participants were encouraged to speak freely on topics of primary interest to them and were assured confidentiality in the written report to follow. A representative of the Management Team was present at each interview session to observe and, if needed, to clarify any issue. Interviews ran approximately one hour and participants were invited to follow up with additional thoughts by e-mail.



Giraffe Teapot: Christy Crews Dunn

Participants

2.0 Participants

2.1 Virginia Artisan Center Stakeholders (according to study district)

Southern Region – Rockbridge, Allegheny, Craig, Lexington, Buena Vista, Covington

(Session held on 7/22/13 at Virginia Military Institute Museum Library in Lexington and hosted by Management Team leader Bill Hamilton.)
Jean Clarke, Tourism (Rockbridge Co.)
Col. Keith Gibson, Director, VMI Museum (Lexington)
Theresa Hammond, Tourism (Covington)
Peter Shaugnessy, Blacksmith (Rockbridge Co.)

Central/West Region – Staunton, Augusta, Waynesboro, Bath, Highland

(Session held on 7/22/13 at the Frontier Culture Museum (FCM) in Staunton and hosted by Management Team leader Bill Hamilton; also present were Lydia Volskis (FCM) and Management Team members Sherri Smith (Artisan Center of Virginia) and John Avoli (FMC).
John Higgs, Barren Ridge Vineyards (Augusta Co.)
Lisa and Jim Jacenich, Fiber artists, Artful Gifts (Highland Co.)
Carole Nelson, Sleep Inn & Best Western (Staunton)
Sheryl Wagner, Director of Tourism and Welcome Center (Staunton)
Jennifer Whitmore, Blue Ridge Community College Fine Arts Center (Augusta Co.)

Northern Region – Shenandoah, Page, Rockingham Counties, Harrisonburg

(Session held on 7/23/13 at Council Chambers in New Market and hosted by Management Team member Rhonda Turman.)
Allison Dugan, Marketing, Shenandoah Caverns (Rockingham Co.)
Doug French, Franley Farms (Shenandoah Co.)
Karen Lee-Ryder, Artist, Oasis Gallery (Harrisonburg)
Jim Mayes, Warehouse Art Gallery (Page)
John Meck, Economic Development (Rockingham Co.)
Chad Neese, City of New Market Zoning & Shenandoah Tourism Board
Barb Polin, Fiber artist and owner of SoLace Studio, Elkton (Rockingham Co.)

Piedmont Region – Charlottesville, Albemarle, Nelson County

(Session held on 7/23/13 at Veritas Vineyards in Afton and hosted by Management Team member Sherri Smith.)
Leslie Burns, Director Crozet Festival
Lee Catlin, Community & Business Partnerships (Albemarle Co.)
Maureen Kelly, Director, Economic Development (Nelson Co.)
Ann Mallek, Currituck Farm
Joe Sheridan, Montfair Resort (Albemarle Co.)

2.2 Virginia Artisan Center Management Team

Bill Hamilton, Economic Development Director, Staunton
John Avoli, Executive Director, Frontier Culture Museum
Sherri Smith, Director, Artisans Center of Virginia
Rhonda Turman, Representative, Northern Shenandoah Valley Regional Commission
Douglas Jackson, Capacity Development Specialist, Virginia Department of Housing and Community Development
Steve Galyean, Director of Development, Virginia Tourism Corporation
Bonnie Riedesel, Executive Director, Central Shenandoah Planning District Commission
David Blount, Acting Executive Director, Thomas Jefferson Planning District Commission
Wayne Strickland, Executive Director, Roanoke Valley-Alleghany Regional Commission

2.3 VernerJohnson Planning Team

Brad Nederhoff, Museum Architect, Verner Johnson, Inc.
Tricia Cook, Museum Planner, Verner Johnson, Inc.
John Gerner, Economic Analyst, Leisure Business Advisors, LLC

Green Star: Kurt Steger



3.0 Background on Other Artisan Centers in the Region

Stakeholders were aware that the idea of a regional center for the arts has had a long history. Some were confused by the similarity of the names and wondered how the proposed Virginia Artisan Center would be different. In the context of envisioning a new successful center, many stakeholders shared concerns with what they knew about the following centers:

- The closed Artisans Center of Virginia in Waynesboro
- The prior Awasaw Cultural Center proposed at the Frontier Culture Museum
- The current Awasaw Artisan Center project in development at Raphine

Members of the Management Team clarified the status of each center. Brief descriptions are given below, followed by stakeholder input on lessons learned that could benefit the development of a new center.

3.1 Artisans Center of Virginia

The Artisans Center of Virginia (ACV) is a private non-profit 501 (c) (3). Incorporated in 1997, the organization was designated to the public as the “official state artisans center” in June 2000. From its inception until 2009, ACV operated a retail gallery first located in a shopping center at the 1-64 and 340 intersection and moved to downtown Waynesboro in 2006. The gallery closed in 2009 when operational costs could not be met. At that time ACV changed its strategic mission to focus on developing systems and strategies to improve economic outcomes for Virginia artisans and their communities, which includes the development of a statewide artisan trail network. ACV’s administrative offices are currently located at the Frontier Culture Museum.

Stakeholders spoke favorably of the ACV’s efforts in developing and promoting the many artisan trail networks that connect visitors to artisans all over the state. As for the center’s retail operation, however, they felt that it “never really took off,” as one stakeholder put it. A variety of reasons were put forth: poor location, too expensive items, insufficient marketing and fiscal management, no state funding, few artisans on the premises at work, and no hands-on activities. Stakeholders see the need for a new center with stronger ties to the community, a place that brings artists together, and a retail operation reinforced by professional marketing and merchandising.

3.2 Awasaw Cultural Center

This multi-million dollar project conceived in 2008 to showcase all things Virginia was to have been built along Route 250 just inside the main entrance to the state-owned Frontier Culture Museum. In addition to featuring Virginia artisans and craftspeople, the 70,000 SF building was to have housed a state tourism center, a Virginia National Guard Museum, a restaurant and an “Iwerks” theater with a giant screen and 4D effects. The project’s cost was to have been funded largely by private investors. After several years of planning, the partnership dissolved in 2011 due to financing problems.

Stakeholders question whether the Awasaw project at the Frontier Culture Museum was “too big to succeed.” They see the need to conceive a phased approach, starting with core components that can sustain the center’s operation, and adding more activities and amenities as the center becomes established.

3.3 Awasaw Artisan Center

Promoted as a premier gateway attraction to Rockbridge County and the Shenandoah Valley, this new center is under development by former Rockbridge County Supervisor Bobby Berkstresser and partners. In past press, Berkstresser has said that the \$11 million center would be similar to Heartwood in Southwest Virginia and Tamarack in West Virginia. As of July 2013, site work is underway on an eight-acre parcel abutting Berkstresser’s travel center/truck stop near the Raphine exit off Interstate 81. Plans call for many of the same components as the Artisan Center proposed at the Frontier Culture Museum. To support the new center, an adjacent commercial park will be developed.

Among stakeholders, there were many questions and interpretations as to what this center will actually entail when built. There has been a lot of hearsay and very little press now that the site has broken ground. Some see it as a “destination theme park”—akin to King’s Dominion or Six Flags—and are concerned that it will lack authenticity and will not drive tourism business into the local communities where heirloom art is crafted and agri-edibles are grown. Stakeholders acknowledge interstate travel will bring in visitors but don’t like the idea of this center being co-located with a truck stop. It is believed that this center’s merchandising strategy would not serve the needs of juried artisans as most products would be priced to sell at under \$50.00.

Other Regional Artisan Centers

Artisan Center
Focus & Function

4.0 A New Regional Artisan Center: Focus and Function

The question what might the Virginia Artisan Center entail generated a good exchange of ideas—after the consultants assured the stakeholders that no presumptions had been made. Stakeholders endorse the Center’s core focus as a place that showcases artisan crafts and serves as a hub for cultural tourism in the Shenandoah Valley. On the question of the center as a retail outlet, there was general agreement among stakeholders, with some initial reservation expressed by artists and gallery owners. Many suggestions on ways the Center might complement rather than compete with existing venues, and also fill perceived gaps in the region, were forthcoming. These suggestions are grouped in broad categories, as follows:

4.1 As a social venue, the center might offer/host:

- A tasting room for local agro-edibles (wines, craft beers, cheese, maple syrup, jellies, etc.)
- Programs and activities that foster community connection and bring people together
- Family and college reunions
- Musical performances
- Evening activities
- Local and regional festivals
- Conference room space with breakout meeting rooms

4.2 As a resource center, provide artisans support with:

- Marketing and merchandising skills (branding, packaging, web site templates, business planning, grant writing, etc.)
- Bringing artists together
- Incubating and nurturing new artisans
- Shaping public opinion about quality craftsmanship
- Building respect for artisans
- Referring visitors to art galleries and studios

4.3 As an educational venue, the center could offer:

- Craft classes for adults and children
- Affordable educational experiences
- Hands-on experiences for visitors
- Artisan demonstrations
- Outreach to schools
- Internships for area college students

4.4 As a place of authenticity, the center should strive to:

- Be a place that has gravity, legitimacy and sophistication
- Look, feel and reflect the local community
- Be a place that represents the gestalt of the entire region
- Have a museum component on colonial to contemporary crafts
- Display tools, raw materials and techniques that artisans use to make their products
- Represent each of the four study regions with its own distinctive gallery
- Provide a studio environment for artisans
- Be a place to see how products are made
- Be a place to tell stories about the valley’s artisans
- Have outside gardens and sculpture
- Be perceived foremost as a place that promotes heritage crafts
- Adopt a good and intriguing name like Tamarack

4.5 As an economic driver/engine, the center could:

- Function as an anchor for the heritage and artisan trails
- Give visitors a reason to stay longer
- Expand opportunities for caterers, restaurants and hotels
- Support local vineyards – a growing industry in the valley
- Help keep small towns alive
- Attract retirees looking for a beautiful place to live affordably

Economic Sustainability

5.0 Economic Sustainability

Planning a regional artisan center that can sustain itself over the long term was a much-discussed topic among stakeholders. Co-op artists and gallery owners participating in the interviews keenly related the challenges of earning enough income to break even. Yet despite the struggle, some have achieved major milestones, with several galleries in business for more than 10 years and co-ops having celebrated up to 44 years in existence.

One art gallery owner/artist reported that she's had to deviate from her original business plan by taking on gift inventory to keep her business going. Another gallery owner in a small remote town has enjoyed relatively good success due to extensive marketing efforts to Northern Virginia and Richmond clientele. One owner with a large space (8,000 SF) supplements income by making his art gallery available as a rental venue for weddings, birthdays, reunions and concerts.

Stakeholders spoke often and favorably of Heartwood in Abingdon, VA and Tamarack in Beckley, West Virginia. Even these popular artisan destinations, they believe, may not be doing as well as originally expected. Although it may be too early to tell, stakeholders worry that Abingdon's population of 8,000 is not sufficient to sustain Heartwood. These perceptions temper stakeholders' outlook, to some degree, for the proposed Virginia Artisan Center.

Sustainability for the artists themselves means wider exposure and selling their crafts at a reasonable retail markup. One artist who sells directly to Tamarack likes that model because Tamarack buys her products outright rather than the usual split commission arrangement. She and her artist friends have done well at Tamarack and can barely keep up with demand.

Stakeholders encourage planners to consider the types of public and private partnerships the center should explore and ways in which fundraising horizons can be broadened. Involving area businesses seems key. Some suggested the center might sell memberships to residents, thereby fostering connection and support from the community. As one stakeholder put it, "The center needs to be sustained locally from the beginning." He sees visitors passing through as a "bonus" that will put the center on the map and help it grow.

Organic Table: Brian Rayner



Model Centers

Location

Inquiry & Response

6.0 Model Artisan Centers

Across the four stakeholder groups, participants consistently mentioned Tamarack and Heartwood as models to research. Many praised Tamarack’s architecture and landscape, while at least one stakeholder said that Heartwood’s barn imagery just doesn’t work. Stakeholders acknowledge that there may not be any direct comparables of what they envision for the Virginia Artisan Center. If this is the case, they suggested that the consultants look at components of the following centers:

- Folk Art Center in Asheville, NC – operated by the Southern Highland Craft Guild, an authorized concessioner of the National Park Service, Department of the Interior.
- Southern Vermont Art Center in Manchester, – campus includes a museum, botany trail, café, education center and sculpture park.
- Torpedo Factory Art Center in Alexandria, VA – located on the Potomac waterfront, this renovated plant features open artist studios, galleries, workshops and the Alexandria Archaeology Museum.

7.0 Location of the Virginia Artisan Center

Although stakeholders had the opportunity to comment on locations for the Center, no suggestions were volunteered. Rather, they seemed more focused on the need for a Center in the region and not on its physical location. There was discussion, however, on the benefits of a stand-alone location vs. a cluster location with other shops and attractions. Many prefer the Santa Fe and Asheville models because they are known as arts destinations and benefit by many galleries all in one place. Rather than artists competing, they see it as regions competing with one another. Others feel that in the best of all possible worlds a cluster location visible from the interstate would be ideal.

8.0 Inquiry and Response Exercise

At the conclusion of each group interview, stakeholders were given the opportunity to privately express their vision for the Center. Blank index cards were handed out on which stakeholders were asked to write and complete the phrase: “I would like the Virginia Artisan Center to . . .” Their verbatim responses are listed below in the order in which completed cards were collected.

“I would like the Virginia Artisan Center to . . .

. . . develop and promote the region as an arts destination; be sustainable and manage costs; draw artists from existing localities and venues; extreme signage and marketing; big communicator; be alive.”

. . . be a promotional and educational Center to support and foster the growth of local artists through various programs and media formats.”

. . . shape public opinion of our region as an arts destination through its architecture, gardens, exhibits, events and active promotion of regional artisan and agri-artisan entrepreneurs; create awareness and respect for the breadth, depth and heritage of artisanship in this region.”

. . . to be successful for years to come.”

. . . shape opinion (and help to build artisans’ success) in attracting visitors to the Shenandoah Valley while supporting the local community.”

. . . be located in the region, in the location that best promotes its future sustainability.”

. . . be a gateway for arts & crafts of the Shenandoah Valley/Western VA—a place to experience the creative process but also to guide visitors to the homes of the arts in our region.”

. . . to serve as a gateway to our small towns and communities and the artisans/agri-artisans that live in those communities; highly visible and easily accessible off I-81/I-64, ie, Lexington or Staunton.”

- . . . to sell, educate, inform, thrill.”
- . . . create an environment where artist and artisans can network, support each other, display and sell work, AND enjoy an evening (or day) with musicians, artists, educators, and business associates—with great food and wines (Beverages!).”
- . . . to focus on the marketing of local artisan products—mine is wine; to provide music and original regional food; and be informative.”
- . . . to be more than a retail store; create a nurturing hub of creativity that will draw people like a magnet!”
- . . . to be more than just a retail outlet; grass roots; music; food.”
- . . . to bring more people to stay longer and spend more \$ in Staunton.”
- . . . to be a hub for area artisans to drive visitors to the artisans.”
- . . . to represent Virginia artisans as an economic engine.”
- . . . to be an authentic experience—a whole system of authenticity—building/landscaping/interior/displays/interaction with artists and their works!”
- . . . to become a place to bring together residents, travellers, artisans, customers to learn about and from each other; rising tide to raise all boats.”
- . . . to be the Center/control Center/leader to bind artisans and community together.”
- . . . to establish central Virginia as an energetic and innovative community that values creativity and vibrant culture.”

9.0 Summary

As evidenced in both the interview discussions and by the written comments, common themes, practical critique and inspiring ambitions emerged from the discovery process. This wealth of information can be summarized as five key points:

- The essence of the Center is promotion of the area’s artisans and a gateway to cultural tourism in the Shenandoah Valley.
- The Center has an obligation to nurture artisans and support them with the business skills they need.
- The Center has an interesting story to tell about heritage crafts and an opportunity to make that creative process accessible to visitors.
- The Center must have an authentic look and feel that is representative of the region.
- Long-term economic sustainability compels planners to carefully consider the tradeoffs of the Center’s size, scope and location.

Summary



Featherweight Wristband: A.B. Newell

Online Survey

ONLINE SURVEY

The Management Team mounted and publicized an online survey for area residents to weigh in on their ideas and opinions about the Center’s development.

1.1 Summary Characteristics of the Survey

There were more than 340 respondents to the online stakeholder survey conducted in September 2013. These respondents were invited to participate based on their involvement in regional artisan, tourism, and government efforts. Key survey findings are:

- Respondents were typically pragmatic in their responses.
- An overwhelming majority strongly support the creation of the proposed artisan center with a retail area as a way to help artisans increase sales opportunities and sustain their businesses.
- Most respondents are willing to work on a consignment basis if necessary.
- Authenticity was also emphasized by survey respondents, with a Virginia focus being the best approach.
- Respondents felt strongly that Virginia-made products should be emphasized, with most feeling that only items made in the state be offered.
- More than two-thirds felt that the proposed artisan center should avoid low-price souvenirs that are not made in the state.
- A substantial majority want locally-sourced food, if provided.
- Artisan demonstrations and exhibitions were also greatly supported. Both functions could include products that would also be available for sale.
- Overall, the approach most supported by survey respondents is in line with that currently being used at many of the comparable facilities examined in the feasibility study case studies.

Weaving: Daryll Sneden

1.2 Specific Survey Respondent Comments

The survey’s final question was intentionally open-ended in order to allow respondents an unguided opportunity to comment on other topics or to reinforce the topics they felt were particularly important. Selected suggestions included:

- Build a strong core of gallery / exhibition center and artisans networking.
- Create an attractive venue. The setting should be a reflection of the art inside.
- Must be an attractive rest stop for travelers.
- Provide an outlet for a wide range of items.
- Promote and maintain a high standard of quality and professionalism.
- Maintain the focus on the juried artisans of this region and their work.
- Make clear the distinction between traditional art and contemporary art and craft.
- Feature a craft or art object mentioned in a book.
- Focus inventory on a volume of lower priced items.
- Needs to be something to draw people of all income levels.
- Offer artisan demonstration space.



Online Survey

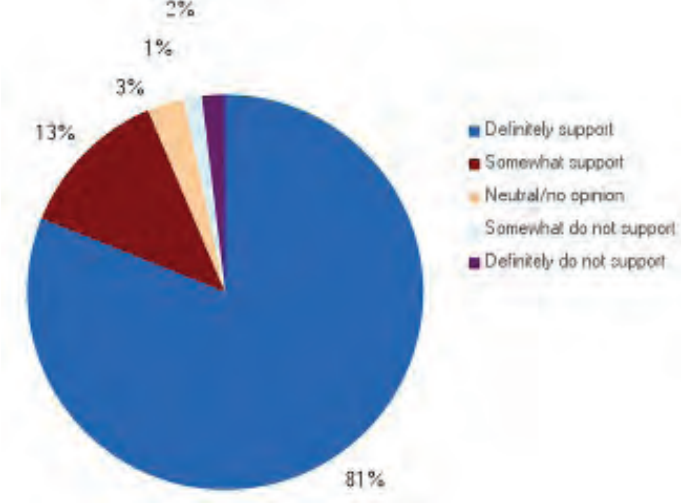
Additional suggestions included:

- Use modern facilities, with video that changes regularly and good interactive exhibits.
- Have exhibits showing that many traditional crafts were off-season farm homestead activities.
- Historic facts need to be explored. Maybe a yearly or a seasonal theme can be developed.
- Have continuing exhibits and programs that keep visitors returning.
- Include festivals that feature Virginia wines and beer into the mix.
- Outreach and educational opportunities for artisans and the community.
- A wide array of classes would be a good way to financially support such an endeavor.
- Schools need to be encouraged to participate.
- Involve universities and community colleges in supplying interns.
- Use it as a community resource, not just as a tourist attraction.
- Keep focus on the arts. Wine and food have many other ways to receive support.
- Provide a cafe with as much regional food as possible and food made in the café.
- Consider what role agriculture can play in the regional artisan center beyond food service.
- Make a mini-cultural / artistic trail around the center.
- Be a “green” project, which might be a promotional angle.
- “Shenandoah Valley” is internationally recognized so we can benefit from that recognition.
- Help Virginia artisans build and maintain an online presence.
- Corporate sponsors are a definite asset worth gleaning throughout the state.

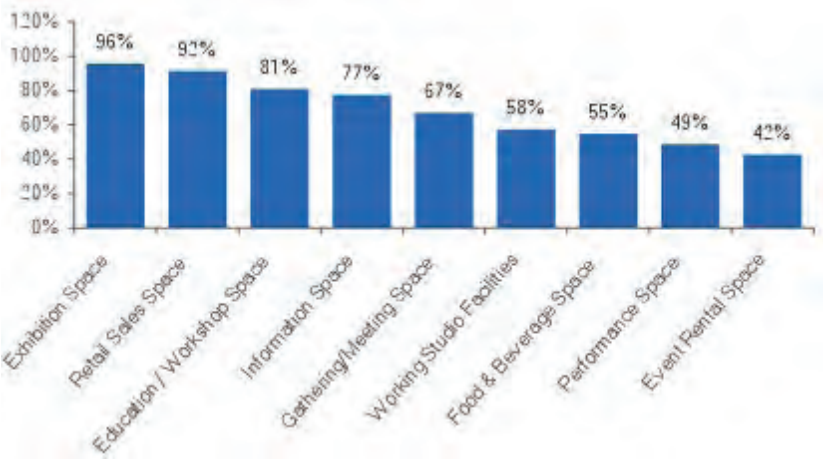
Complete Online Survey Results can be found in the Appendix to the Comprehensive Master Plan.

1.3 Key Findings

Question: To what degree do you support the creation of a new Virginia artisan center?



Question: In an ideal artisan center, what functional spaces would you want to see included?





C| *COMPARABLE FACILITIES*

SELECTED COMPARABLE FACILITIES

This section presents the experience of comparable facilities. Topics include summary characteristics and individual case studies. Nine case studies are presented here. Additional studies can be found in the Appendix to the Comprehensive Master Plan.

2.1 Summary Characteristics

Selected characteristics are summarized below. As shown, a wide range of comparable facilities have been examined. Case studies are presented for each of these, generally proceeding from the smallest to the largest. The proposed Awasaw Artisan Center in Rockbridge County has also been included.

Four of the existing comparable facilities have been in operation for more than 20 years. Seven are administered by state governments, while the remaining three are administered by non-profit organizations.

HandMade in America is an Asheville-based regional organization that promotes the development of new artisan operations. One of its original guiding principles was that “all projects must fit into the operation of an ongoing institution or organization, or be financially self-sustaining.” Based on available financial information, all of the existing comparable facilities below would meet this condition.

Exhibit 1: Selected Characteristics of Comparable Facilities

Name	Location	Administration	Year Opened	Total Size (square feet)
Existing:				
Illinois Artisans Shop	Chicago, IL	State Museum	1985	800
Center for Maine Craft	West Gardiner ME	Non-Profit Organization	2008	2,500
Frog Hollow Vermont State Craft Center	Burlington, VT	Non-Profit Organization	1991	4,000
Appalachian Arts Center	Cedar Bluff, VA	State Community College	2006	4,000
Southern Illinois Art & Artisans Center	Pend Lake, IL	State Museum	1990	15,000
Artisan Center	Martinsville, VA	State Community College	2005	25,000
Kentucky Artisan Center	Berea, KY	State Authority	2003	26,000
Folk Art Center	Asheville, NC	Non-Profit Organization	1980	29,000
Hearthwood	Abingdon, VA	State Foundation	2011	29,000
Tamarack	Bedley, WV	State Authority	1996	59,000
Previous:				
Artisans Center of Virginia	Waynesboro, VA	Non-Profit Organization	2000	5,000
Proposed:				
Proposed Awasaw Artisan Center	Rockbridge County, VA	For-Profit Company	---	24,000

Source: Individual facility; and Leisure Business Advisors LLC.

Southern Highland Folk Art Center

Southern Highland Folk Art Center Asheville, North Carolina

The 28,000 square foot Folk Art Center is the largest visitor facility on the Blue Ridge Parkway. It is located at Milepost 382, a five minute drive from downtown Asheville. The Center is the home of three separate partners who share the building. These are the Southern Highland Craft Guild, National Park Service, and Eastern National. Eastern National is a non-profit, educational branch of the National Park Service. The layout of the building is shown on the next page.

The Folk Art Center offers:

- Allanstand Craft Shop operated by the Southern Highland Craft Guild
- Three exhibition galleries
- Craft library
- Bookstore operated by Eastern National
- Blue Ridge Parkway visitor center
- Auditorium

The Allanstand Craft Shop is the oldest continuously operated craft shop in America. Originally located in downtown Asheville in 1917, it moved into the Folk Art Center when the Center opened in 1980. The shop now occupies 3,200 square feet on the first level of the Center and features traditional and contemporary crafts such as weaving, quilting, pottery, baskets, paper, glass, jewelry, woodworking and blacksmithing. From March to November, visitors can also see live craft demonstrations daily in the lobby.

The Southern Highland Craft Guild operates the craft shop. It is a non-profit organization founded in 1930 for the purpose of creating a network and market for mountain craftspeople. Today, Guild membership stands at more than 900 artisans selected by a jury for the quality of design and craftsmanship reflected in their work. The Guild's mission is to bring together the crafts and craftspeople of the Southern Highlands for the benefit of shared resources, education, marketing and conservation. Its membership in the Guild is limited to the states of Alabama, Georgia, Kentucky, Maryland, Tennessee, Virginia, West Virginia, South Carolina and North Carolina.

The Guild began working with the National Park Service in 1942 when they opened a shop on the Skyline Drive in Virginia. It closed soon afterwards because of World War II gasoline rationing. Various other venues such as Great

Exhibit 2: Interior View of the Folk Art Center



Source: Southern Highland Craft Guild

Smoky Mountains National Park, and Mammoth Cave National Park also were unsuccessful.

Through a 1976 cooperative agreement, the National Park Service, Appalachian Regional Commission, and Southern Highland Craft Guild agreed to construct, operate, and maintain the Folk Art Center. It opened in 1980 and was funded by a \$1.5 million grant from the Appalachian Regional Commission (a federal-state partnership agency), \$119,000 from the National Park Service, and \$500,000 from the Guild.

From 1980 to 2010, the Southern Highland Craft Guild occupied the Center, paying no rent or fees. The Guild did assume responsibility for center operations and facility maintenance. The building was built on Blue Ridge Parkway owned land and the title to the building is held by the U.S. Government.

Under the 2011 to 2013 agreement, the Guild paid a franchise fee equal to 2% of gross receipts for the preceding year. In 2012, NPS awarded a 10-year concession contract for retail sales at the Folk Art Center to this non-profit organization.

Southern Highland Folk Art Center

Annual attendance exceeds 250,000. Recent data show that the Guild had gross revenues of approximately \$1.4 million from providing craft demonstrations and sales at the Folk Art Center. This non-profit organization received no government grants in 2011.

In 2011, the insurance replacement value of the Folk Art Center building was approximately \$7.8 million. During the early 2000s, a master plan was developed to improve and enhance the aging facility at an expected cost of approximately \$12 million. The 28,000 square foot facility would be enlarged to over 48,000 square feet, and would include a substantial permanent exhibits gallery, a small theatre, a library, archives, and other interpretive and environmental exhibits around the building and the grounds. The organization noted that this expansion would allow them to be better equipped to augment statewide elementary and secondary school curricula focusing on North Carolina history and culture.

NPS staff that work at the Folk Art Center have estimated that two-thirds of the visitors to the Folk Art Center are visiting the Center as a destination and only one-third of the visitors are using it as a visitor center. The National Park Service staff also indicated that the greatest share of the craft sales at the Allansand Craft Shop are to those visitors who come to the Folk Art Center as a destination and that the casual visitor rarely purchases crafts at the shop.

The non-profit organization also operates Guild Crafts, located less than two (2) miles from its retail shop at the Folk Art Center. Eighteen of the attractions along the parkway currently sell gifts and/or crafts, including eight (8) shops that are within 100 miles of the Folk Art Center. One of these shops, the Parkway Craft Center located at the Moses Cone Manor (Milepost 294) is also operated by the same non-profit organization.

The Guild also operates four additional shops in North Carolina, Kentucky, and Tennessee. These are:

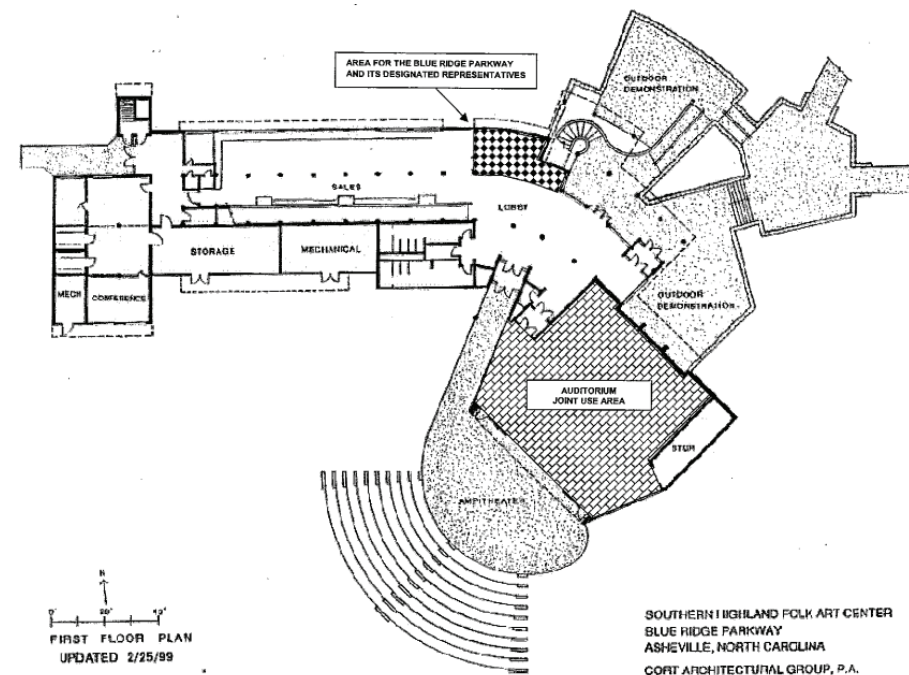
- Guild Crafts in Asheville, North Carolina
- Parkway Craft Center in Blowing Rock, North Carolina
- Cumberland Crafts in East Middlesboro, Kentucky
- Arrowcraft in Gatlinburg, Tennessee

Membership in the organization is restricted to the counties identified as "The Southern Highland Region" by John C. Campbell. These include

counties in Virginia within the Primary Study Region of this consulting assignment.

Asheville has another visitor center near major access points. This is the new Blue Ridge Visitor Center that is on the parkway near Interstate 40 (I-40) and provides substantial levels of information, orientation, and interpretive services in coordination with the Blue Ridge Heritage Area.

Exhibit 3: Folk Art Center Plan



Source: National Park Service

Kentucky Artisan Center

Kentucky Artisan Center
Berea, Kentucky

The 25,000 square foot Kentucky Artisan Center was established to celebrate Kentucky’s artisan heritage and encourage Kentuckians and those traveling in Kentucky to enjoy artisan products and activities. It is located just off Interstate 75 (I-75) at Berea exit 77. Visible from the highway, the Center’s building is designed to look like a small village.

Inside, visitors find a retail area with Kentucky-made crafts, musical recordings, foods, fine art, and books. They can also see weekly artisan demos, view special exhibitions, explore Kentucky crafts and history, and sample Kentucky cuisine at the café. Other traveler services include travel information and restrooms.

Artisans who have had their work accepted into the Kentucky Crafted adjudicated program are entitled to the use of the Kentucky Crafted logo and to participate at the Kentucky Artisan Center. Artisan bios accompany works on display at the Center and give visitors and customers both technical and biographical information about the product and the maker. The Center is currently developing a website store to be able to provide artisan products through internet sales.

Original operating hours were from 8 a.m. to 8 p.m. Current operating hours are 9 a.m. to 6 p.m. with its café serving from 9:30 a.m. to 3:30 p.m. The Center originally planned that its café would be open for breakfast, lunch and dinner. It no longer offers dinner options. Food can be enjoyed in the Center’s dining room, outdoor dining area, or informal café / lounge.

The Appalachian / Kentucky Artisans Gateway Center Authority was created in 1999 and established as an independent, de jure municipal corporation and political subdivision of the Commonwealth. That authority developed the Kentucky Artisan Center at Berea, which is currently an agency in the state’s Tourism, Arts and Heritage Cabinet.

In July, 2008, just weeks before its fifth anniversary, the Kentucky Artisan Center at Berea welcomed its millionth visitor. Therefore, attendance during the first five years of operation averaged about 200,000 annually. The Center welcomed its two millionth visitor In May 2012, therefore annual attendance averaged about 250,000 during the 2008 to 2012 period. Currently reported attendance exceeds 240,000 annually.

Exhibit 4: External View and Layout of the Kentucky Artisan Center



Source: Kentucky Artisan Center.

The Artisan Center purchases for resale over 4,000 different artisan products from over 650 vendors in 90 counties statewide. Reported FY2006 retail sales of artisan products totaled approximately \$1.4 million. Annual receipts that same year for the café, which is directly operated by the Center, exceeded \$300,000. The state budget included fund resources in the amount of \$350,000 in each fiscal year of the 2008-2010 biennium to support the Center’s operations as a travel center.

The construction funds of the Center were appropriated by the State Legislature in 1998 and 2000. Development costs totaled \$8.75 million. Of this amount, \$6 million was provided as part of \$125 million State Property and Buildings Commission Revenue Bonds issued in 1999.

Kentucky Artisan Center

Historic Berea was long considered the folk arts and craft capital of Kentucky and began its tradition in crafts in 1890 when the president of Berea College introduced a crafts production program to the College to assist students with paying for their college education. In the ensuing decades, the city of Berea became a center for working artisans and those who sell artisan works, a tradition that continues to this day.

Since the early 1980s, Kentucky artists and craftspeople have relied on “Kentucky Crafted: The Market” to help them develop their skills and market their wares throughout the region and other states. That initiative was first conceived in 1981 by then- Kentucky first Lady Phyllis George Brown during Former Governor John Y. Brown’s administration.

In 1996, a tornado destroyed much of the section of Berea where many artisan studios and shops were located. In order to help these artisans and rebuild the tourism base, partnerships were formed with Eastern Kentucky University’s Center for Entrepreneurship Development, the city of Berea, Berea College and the State of Kentucky. Berea College provided the 10-acre site for the Center.

These groups conducted research and used local input to come up with a plan resulting in the concept of an artisan center that would showcase the quality hand-crafts of the region and state, as well as attract tourists to the area. In particular, this artisan center was envisioned as a way of making the works of Berea’s artisans and the city’s numerous galleries and shops more accessible to tourists and visitors on the nearby heavily traveled interstate highway. It would also act as a welcome center for visitors to Kentucky. Its design was based on Tamarack in West Virginia, described later in this report.

Formal action began with Executive Order 99-331 issued by the Governor in March 1999 that created the Appalachian / Kentucky Artisans Gateway Center Authority. That action was confirmed by state legislation. Design and construction of the Center was managed by the state’s finance and administration department.

In April 2002, Governor Paul Patton joined state and local officials at a symbolic ground clearing ceremony for the Kentucky Artisan Center. Calling it “truly a partnership effort,” Patton pointed out that the Center involved state and local government, educational institutions and the arts community. He said:

“The Artisans Center will focus on Kentucky’s outstanding artists, showing their wares and providing a new sales outlet and economic opportunities for those who make a living from the works of their hands,”

The operations of the Center began in July of 2003. Highway signage was added in late May 2005 since the Center was also serving as a traveler center for the state of Kentucky.

In the fall of 2010 the Kentucky Artisan Center at Berea operated a satellite store on the Kentucky Horse Park grounds in Lexington during the Alltech FEI World Equestrian Games. This store was part of the Kentucky Experience, which introduced thousands of people from around the world to Kentucky products and experiences. The Center also presented Kentucky artisan demonstrations on site.

Exhibit 5: Interior View of the Kentucky Artisan Center



Source: Kentucky Artisan Center.

Tamarack

Tamarack
Beckley, West Virginia

This 59,000 square foot arts and crafts center is officially named “Tamarack - The Best of West Virginia” and is located on a 104-acre tract adjacent to the Beckley Service Plaza. It was constructed on land that is separate from and adjacent to the West Virginia Turnpike, near the Harper Road exit of combined Interstate 64 and Interstate 77. An estimated 45,000 vehicles pass this exit daily.

The layout of Tamarack’s building is shown at right. It offers:

- Artisan retail area
- Art demonstration studios
- 178-seat theater
- Food court
- 22,000 square-foot conference center

The history of Tamarack started in 1989, when former Governor Gaston Caperton took office and began looking for ways to create more jobs in West Virginia. He particularly wanted to expand the state’s tourism industry and take advantage of state-made crafts, art and food products. He said:

“I’ve always believed that tourism was key in building the economy of West Virginia. And I’ve always loved West Virginia crafts and artists. If artists in fairs across the state had to sit there spending time selling, they couldn’t spend time doing their art. We needed to create a spectacular place to sell arts and crafts retail, so that state artists would be allowed to do what they do best.”

The West Virginia Parkways Authority was commissioned to develop tourism and economic projects in addition to maintaining the state turnpike. One of its first initiatives was to transform highway rest stops into “travel plazas” offering tourist information and West Virginia-made crafts. After the Tamarack distribution system was officially established in 1991, it became clear that the state needed a central hub. The solution was to build the Tamarack center.

The state made a long-term commitment to building a “world-class” facility. Beckley was selected as the site, because it was strategically located along Interstates 64 and 77 and was a key destination for local travelers and out-of-state tourists. Development costs include \$19.4 million for the original facility, \$7.6 million for the conference center expansion, and \$1.3 million for land.

Tamarack was developed to fulfill a number of economic goals, such as employment, tourism, and generation of off-site sales. Many of these goals are measured by off-site achievements. These include supporting sales in other parts of the state, supporting the growth of artisans and promoting quality workmanship. Achievement of these goals is not necessarily measured solely by direct profits and losses at Tamarack itself. This situation has led to occasional controversy.

In a 2007 performance evaluation, the state’s Legislative Auditor (West Virginia Performance Evaluation and Review Division) concluded:

“The Caperton Center (Tamarack), including the Conference Center, requires continual financial support from Parkways because Tamarack has not been financially self-sufficient in its 10-year existence. This support has grown to nearly \$3 million a year. The Tamarack project has become an expensive endeavor that diverts a significant amount of revenue away from important needs of the agency, as well as a potential loss of revenue if the Tamarack facility were a revenue-raising project.”

Exhibit 6: Exterior View of Tamarack



Source: Tamarack.

Tamarack

In response, the general manager of West Virginia's Parkways Authority stated:

"Since its inception, Tamarack has not generated sufficient revenue to pay all of its operating expenses and its bond payment. However, it is important to consider the intangible benefits of the larger mission of Tamarack to promote the cottage industry and enhance the image of the State of West Virginia. The positive impact on tourists and the benefits to individual artisans by increasing their direct sales is a very real boost to the State and the many craftspeople who produce the hand-crafted products."

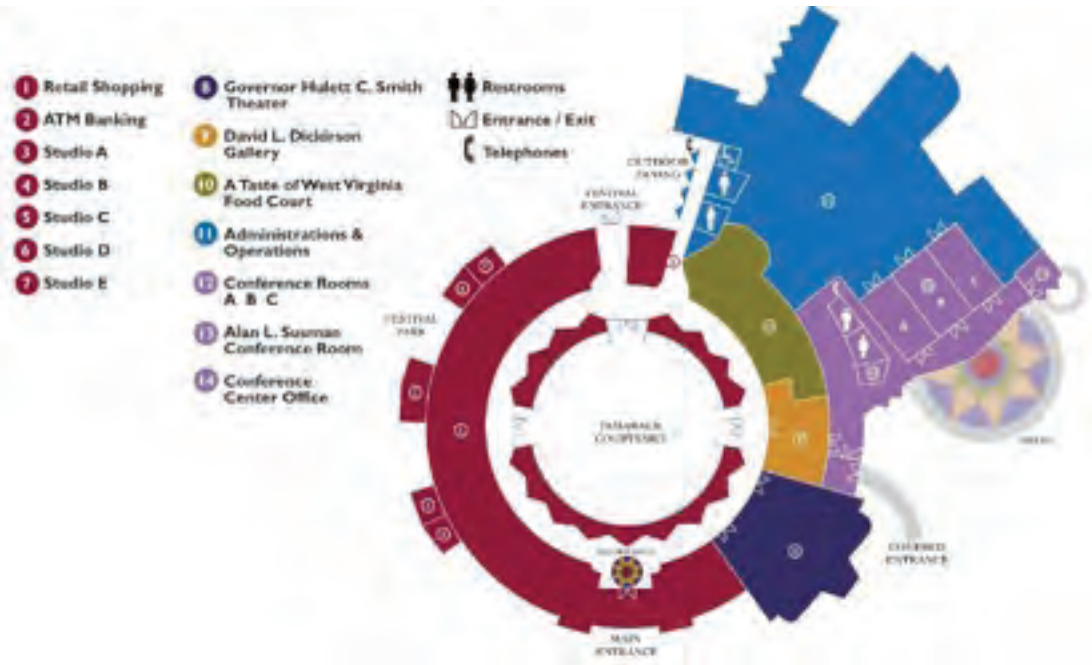
Tamarack has sold over \$70 million in crafts and foods since opening in 1996. It has remitted over \$3.7 million in sales tax to the state's general revenue fund. It draws over 500,000 visitors a year and is universally recognized in the state and region as a potent force in the tourism industry providing outstanding enhancement of the image of the State of West Virginia, creating jobs at the facility and jobs for artisans statewide that impact every county of the state. Its sales have increased to more \$7 million per year and continue to increase with new programs such as e-commerce."

The Tamarack Foundation is a non-profit organization that was created to support operations. Its programs help West Virginia artisans grow their business and professional skills.

Gross retail sales during FY2007-8 were approximately \$3,800,000. Food service is contracted by Greenbrier Resort and Club Management. Annual total food and catering revenue at Tamarack was approximately \$3.5 million in 2009. In FY2008, the conference center contributed over \$800,000 in banquet sales revenue and over \$100,000 in room rental proceeds.

In 2005, the average retail sale at Tamarack was around \$25. A small percentage of Tamarack sales are from consignment, in which artisans receive 60% of the sales price and Tamarack receives 40%. During FY2007-8, retail margin averaged 45%, leaving Tamarack approximately 45 cents from every dollar of gross sales to cover basic operating costs. The highest margin retail items sold were souvenirs (50%) and the lowest were bottles of wine (36%).

Exhibit 7: Layout of Tamarack



Source: Tamarack.

The trust indenture for the revenue bonds issued for Tamarack and its conference center pledge all or a part of concession revenues elsewhere to the Tamarack project. These are three travel plazas with restaurants, fuel services, and vending machines. During FY2011, revenues from turnpike concessions totaled \$2.7 million.

According to a 2008 survey, the visitor base for Tamarack is comprised of 26% in-state visitors and 74% out-of-state visitors. Over 63% of travelers had been to Tamarack before. An overwhelming majority (82%) of respondents learned about Tamarack from either road signage (41%) or word of mouth (41%). Approximately 8% travelled less than 25 miles, and an additional 13% travelled between 25 and 100 miles.

Illinois Artisans Program

The Illinois Artisans Program
Multiple Locations

The Illinois State Museum system is part of the Illinois Department of Natural Resources. It promotes discovery, lifelong learning, and stewardship of the natural and cultural heritage of Illinois. The Illinois Artisans Program is a not-for-profit endeavor administered by the Illinois State Museum (ISM) that promotes crafts made in Illinois. All areas of arts and crafts, including folk, traditional, contemporary, and ethnic, as well as fine art forms are eligible. To become a member of this program, participants must be living and working in the State of Illinois. Over 1,800 artisans have been selected into the program.

It currently sells these crafts through these four museum locations:

- Illinois Artisans Shop, Chicago,
- Southern Illinois Art & Artisans Center, Rend Lake
- Dickson Mounds Museum Store, Dickson Mounds
- The Museum Store at the Illinois State Museum, Springfield

These retail venues are operated under the statutory authority of the Illinois State Museum Society, the Museum’s nonprofit entity. The artisans who are selected to have their work featured in the shops are chosen through a formal, jury-selection process and their works are placed on consignment in the shops.

The Illinois Artisans shop is located adjacent to the Illinois State Museum Chicago Gallery within the James R. Thompson center in Chicago. It is 800 square feet in size and jointly promoted with the gallery as well as independently marketed as an artisan retail store.

Originally named the “Illinois Artisans Shop,” it opened in 1985 as a non-profit affiliate of the Illinois State Museum and was the first shop of its kind in the state showcasing exclusively hand-crafted work done by artisans living and working in Illinois. Visitors can browse work by over 350 artisans from throughout the state, and learn more about the process and materials from the staff. On display are jewelry, ceramics, metal, painting, wood, and glass wearables.

Upon entry, visitors are typically greeted by a salesperson and asked if they have ever been to the shop before. If their answer is “no,” the

Exhibit 8: Location and View of Illinois Artisans Shop



Source: Atrium Mall and Illinois State Museum.

salesperson gives a brief explanation of its uniqueness and its mission of promoting Illinois artisans. Tags on each display give credit to the artisan of the work, noting how long they have been a member of the Illinois Artisans Program. Brochures for other art related venues and events are in a rack on the checkout counter. Purchased work is tagged with a branded gift card with the artisan’s name and an explanation of the not-for-profit nature of the shop.

The Southern Illinois Art & Artisans Center at Rend Lake is the largest single physical location for the Illinois Artisans Program. This 15,000 square foot facility contains both the Artisans Shop and the Southern Illinois Art Gallery that showcases arts and craft traditions. This artisan shop features the craft of over 850 juried Illinois artisans. It opened in 1990 and is located near an exit of Interstate 57.

The grounds are also the site of festivals and craft shows. The Illinois Art and Wine Festival and the Festival of Arts and Crafts for Children are two examples of events. The Illinois

Artisans Member Exhibitions Space in the Artisans Shop offers changing exhibits by established members of the Illinois Artisans Program.

The Southern Illinois Art Gallery offers changing exhibitions of the work of Illinois artists, past and present. Exhibitions also include fine art, decorative art, and ethnographic items from the collections of the Illinois State Museum. Changing exhibitions are organized by the curatorial staff of the ISM Art Section.

Former Governor James Thompson played an instrumental role in the founding of the Illinois Artisans Program when he sought to have an artisans shop and art gallery placed in the new State of Illinois Building in Chicago in 1985. Former First Lady Laura Lynn Ryan has also been instrumental in furthering the cause of craftspeople in the state. Under her leadership, the “Made In Illinois – An Artisan Gallery” book was published in 2001 with the cooperation of the Department of Commerce and Community Affairs and other organizations.

In 1985 the Illinois Art Gallery opened in Chicago next to the State of Illinois Art Gallery (now called the Illinois State Museum Chicago Gallery) at the James R. Thompson Center in Chicago. It is described on the previous page of this report.

The program expanded with the opening of the Southern Illinois Arts and Crafts Marketplace at Rend Lake in 1990, described above. The Southern Illinois Art Gallery opened within this expanded facility in 1993.

The Lincoln Home National Historic Site Artisans Shop in Springfield opened in 1991. It closed in 1996 at that location and merged that same year with the museum store at the Illinois State Museum in Springfield. The museum store enlarged and upgraded its physical space as part of this merger.

Frog Hollow Vermont State Craft Center Burlington, Vermont

Frog Hollow

The Frog Hollow Craft Association is a 40+ year old non-profit organization, and its initial artisan facility in Middlebury was the first officially designated state craft center in the nation. Its current Vermont State Craft Center is in downtown Burlington, and is estimated to be about 4,000 square feet in size.

This focus on storytelling is evident in this craft center, where a small card identifies each artisan and shares a few lines about his or her work and philosophy. Recently added Quick Response (QR) codes can be scanned by visitors’ smartphones to easily access more information about the artisan and their creative processes.

Frog Hollow represents over 200 Vermont juried artisans, with the work of about 170 artisans currently on display at the Center. Artisans represented by Frog Hollow must reside and produce their craft in the state. Work is sold on a consignment basis, with the artisan receiving 50% of the sales price when an item is sold at the physical location and 60% for online sales on the organization’s website.

The Frog Hollow Craft Association was founded with the goal of increasing the exposure of Vermont professional crafts people as well as to provide an educational resource for all ages in all aspects of craft and craft appreciation.

At its inception, two aspects of the original concept were crucial: its ability to support local craftspeople and its ability to create community. In the 1970s, many Vermonters began returning to the idea of living simply and from the land. Most followers of this “back to the land movement” also happened to be craftspeople. They were the ones who strove to pursue creativity over money, but this choice often left them leading difficult lives. Allen Johnson, one of the founders, wrote the following in his original “Frog Hollow Concept” brochure:

“Vermont craftsmen have a problem with marketing. This means that Frog Hollow Craft Center finds itself in a position to supply a service that goes well beyond our geographical location. As a marketing center for many Vermont craftsmen, Frog Hollow Craft Center can help make it possible for talented professionals to earn a living in Vermont.”

Frog Hollow

The Frog Hollow Craft Center opened in 1971 in an old mill building in Middlebury, Vermont. The floor space was designed to make the gallery and studio spaces of the resident artisans merge into one cohesive area. This would get the viewers more interested and involved with the crafts before them. Visitors could witness artisans in action, and soon afterwards a small shop of their creations was created. In the summer months, crafts were displayed outdoors on an improvised roof patio. Classes in a wide range of crafts were offered.

Afterwards, the Center’s leaders promoted the idea of Vermont craftsmanship to the government. They wanted Vermont and quality craftsmanship to become synonymous. Founding an official “State Craft Center” would hopefully ensure permanent and reliable support for local artisans, something they felt that was greatly needed. In 1975, Frog Hollow was officially designated as the first state craft center in the nation, although the designation did not entitle the craft center to state funding. It received no government grants in 2011.

After Frog Hollow’s success in Middlebury, the 1990s began a new era for the organization. In 1991 a new craft gallery opened in Burlington, which continues to operate today. Shortly afterwards, in 1992, another craft center opened in Manchester.

During the early 2000s, decreases in tourist spending within the local areas surrounding the craft centers caused declining sales because this was a market segment that Frog Hollow had increasingly become dependant upon. Efforts to restructure focus and outreach efforts were made, but were unable to reverse the situation.

In 2009, the original Middlebury location closed its doors as the Frog Hollow Craft Center. The Manchester facility also later closed and the base of operations was consolidated to the remaining downtown Burlington facility.

Frog Hollow has a history of working with local and statewide organizations, schools, and grassroots campaigns. It has done this in many ways and continues to explore new and creative means to do so. Originally, it accomplished this through the use of its own craft school facilities, but these were not financially sustaining. Currently, the organization achieves this goal through the promotion of arts programming in the statewide studios of its juried artisan members, through continued integrated arts programming with Vermont schools, and through partnerships with area businesses and organizations to raise awareness regarding Vermont artisans work, craft education, and appreciation.

Exhibit 9: Exterior View of Frog Hollow Vermont State Craft Center



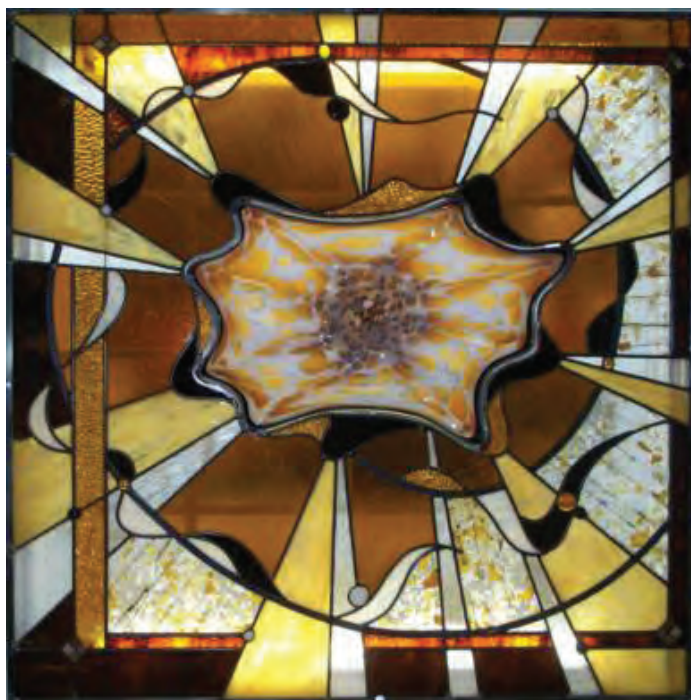
Source: Vermont Woodworking School.



D | *OPPORTUNITIES*

The significant decline in Virginia's traditional economic staples, such as agriculture and manufacturing, has given rise to a new economy that rests on innovation and creativity. Policy makers have begun to examine this shift to learn what it takes to grow the Commonwealth's creative economy to its full potential.

Throughout the Shenandoah Valley artisans craft heirloom products made from locally sourced fiber, wood, leather, clay, glass and metal. Collectively, this craft industry is an outgrowth of the region's rich frontier heritage. Tourists are directed to the places where artisans live and work through Virginia's Artisan Trail Network. While this centralized source of information has proven useful, the full growth of Virginia's artisan economy is constrained by the lack of a physical center showcasing and promoting the skill, knowledge, talent and craftsmanship abundant in the region.



Opportunities

The potential social and economic benefits of a proposed artisan center in the Shenandoah Valley region include:

- Income generation
- Entrepreneurial development
- Next generation education
- Increased tourism
- Improved quality of life
- Job creation
- Local and state tax revenue

At the most basic level an artisan center would provide individual economic benefit to the artisans through income generation from increased sales of their works. This revenue in turn would go back into the community through spending related to basic needs, raw materials, business supplies, rent, utilities, etc.

Entrepreneurial activity often accounts for the majority of economic growth in an area.¹ Small business training offered through the proposed artisan center will help artisans strengthen and grow their businesses, which will lead to increased revenues and job creation as businesses expand. Through job creation and the proposed center's program offerings, comes the preservation of the cultural asset that is embodied in the artisan-knowledge base. As artisans expand their businesses they may need to hire additional employees, including apprentices. In addition to artisan training (including both business development and skill-based classes), the proposed center will provide a physical location for the nurturing of an artisan community. From the community will come a natural support network, as well as formal and informal mentoring relationships between seasoned and inexperienced artisans.² In this way, the next generation of artisans is trained and supported ensuring that both the economic resource is sustained and the cultural heritage of the art is preserved.

An artisan center will strengthen the tourist draw to the area. The study region is resplendent with tourist attractions from its natural beauty, colleges and universities, agritourism, to its cultural

Window: Shelly LaTreill

institutions, there are countless reasons for visitors to travel to the area. Cluster development of these types of attractions can have a “multiplier effect causing an increase in traffic and the length of time and money visitors spend”.³ In comparison to manufacturing, finance and insurance, and information sectors, tourism employment in Virginia was a much more stable industry during the Great Recession.⁴ Strengthening and growing this sector will contribute to the economic vitality of the region by adding to the diversity of attractions in a stable industry sector. Increased touring brings revenue to regional businesses, fosters job creation in the service industry and generates local and state tax revenues. In 2013 alone, the study region realized \$1.47 billion in travel expenditures, \$39.46 million in local tax receipts and \$58.11 million in state tax receipts.⁵ The center itself will draw visitors bringing tourism dollars to its location. Visitors will be directed to and encouraged to explore the existing artisan trail networks thereby promoting travel spending in localities throughout the region, enticing visitors to spend additional time in the region, and strengthening the overall tourist industry in the regions.

A proposed artisan center will contribute to the quality of life in the region. The vibrancy of a community, its cultural and recreational activities, its natural resources, its social opportunities – these are all characteristics that encourage skilled, educated workers to settle within a region. This knowledgeable labor force in turn compels information, technology, financial and service-based companies to locate within that region driving job creation.⁶

An artisan center in the Shenandoah Valley region will fill the need for the support and cultivation of the region’s artisans, one of its most valuable cultural and economic assets. Its other benefit is that it will help sustain and enhance the economic vitality of the region within an existing framework. The artisan center will add to the diversity and stability of the regional economy while not being relied upon to be the sole driver of economic development.



1



2

1 Shenandoah Valley: Richard Bonnet
2 American Shakespeare Center:
Lindsey Walters

Existing Networks

Working within existing networks, there is the opportunity for an artisan center to both support existing efforts and thrive in its own right. It is the recommendation of this report that a proposed artisan center in the study region be run by the Artisans Center of Virginia and located in Staunton on Frontier Culture Museum property.



The Artisans Center of Virginia (ACV) is the state-designated non-profit that “develops and implements systems and strategies to improve economic outcomes for Virginia artisans and their communities while assisting them in promoting their local artisan culture”.⁷ ACV, headquartered in Staunton, is an established organization with an existing network of artisans across the state. The non-profit’s programming compliments the goals of the proposed artisan center, including workforce development, educational outreach, artisan trail network development, and statewide marketing initiatives. The organization has knowledgeable staff who can potentially operate the artisan center without need for additional hires. With its existing strategies, programs, staff and contacts, the ACV is uniquely positioned to operate the proposed artisan center.



The city of Staunton is centrally located within the study region, strategically located at the intersections of I-81 and I-64. Ideally located to capture through traffic visitors, as well as direct visitors to the artisan locales throughout the region, Staunton truly serves as a gateway. With cultural attractions such as the American Shakespeare Center, the Heifetz International Music Institute, and the Woodrow Wilson Presidential Library, Staunton is both a tourist destination and a desirable place to live. An artisan center would add to the city’s cultural vibrancy. There is an existing base from which to draw visitors. A strong attraction like an artisan center should increase visitors to the city and bolster other travel and tourism-related businesses in the area.



The Frontier Culture Museum (FCM), operating as an agency of the Commonwealth of Virginia, educates visitors about the early immigrants and their American descendents through a living museum experience. The 300 acre museum grounds are state-owned. The proposed artisan center and the FCM offer each other a mutually beneficial relationship. The cluster development offers visitors two cultural attractions at one destination. Visitors who intend to attend the Museum may also likely visit the artisan center and vice versa. Both organizations will likely realize increased attendance due to their proximity.

Notes

¹ Bayard, M. (2005). *Strengthening Rural Economies through the Arts* (p. 6). Washington D.C.: National Governors’ Association Center for Best Practices. Retrieved from <http://www.nga.org/files/live/sites/NGA/files/pdf/RURALARTS.pdf>

² Markusen, A., & Johnson, A. (2006). *Artists’ Centers: Evolution and Impact on Careers, Neighborhoods and Economies* (p. 18). Humphrey Institute of Public Affairs. Retrieved from http://www.hhh.umn.edu/img/assets/6158/artists_centers.pdf

³ Murray, D. (2014). *How the Arts and Culture Sector Catalyzes Economic Vitality*. American Planning Association. Retrieved 21 October 2014, from <https://www.planning.org/research/arts/briefingpapers/vitality.htm>

⁴ Chmura Economics & Analytics,. (2014). *Tourism Works for Virginia*.

⁵ U.S. Travel Association,. (2014). *The Economic Impact of Domestic Travel on Virginia Counties*. Washington, D.C.

⁶ Mayer, H., & Holzheimer, T. (2009). *Virginia’s Creative Economy*. Virginia Issues & Answers. Retrieved from <http://www.via.vt.edu/summer09/feature1.pdf>

⁷ Artisanscenterofvirginia.org,. (2014). *Artisans Center of Virginia - About Us*. Retrieved 17 October 2014, from http://www.artisanscenterofvirginia.org/about_us



E | *INSTITUTIONAL PLAN*

Mission Statement

During the Visioning Workshop that took place with the Management Committee and Stakeholders, the following Mission Statement, Vision, and Goals were generated and agreed upon. These will become the guiding principals for the Artisan Center as it is being developed and throughout its operation.

MISSION STATEMENT

The proposed artisan center promotes and supports Virginia artisans through sales, exhibition, interpretation, education and special events to inspire the next generation, strengthen communities, and provide an authentic cultural gateway.



Bowl: Bob Travis

Vision

VISION

The proposed artisan center will be a cultural gateway for Virginia artisan-made works and will help grow Virginia’s creative economy.



1 Scarf: Karen Shapcott
2 Gingko Gold: Cynthia Harrison

1



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Goals

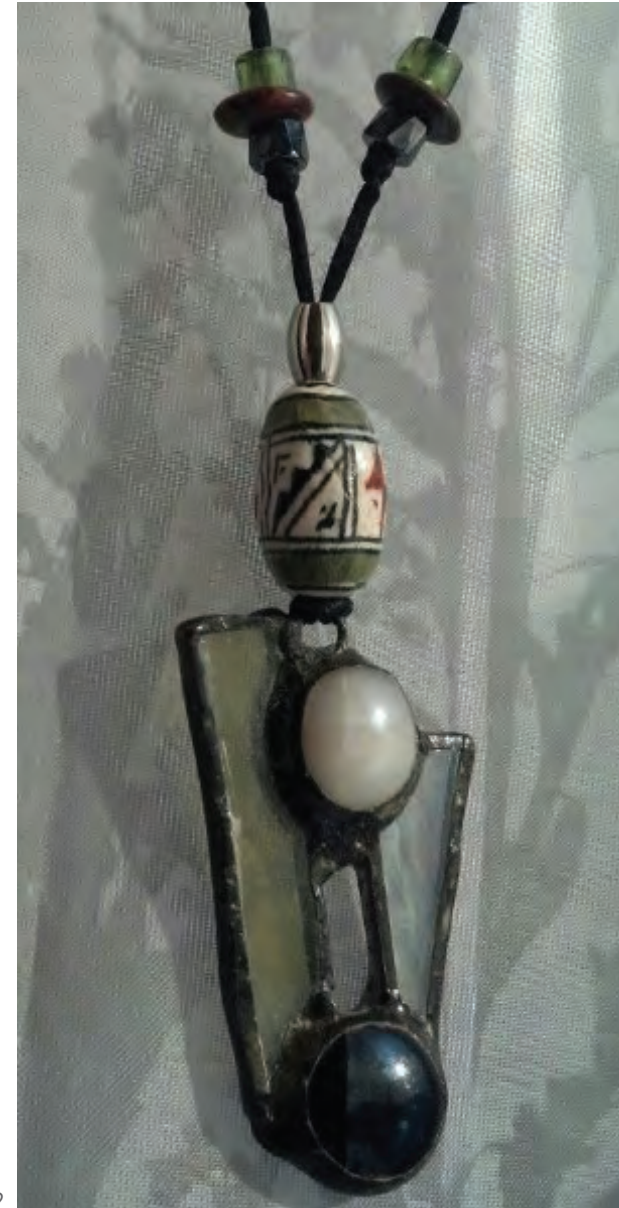
GOALS

- Promote Virginia artisans
- Preserve Virginia's hand-crafted and fine arts heritage
- Instruct, educate and entertain the general public
- Provide facilities for sales, exhibitions and special events
- Support artisans with entrepreneurial training
- Help sustain local communities through cultural tourism



1

2



1 Three Plates: Kary Haun
2 Yin Yang: Ann Santos



F | *PHYSICAL PLAN*

FACILITY PROGRAM

Program

Based on the Stakeholder Discussions, the Comparable Facilities Evaluation, the Market Analysis, Attendance Projections and the Evaluation of Potential Sites, the Planning Team recommends the following sized facility and breakdown of uses. During the Visioning Workshop , this Facility Program was refined and adjusted to best fit the Mission, Vision and Goals of the Artisan Center.

Phase I: 15,000 s.f.
Phase 2: 10,000 s.f.

Programmatic Uses: Phase I	Gross square feet (gsf)
Artisan retail sales & exhibition areas (including support)	6,000
<i>Retail sales</i>	4,000
<i>Inventory & work areas</i>	1,000
<i>Exhibition gallery</i>	1,000
Artisan demonstration & education areas	3,500
<i>Demo space (dry media)</i>	1,000
<i>Demo space (wet media)</i>	1,000
<i>Multi-media education (lectures, classrooms, events, etc.)</i>	1,500
<i>Outdoor kiln areas (not counted: 500)</i>	
Artisan living area	500
Food service with support areas (featuring local foods)	2,000
<i>Dining area</i>	1,000
<i>Stage, performance area</i>	500
<i>Prep area</i>	500
<i>Outdoor Terrace (not counted)</i>	
Welcome center (featuring regional artisan sites to visit)	800
Visitor amenities (lobby, restrooms, etc.)	1,200
Office areas	1,000
Total gross area: Phase I	15,000

Programmatic Uses: Phase II	Gross square feet (gsf)
Expansion of artisan retail sales & exhibition areas (including support)	3,000
Expansion of artisan demonstration & education areas	700
Conference Center	2,500
Visitor amenities (circulation, restrooms, etc.)	800
Multi-purpose theater	3,000
Total gross area: Phase II	10,000

Program

Artisan retail sales & exhibition areas

Provide a physical space for artisans to display and sell their products. Present temporary exhibitions to offer fresh content to draw new and repeat visitors.

Goals achieved:

- Provide facilities for sales, exhibition and special events
- Promote Virginia artisans
- Preserve Virginia's hand-crafted and fine arts heritage
- Instruct, educate and entertain the general public
- Help sustain local communities through cultural tourism

Artisan demonstration & education areas

Areas to provide demonstrations and art programming to visitors. Space to offer entrepreneurial training and workforce development programming to artisans, as well as community gathering space for artisan groups, meetings, mentorship programs, etc.

Goals achieved:

- Instruct, educate and entertain the general public
- Support artisans with entrepreneurial training
- Preserve Virginia's hand-crafted and fine arts heritage
- Help sustain local communities through cultural tourism

Artisan living area

Artist-in-residence living unit for artisans outside the region to gain entrepreneurial skills, introduce work to new area, teach, shift their creative perspective, etc.

Goals achieved:

- Support artisans with entrepreneurial training
- Preserve Virginia's hand-crafted and fine arts heritage
- Promote Virginia artisans

Food service

Opportunity for a local farm-to-table restaurant or other agritourism operator to provide food service. Opportunity for additional educational programming activities such as cooking classes, wine tasting, etc. Live performance area for music, dance, spoken word, etc.

Goals achieved:

- Provide facilities for sales, exhibitions and special events
- Instruct educate and entertain the general public

Great Blue Heron:
Richard Christy

Welcome Center

Provide information on the Artisan Trail Network, other artisan sites to visit, agritourism, regional attractions, accommodations, etc.

Goals achieved:

- Help sustain local communities through cultural tourism
- Promote Virginia artisans

Conference Center/Multi-purpose theater

Opportunity to expand program offerings and to increase income generation from event rentals.

Goals achieved:

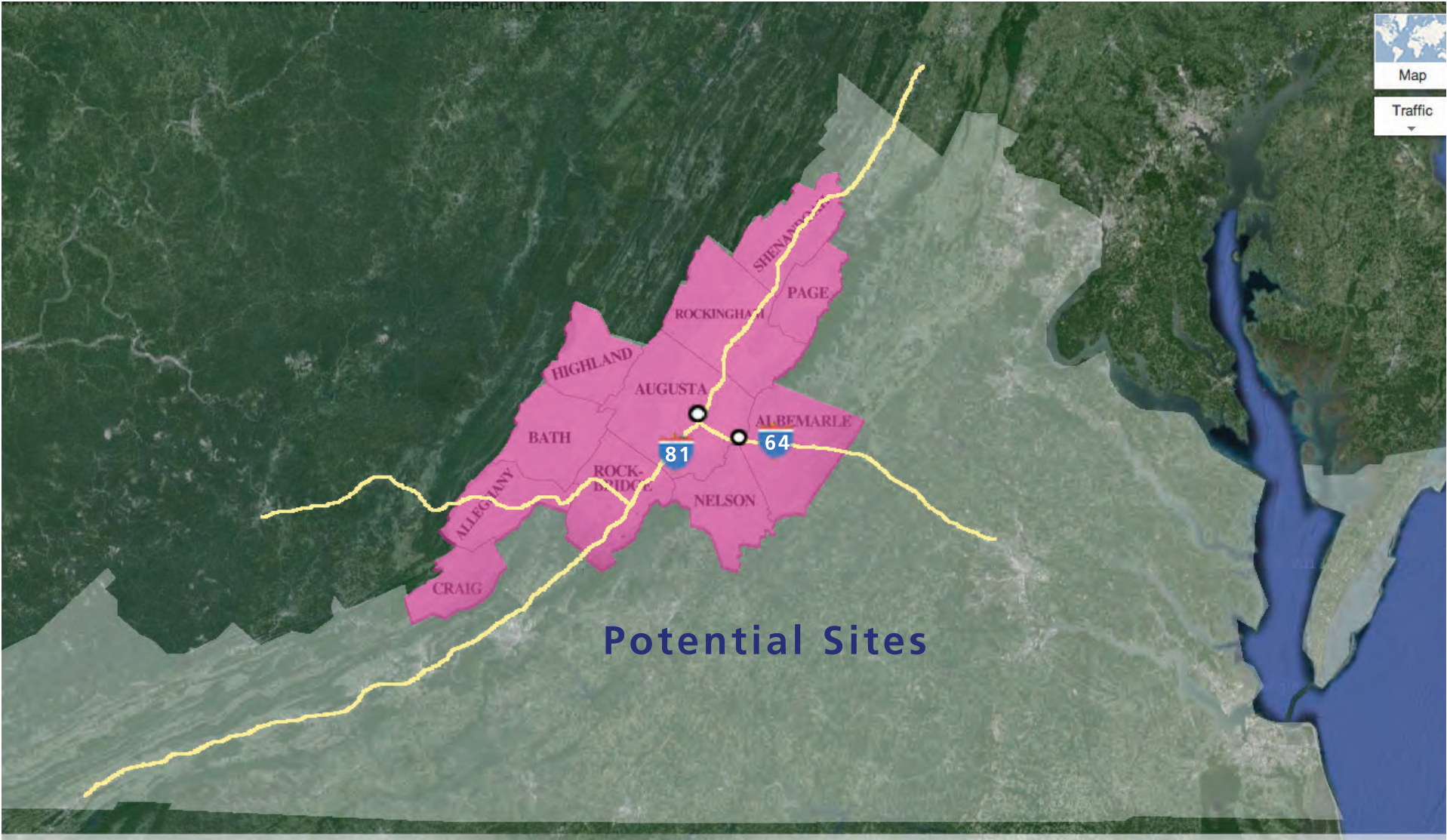
- Provide facilities for sales, exhibitions and special events
- Instruct, educate and entertain the general public



SITE EVALUATION

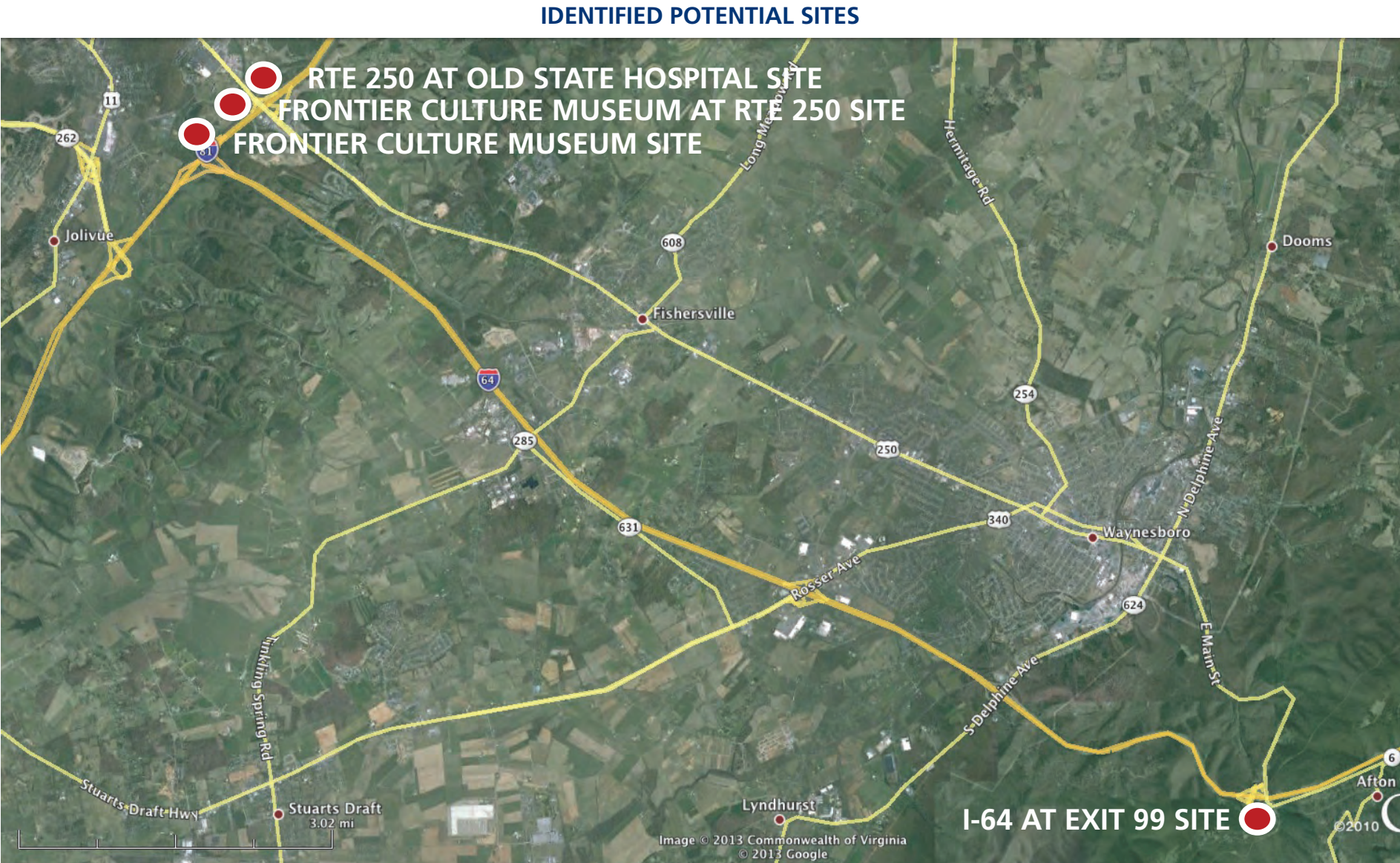
Site Evaluation

The Artisan Center Management Team identified four potential sites for the proposed artisan center. Three of these site are in Staunton at exit 222 on I-81 near the I-81 and I-64 interchange. The fourth site is approximately 15 miles east of the others at exit 99 on I-64. These sites were identified as possibilities for being centrally located within the study region, proximity to major highways, and their land availability.



Site Evaluation

4 Potential Sites



Site Evaluation

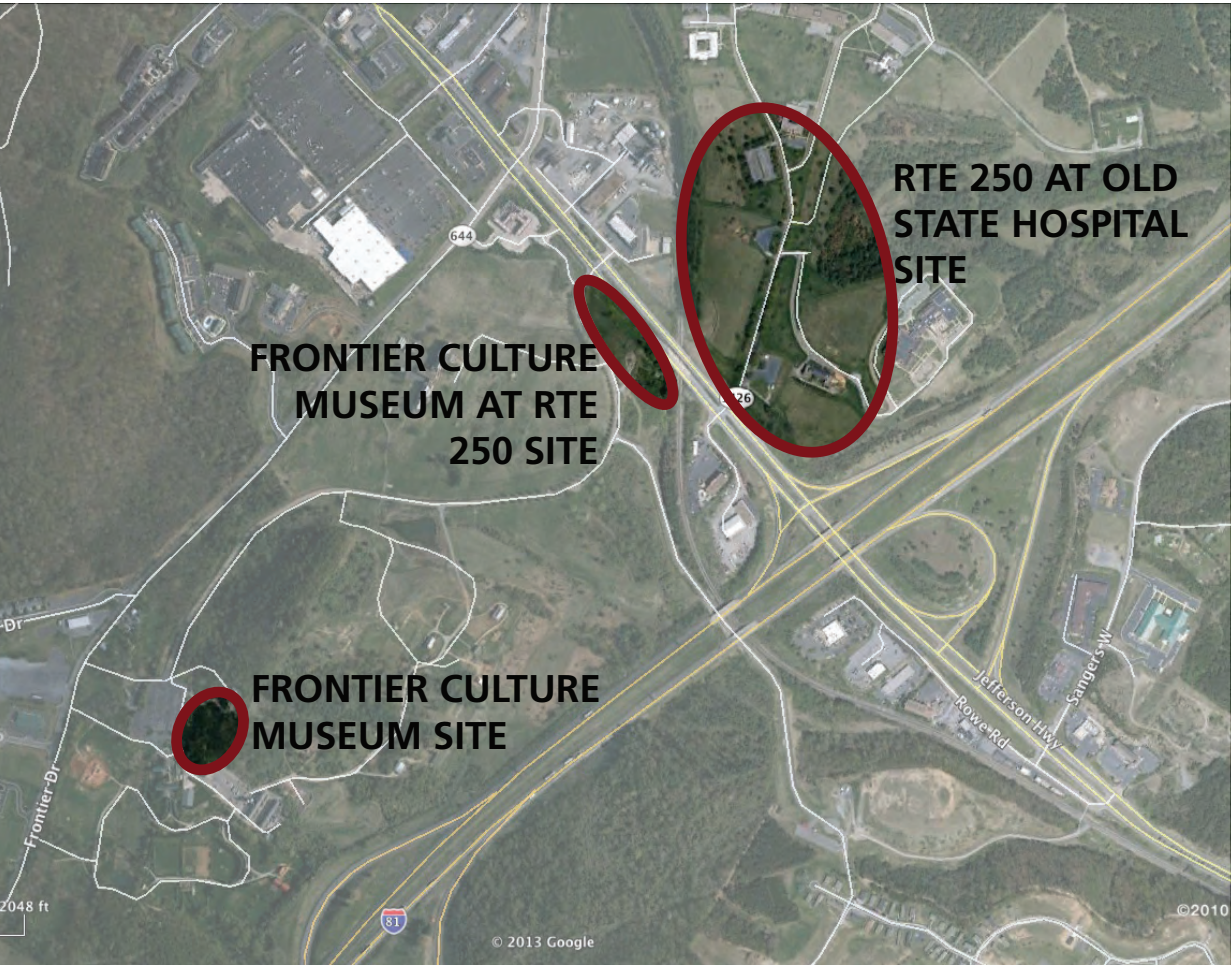
IDENTIFIED POTENTIAL SITES - ATTRIBUTE COMPARISON

SITE ATTRIBUTE	FRONTIER CULTURE MUSEUM	FRONTIER CULTURE MUSEUM at RTE 250	RTE 250 at OLD STATE HOSPITAL	I-64 at Exit 99
Land Availability	State-owned, leased to Frontier Culture Museum	State-owned, leased to Frontier Culture Museum	State-owned, soon to be leased by American Frontier Culture Foundation	Privately owned, not currently for sale
Infrastructure/Utilities	Present	Easily Accessible	Easily Accessible	Presumed Accessible
Control of Future Context	Excellent	Unknown due to development on surrounding sites	Unknown due to planned development on site	Good because nearby sites preserved or screened from view
Vehicular Access	Good	Good	Good	Excellent
Visibility	Not visible from main highways	Good from Rte 250, may be visible from I-81	Good from Rte 250, may be visible from I-81	Excellent from I-64
Proximity to Attractions	Best: adjacent to Frontier Culture Museum main entrance, near Staunton center	Good: on entrance road to Frontier Culture Museum, near Staunton center	Good: across from entrance road to Frontier Culture Museum, near Staunton center	Good: near Shenandoah National Park entrance
Design Possibilities	Will need to blend into aesthetic of existing Museum buildings	Good	Good	Best because of drama and beauty of the site
Can Accommodate Program	Yes	Yes	Yes	Yes

Site Attribute Comparison

Site Evaluation

IDENTIFIED POTENTIAL SITES - ZOOMED IN



SITE SELECTION

Site Selection

Frontier Culture
Museum Site

After discussing the attribute comparisons for each site, the Management Team and Stakeholders agreed that a proposed artisan center should be located at the entrance to Frontier Culture Museum, in order to take advantage of the land availability (state-owned), existing infrastructure (site access, parking, and utilities) and the Museum visitor traffic.



Site Selection

Frontier Culture Museum Site

The Frontier Culture Museum (FCM), operating as an agency of the Commonwealth of Virginia, educates visitors about the early immigrants and their American descendents through a living museum experience. The 300 acre museum grounds are state-owned. The proposed artisan center and the FCM offer each other a mutually beneficial relationship. The cluster development offers visitors two cultural attractions at one destination. Visitors who intend to attend the Museum may also likely visit the artisan center and vice versa. Both organizations will likely realize increased attendance due to their proximity.

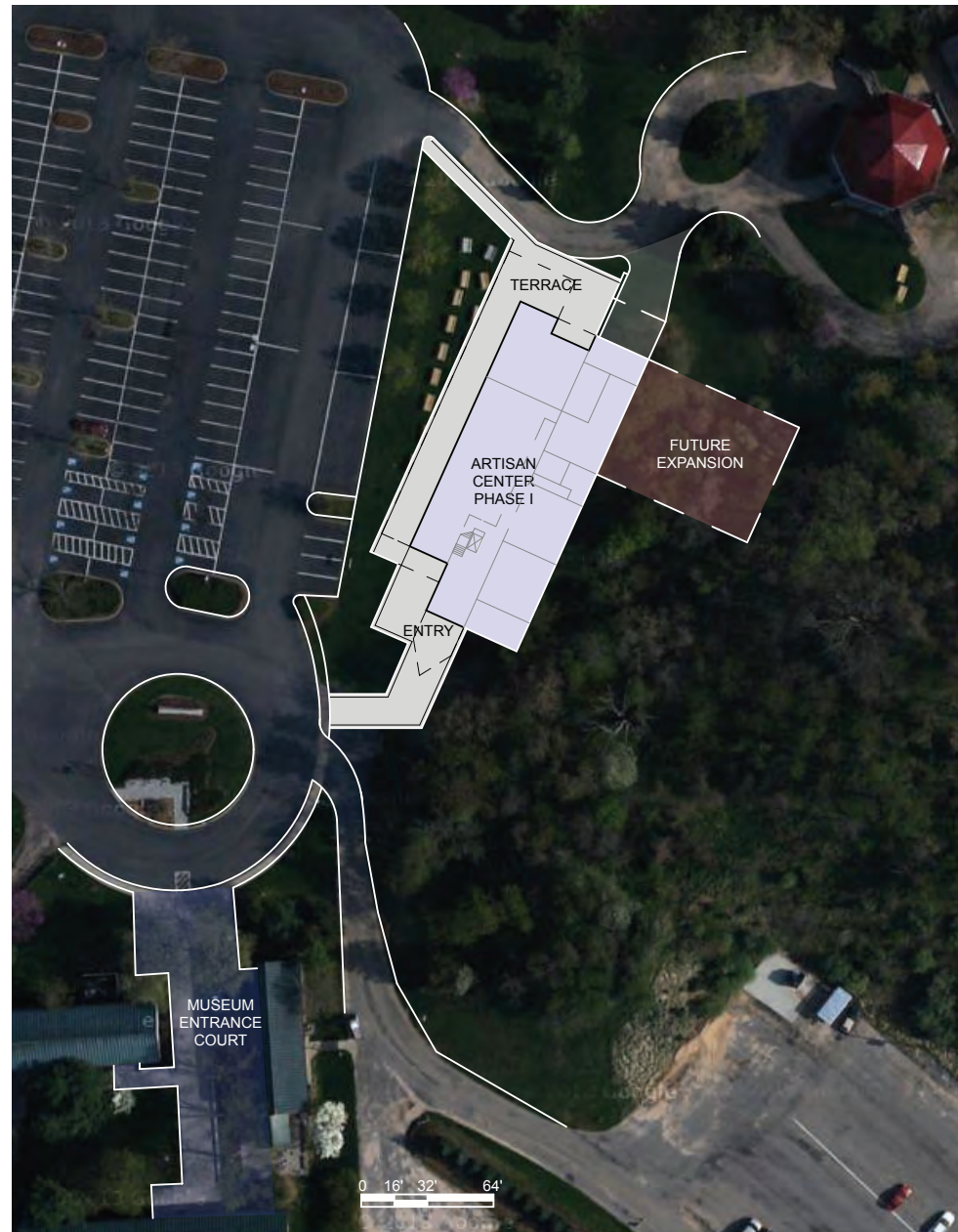
The proposed artisan center compliments the FCM in that it brings the historic experience of the Museum into the present. The artisans’ works are the contemporary incarnation of heritage skills and craft, some of which are showcased in the Museum’s exhibits.



SITING

The Artisan Center building has been positioned on the site to engage with the Frontier Culture Museum's entrance and the existing topography. The artisan center's longitudinal axis is rotated slightly off of the north-south axis. The south facing main entry points to the Museum's entrance court, creating a strong relationship with the existing Museum buildings. The intent is that the center and the Museum complement each other. Like the Museum, the Artisan Center's entrance plaza is accessed from the existing vehicular drop-off, an ideal location for the Museum's proposed trolley system's last stop. A secondary entrance, which serves the dining area as well as the retail area, is located on the north side of the building.

The center's longitudinal axis follows the existing contours of the site. The eastern bay of the building is built into the slope, placing the ground floor of that bay below grade and the second floor at grade. Utilizing the site's assets and features in this way allows for interior environmental control, plan efficiency, and more opportunity for exterior programming.

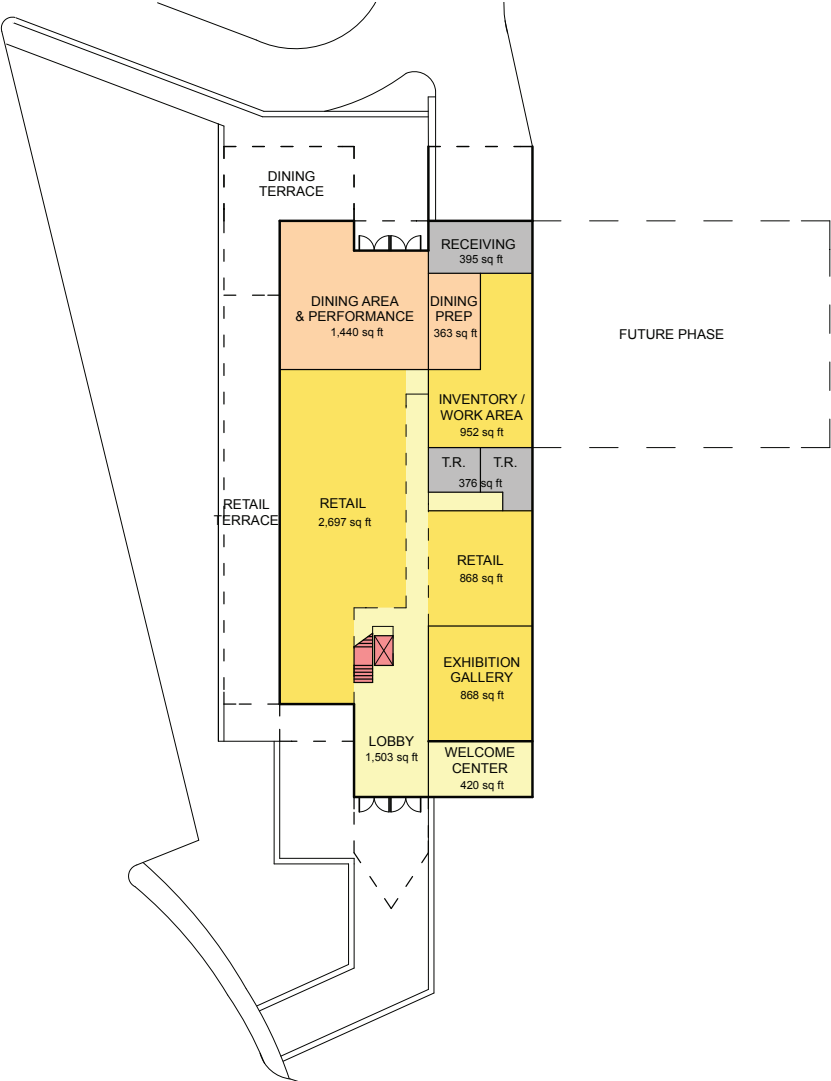


Siting

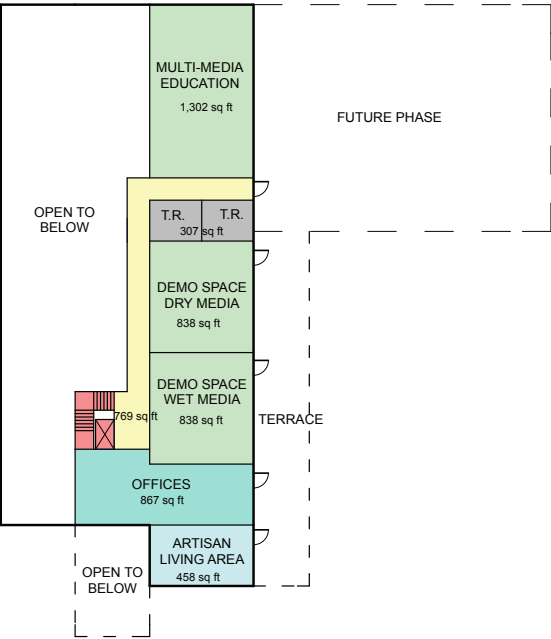
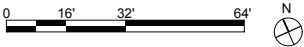
Placed to engage existing buildings & topography

Layout

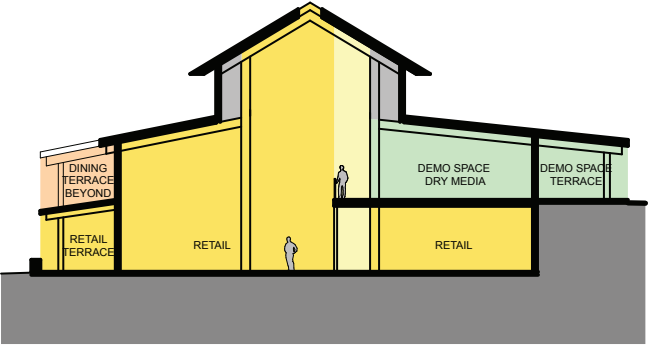
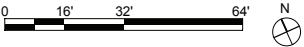
PLANS & SECTION



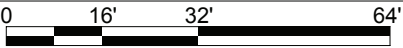
1 First Floor Plan



2 Second Floor Plan



1 Section



Plan

Two-story, open plan allows for expansion

The entrance walk, accessed from the vehicular drop-off, first approaches the building from the southwest, and then turns towards the south entrance elevation. Here the visitor sees the barn-like form, as well as the strong, central bay that carries through the overall form. As the visitor engages the entrance, they feel a sense of lightness and airiness from within the building.

The visitor proceeds through the glass vestibule into the single height lobby space where there is direct access to the Welcome Center, Exhibition Gallery, Retail and the stair and elevator to the second floor. To the right is the Welcome Center, an extension of the Lobby, borrowing daylight and views from it. Also, to the right of the Lobby is the Exhibition Gallery, located in the eastern bay to control daylight for potentially sensitive environmental requirements.

The visitor continues straight through the Lobby to the Retail area. This dramatic triple-height space is infused with natural daylight from the skylight running along the building's peaked roof. The open, light, airy space is meant to celebrate the work of the artisans with its drama and grandeur. The Retail occupies the triple height central bay, the double height western bay and a portion of the single height eastern bay.

To the north of the Retail is the Dining and Performance area, which can be accessed from the Retail or directly from outside via the northern entry. The Dining and Performance space opens to a partially covered terrace on the north and west sides of the building.

Also occupying the First Floor, located within the eastern bay are the toilet rooms and the back of house

spaces, including Receiving, Dining Prep and the retail Inventory/Work Area.

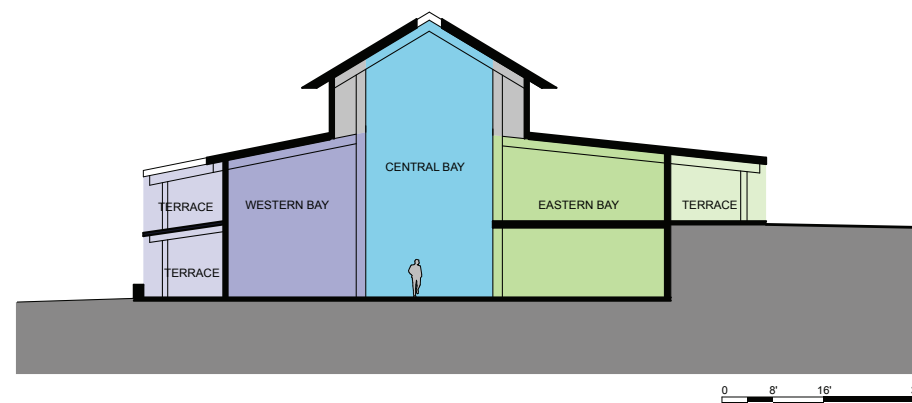
Through an open stair and elevator, the visitor ascends to the Second Floor, which has a balcony open to the Retail below. The open balcony visually connects the Retail and the Classroom/Demo areas correlating the educational programming to the artisan works on display. It is envisioned that the Classrooms will have large-scale barn doors or similar operable walls that could be opened to visually and aurally draws visitors from the First Floor to demonstrations, performances, etc. occurring on the Second Floor. The two Media/Demonstration Classrooms have at-grade, covered exterior terraces for outdoor educational programming.

Also accessible on the Second Floor are the Offices and Artisan Living Suite. Both of these spaces have

covered terraces and can be accessed from the exterior without having to proceed through the main entrance on the first floor.

The Program components planned for a future phase will be housed in a two-storey addition perpendicular to the east elevation, the First Floor below grade.

In section, the building closely resembles a barn, however it is asymmetrical. There are three bays: a 20' wide double height western volume, a 20' wide triple height central volume, and a 28' wide two-story eastern volume with each storey a single height.



Design Character & Aesthetic Goals

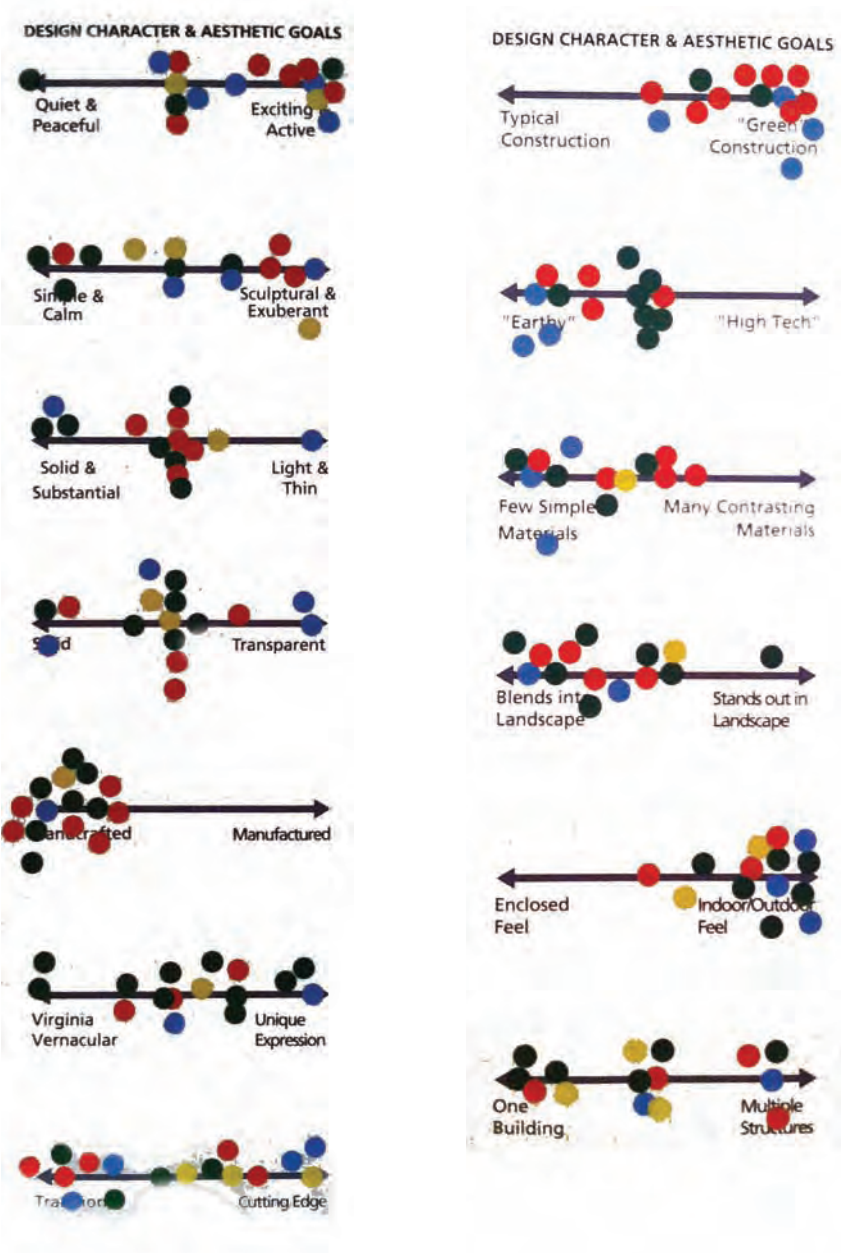
“Unique expression of Virginia vernacular”

DESIGN CHARACTER & AESTHETIC GOALS

During the Visioning Workshop, the Planning Team provided Stakeholders with a spectrum of adjectives describing the design character and aesthetic goals for a new building. Using dots, the Management Team and Stakeholders indicated where along the spectrum the building design should fall (see graphic to the right). The overall consensus was that the building should be a “unique expression of Virginia vernacular,” meaning it should be a blend of traditional and contemporary aesthetics, materials and construction techniques. It was agreed upon that the building should have a high quality level of construction.

SUSTAINABILITY

Sustainable construction was one of the design criteria requested by stakeholders. The design proposes the use of geothermal mechanical system, which is one of the most energy efficient systems available. It also minimizes equipment sizes, which allows for space efficiency. Additional energy efficiency can be gained in the lighting design. Locally-sourced materials are planned to be used where possible. All wood products will be Forest Stewardship Council certified, meaning that the source trees are maintained and harvested to a strict environmental standard. Also recommended are water-efficient plumbing fixtures and native landscaping requiring minimal irrigation.



DESIGN CONCEPT

The concept for the proposed Artisan Center is inspired by the historic farm buildings of the Frontier Culture Museum and traditional barns throughout the state. It is meant to fulfill the desire that the center be a “unique expression of Virginia vernacular.” The design aims to relate to the surroundings buildings and at the same time read as its own, special entity.

The massing of the building has been designed such that from the north and south elevations the barn form is recognizable, but from other angles the massing is more traditional. Specifically, the central, triple height space is delineated as a continuous volume that extends to the south to create a sheltered entrance. Similar to traditional barn design, roof lines have been extended to create covered terraces, providing a variety of opportunities for exterior programming. The barn concept is envisioned to continue on the interior with the design of stalls that can serve as an organizing element in the retail space, providing the opportunity to create individual “artisan stores.”



Design Concept

*Abstraction of
vernacular barns*

Barn: Russel Harrison

Design Concept

Inspiration

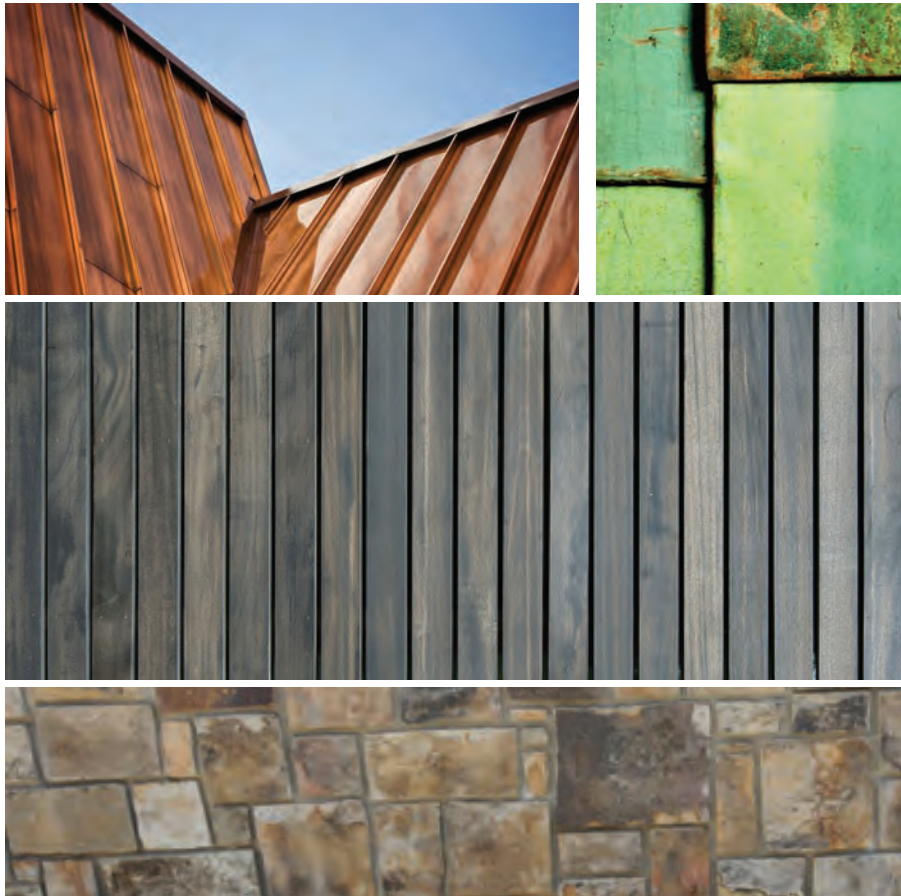


1 Barn Interior:
Benchmark Interiors
2 Barn: Rob Shenk
3 Frontier Culture
Museum: Peggy Davis



MATERIALITY

The proposed center will be built using traditional post and beam construction with celebrated wrought iron connections, allowing the utilization of local artisan craftsmanship in its completion. The building will be clad in vertical mahogany siding with a fieldstone foundation. The roof will be standing seam copper with a skylight running nearly the entire length of the peak. The siding and roofing will be allowed to patina over time, the mahogany turning a beautiful smoky grey and the copper its traditional mottled green. The projected entry and dining volumes will be a glass curtainwall system.



Materiality

Mahogany
Copper
Glass

Exterior

EXTERIOR VIEWS

*Artisan center
seen from
vehicular drop-off*

Visitors’ first impression of the artisan center is the full length of the western elevation as seen from the parking lot. Attention is naturally drawn to the multilevel glass walls at the entrance.



Exterior

*Artisan Center
at night*





G| *OPERATIONAL PLAN*

1 | Attendance Projections

Attendance Projections

1.1 Market Performance of Comparable Facilities

Market Performance of Comparable Facilities

Annual attendance for selected comparable facilities is presented below. Tamarack's size includes a 22,000 square-foot conference center so it is much more than a conventional artisan center. Its higher attendance likely reflects this expanded multi-use concept.

In comparison, the Folk Art Center in Asheville and the Kentucky Artisan Center are more conventional destination artisan centers. These have therefore been used as benchmarks in the resident and tourist market comparison later in this section.

Potential annual attendance for the proposed new artisan center is based on numerous factors. These include:

- Planned components
- Size of the available markets
- Qualitative market characteristics
- Market penetration rates achieved by comparable facilities
- Possible competition

Projected attendance is also based on the following assumptions:

- The new artisan center would have the general "look and feel" of the comparable facilities described in a previous section of this report.
- The artisan center would be designed, constructed, and managed by professionals with relevant experience.
- A major promotional campaign would be conducted to establish the new artisan center within the marketplace. This effort should include directional highway signage.



Dreaming Manscape: Suzanne Paddock

Attendance Projections 1.2 Attendance Projections

Year 1: 54,300 annual visitors

Potential annual attendance for the proposed new artisan center during its first five fiscal years of operation is projected at right. The first fiscal year of operation is assumed to begin in 2015.

Resident market size estimates are based on forecasts by ESRI Business Information Solutions. These are extended beyond 2017 at the same growth rate forecasted for the 2012 to 2017 period. The forecasted tourist market size is based on the estimated 6.7 million visitors to the Fields of Gold region during 2010. That estimate has been increased annually by 0.7% based on average long-term visitation growth at Shenandoah National Park. Projected resident market penetration rates are based on reported visitor origin to comparable facilities and other resident market factors. Projected tourist market penetration is based on the market performance of comparable facilities.

Typically, attractions experience start-up operations during the first two years of operation and reach stabilized operations by the third year. During the first and second years, market penetration is assumed to be 80 and 90 percent respectively of stabilized market performance. Potential annual attendance is approximately 54,300 during the initial year of operation, increasing to approximately 69,800 by the fifth year.

Projected stabilized annual attendance for the potential site is compared to the Folk Art Center and Kentucky Artisan Center below. These two comparable facilities achieved both significant annual attendance and relatively high number of attendees per square foot, which indicates that they are sized well in relation to their market potential.

Annual attendance for the potential site is between 27% and 29% of that for these two comparable facilities, with an average of 28%. The average percentages for the comparative resident and tourist market indicators significantly exceed 28%, indicating that the projected annual attendance for the potential site is reasonable.

Exhibit 1: Annual Attendance for Selected Comparable Facilities

Name	Location	Reported Annual Attendance	Total Size (square feet)	Attendees per Square Foot
Tamarack	Beckley, WV	500,000	59,000	8
Folk Art Center	Asheville, NC	250,000	28,000	9
Kentucky Artisan Center	Berea, KY	240,000	26,000	9

Source: Individual Facility; and Leisure Business Advisors LLC

Exhibit 2: Potential Annual Attendance for the First Five Fiscal Years

Market Segment	Year 1	Year 2	Year 3	Year 4	Year 5
Forecasted Market Size:					
Primary Residents ^{1/}	241,884	243,585	245,298	247,023	248,760
Secondary Residents ^{2/}	404,927	407,686	410,464	413,261	416,077
Tourists ^{3/}	6,938,000	6,987,000	7,036,000	7,085,000	7,135,000
Market Penetration:					
Primary Residents ^{1/}	10.40%	11.70%	13.00%	13.00%	13.00%
Secondary Residents ^{2/}	2.40%	2.70%	3.00%	3.00%	3.00%
Tourists ^{3/}	0.28%	0.32%	0.35%	0.35%	0.35%
Potential Annual Attendance:					
Primary Residents ^{1/}	25,200	28,500	31,900	32,100	32,300
Secondary Residents ^{2/}	9,700	11,000	12,300	12,400	12,500
Tourists ^{3/}	19,400	22,400	24,600	24,800	25,000
Total	54,300	61,900	68,800	69,300	69,800

^{1/} Residents living within 25 miles from the potential site.
^{2/} Residents living between 25 and 50 miles from the potential site.
^{3/} Visitors traveling more than 50 miles to the region.

Source: Leisure Business Advisors LLC.

Exhibit 3: Comparison of Resident and Tourist Market Indicators

Name	Location	50-Mile Resident Population	Accommodation Regional Sales	Annual Average	Annual Attendance
				Daily Traffic	
Potential Site	Staunton, VA	634,000	\$230,088,000 ^{1/}	29,000	68,800 ^{4/}
Market Data for Comparable Facilities:					
Folk Art Center	Asheville, NC	1,243,000	\$643,517,000 ^{2/}	57,000	250,000
Kentucky Artisan Center	Berea, KY	997,000	\$262,118,000 ^{3/}	42,800	240,000
Potential Site Percentage:					
Kentucky Artisan Center	Berea, KY	64%	88%	68%	29%
Folk Art Center	Asheville, NC	51%	36%	51%	28%
Average	---	57%	62%	59%	28%

^{1/} Counties and independent cities within a 50-mile radius of the potential site. These are: Albemarle VA, Alleghany VA, Amherst VA, Appomattox VA, Augusta VA, Bath VA, Bedford VA, Botetourt VA, Buckingham VA, Buena Vista City VA, Charlottesville City VA, Fluvanna VA, Greene VA, Harrisonburg City VA, Highland VA, Lynchburg City VA, Madison VA, Nelson VA, Orange VA, Page VA, Rockbridge VA, Rockingham VA, Shenandoah VA, Staunton City VA, Waynesboro City VA, Pendleton WV, and Pocahontas WV.

^{2/} Counties within a 50-mile radius of the Folk Art Center. These are: Avery NC, Buncombe NC, Burke NC, Cleveland NC, Haywood NC, Henderson NC, Jackson NC, Madison NC, McDowell NC, Mitchell NC, Polk NC, Rutherford NC, Swain NC, Transylvania NC, Yancey NC, Greenville SC, Pickens SC, Spartanburg SC, Carter TN, Cocke TN, Greene TN, Unicoi TN, and Washington TN.

^{3/} Kentucky counties cities within a 50-mile radius of the Kentucky Artisan Center. These are: Anderson, Bath, Bourbon, Boyle, Breathitt, Casey, Clark, Clay, Estill, Fayette, Garrard, Jackson, Jessamine, Knox, Laurel, Lee, Leslie, Lincoln, Madison, Marion, McCreary, Menifee, Mercer, Montgomery, Owsley, Perry, Powell, Pulaski, Rockcastle, Scott, Washington, Whitley, Wolfe, and Woodford.

^{4/} Potential annual attendance for a stabilized year of operation (third year).

Source: Individual facility; ESRI Business Information Solutions; U.S. Census Bureau (2007 Economic Census); Virginia Department of Transportation; N.C. Department of Transportation; Kentucky Transportation Cabinet; and Leisure Business Advisors LLC.



Cradled and Revealed: Bill Hess

Attendance Projections

Resident & tourist
market indicators

Partners & Funding Sources

Experience of Comparable Facilities

2 | PARTNERS & FUNDING SOURCES

This section discusses potential partners and funding sources for the new artisan center based on the experience of comparable facilities. Topics include the experience of comparable facilities, and recommended implementation strategies.

2.1 Experience of Comparable Facilities

The April 2013 Request for Qualifications for this Virginia artisan center feasibility study stated that:

“The Artisan Center should be a hub for artisan activities and a visitor center for cultural tourists wishing to explore the surrounding region. It is expected that the Artisan Center will also provide Virginia visual artisans, agri-artisans and performing artists from other regions an additional platform to showcase and sell their unique works while inspiring appreciative audiences with their expressive stories and distinctive ways of life.”

It is important to point out that these goals extend beyond developing a new artisan sales gallery. There are already many existing privately-owned commercial artisan sales outlets in the region. The definition of an “artisan center” used in this feasibility study assumes an expanded operation. This expanded operation may provide artisan exhibition, promotion, education, and other business resources. It may also include regional tourism promotion and other traveler services.

Oval Bowl: Gail Speidel



A variety of sources were used to identify existing regional artisan centers and other comparable facilities that share some of these pertinent characteristics. The sources include articles, travel websites, and online directories.

Additional attention has been given to every comparable facility that is both a hub for artisan activities and a visitor center for cultural tourists. Selected comparable facilities have been identified and described that:

- Benefit the region’s artisans, agri-artisans, and local economies through increased promotion and sales.
- Boost regional tourism by helping connect the artisans and cultural tourists.
- Promote the statewide identity of artisans and the brand of that state as an artisan destination.

Partners & Funding Sources

Operating Characteristics



1



2



3



4

2.1.1 Operating Characteristics

Selected operating characteristics for the comparable facilities are summarized below. As shown, a wide range of facilities has been examined. The proposed Awasaw Artisan Center in Rockbridge County has also been included.

Four of the existing comparable facilities have been in operation for more than 20 years. These are the Folk Art Center (1980), Illinois Artisans Shop (1985), Southern Illinois Art & Artisans Center (1990), and the Frog Hollow Vermont State Craft Center in Burlington (1991). This longevity is an indicator that the artisan center concept is economically feasible and viable.

Seven are administered by state governments, while the remaining three are administered by non-profit organizations. None are privately-owned and managed.

Exhibit 4: Selected Characteristics of Comparable Facilities

Name	Location	Administration	Year Opened	Total Size (square feet)
Existing:				
Illinois Artisans Shop	Chicago, IL	State Museum	1985	800
Center for Maine Craft	West Gardiner, ME	Non-Profit Organization	2008	2,500
Frog Hollow Vermont State Craft Center	Burlington, VT	Non-Profit Organization	1991	4,000
Appalachian Arts Center	Cedar Bluff, VA	State Community College	2006	4,000
Southern Illinois Art & Artisans Center	Rend Lake, IL	State Museum	1990	15,000
Artisan Center	Martinsville, VA	State Community College	2005	25,000
Kentucky Artisan Center	Berea, KY	State Authority	2003	26,000
Folk Art Center	Asheville, NC	Non-Profit Organization	1980	28,000
Heartwood	Abingdon, VA	State Foundation	2011	29,000
Tamarack	Beckley, WV	State Authority	1996	59,000
Previous:				
Artisans Center of Virginia	Waynesboro, VA	Non-Profit Organization	2000	5,000
Proposed:				
Proposed Awasaw Artisan Center	Rockbridge County, VA	For-Profit Company	---	24,000

Source: Individual facility; and Leisure Business Advisors LLC

1 Toad Urn: Susie Morgan Wilburn
2 Sculpture: Tanya Tyree
3: Stone Sculpture: Herb Harbark
4 Laguna Pendant: Nell Fredericksen

Partners &
Funding Sources

Economic Viability

2.1.2 Economic Viability Standard

HandMade in America is an Asheville-based regional organization that promotes the development of new artisan operations. One of its original guiding principles was that “all projects must fit into the operation of an ongoing institution or organization, or be financially self-sustaining.” Based on available financial information, all of the existing comparable facilities discussed in the case studies would meet this condition.

This standard has been used to define an “economically viable” facility for the Virginia Artisan Center Feasibility Study. This definition is broader than that typically used in financial feasibility studies for conventional for-profit businesses. The primary, if not sole, purpose of those endeavors is to provide a reasonable financial return-on-investment. That type of endeavor therefore not only need to be operationally self-sufficient, but also pay back its original development costs (often with interest) as well as provide profits to investors. A typical artisan sales gallery would follow this business model, and would therefore need to limit its operation to only those services that are profitable in order to stay financially stable.

Under the expanded definition of an “artisan center,” many services are provided that are not typically profitable in the conventional business sense. The benefits often extend beyond the confines of the artisan center and are therefore not directly captured by its operating financial statement. These positive benefits often include economic development, tourism promotion, and enhanced quality of life for regional residents. None of the existing comparable facilities discussed in the case studies would meet the conventional business requirement of financial profitability.



1 Heirloom Rug: Dana Ailer
2 Wild: Debra Dowden-Crockett



2.1.3 Resources Needed for Economic Viability

The past experience of the comparable facilities provides insights into the key attributes that typically determine success for the economic viability standard defined above. These insights are summarized below, based on the detailed case studies.

1) Artisan centers generally need non-profit organizations.

Almost all of the comparable facilities described in the case studies have non-profit organization involvement. Non-profit organizations were instrumental in developing the Folk Art Center in Asheville, the Center for Maine Craft, and the Frog Hollow Vermont State Craft Center. Non-profit organizations operate the artisan retail areas of the Appalachian Arts Center, the Artisan Center in Martinsville, and the Southern Illinois Art & Artisans Center. A non-profit organization was created to solicit donations to financially support Tamarack’s operations.

2) Regional artisan centers typically have government involvement.

All of the existing comparable facilities have some level of government involvement. The lowest level is the Frog Hollow Vermont State Craft Center, which only has state recognition as the official craft center.

Above this level are comparable facilities that pay no rent or a reduced rate for their physical space within a multi-use building. An example is the Folk Art Center in North Carolina. A non-profit organization (Southern Highland Craft Guild) jointly developed this comparable facility with the National Park Service and the Appalachian Regional Commission. The building is owned by the federal government. The non-profit organization operates the artisan aspects of the center and receives no ongoing government grants, but initially paid no rent or fees. Another examples is the Center for Maine Craft, which initially paid no rent for its space.

There is a higher level of government involvement for the stand-alone comparable facilities that are part of state-administered economic development initiatives. These include the Tamarack artisan center in West Virginia and the Kentucky Artisan Center.

3) The economic benefits of artisan centers justify involvement.

The Folk Art Center is located in western North Carolina. Economic development in this region was originally based on natural resources. In the 1950’s, the area’s economic growth shifted to low-wage, low-skill factory operators. The 1990’s saw the initial growth of heritage-based recreation businesses. At that time, arts and crafts were aggressively promoted by Handmade in America and other regional professional organizations. DESS Business Research prepared and evaluation of the economic impact of the craft industry within this region in 2008. It concluded:

The current estimated economic impact of the craft industry in western North Carolina on \$206.5 million represents an approximate \$84 million increase over the \$122 million economic impact originally computed in 1995. This turns out to be about a 69% increase. Assuming an average of 3% per year inflation rate over the last 12 years (36%) then the adjusted economic impact growth is about 33% or about 2.75% per year industry growth rate (adjusted for inflation). This increased economic impact is somewhat attributable to the increased size of the professional arts producers who have grown from 739 in 1995 to 2,200 presently, representing about a 198% increase over that time period.

The Center for Business and Economic Research (CBER) at Marshall University prepared a comprehensive economic impact study of Tamarack in West Virginia. CBER specifically evaluated the artisan center’s return on investment and concluded:

The Parkways Authority in FY 2008 invested approximately \$2.3 million in Tamarack. In return for this investment, the State of West Virginia received over \$400,000 in direct sales taxes, over \$1.4 million in other state and local taxes, and received a total economic return of \$18.6 million in increased output including \$5.9 million in wages for West Virginians...Its goal is to promote the state’s economic development by establishing and supporting a vibrant arts community. The goal has been and will continue to be met.

Partners & Funding Sources

Resources needed for economic viability

Partners & Funding Sources

Resources needed for economic viability

4) Artisan centers typically have multiple partnerships.

The initial driving force behind new artisan centers is often a non-profit organization. This was the situation for the Center for Maine Craft and Frog Hollow Vermont State Craft Center.

There is also a government partner typically involved. Because regional artisan centers serve more than a single city or county, the public partner is typically the state government. The exception for the comparable facilities is the Folk Art Center, which involves the National Park Service. Long-term economic viability for an artisan center is often bolstered by the strength of its government partner's involvement.

Educational institutions are also often partners. Two of the comparable facilities are off-campus extensions of Virginia community college education programs. Both are therefore examples of artisan centers that fit into the operation of an ongoing institution or organization. These are the Appalachian Arts Center and the Artisan Center in Martinsville.

5) Partners financially support specific physical areas of an artisan center.

Based on the experience of comparable facilities, the most effective approach for partnerships is to designate specific physical areas for each partner to operate and financially support. Such boundaries may be invisible to the typical visitor, who would likely see the artisan center as a single operation. For example, the Maine Tourism Association has operate the visitor information center portion of the Center for Maine Craft. Martinsville-Henry County Economic Development Corporation staff jointly operates the visitor center within the Artisan Center in Martinsville, while Patrick Henry Community College administers its educational program. The Kentucky Artisan Center also serves as a conventional traveler center, and receives state funding for that specific purpose. The nearby popular Greenbrier Resort operates the food service operation at Tamarack.

The Folk Art Center in North Carolina is the home of three separate partners that share the building. These are the Southern Highland Craft Guild (which operates the artisan retail area), the National Park Service, and Eastern National. Eastern National is a supporting non-profit organization that serves as the educational branch of the National Park Service.



Red Lamp: Charles Hall

2.2 Recommended Implementation Strategies

The following recommendations are based on the experience of comparable artisan centers elsewhere.

2.2.1 Governance Approach

The recommended approach is based on the experience of existing artisan centers elsewhere with long-term operation. It involves the following key governance aspects.

The state should develop the new artisan center.

Since the scope of the new artisan center extends beyond the local area, the Commonwealth of Virginia ‘should’ finance its development. The state should justify its investment as a combination economic development and workforce training initiative. This approach has been used in the past. In 2005, former Virginia Governor Mark Warner established the “Virginia Works” economic development initiative that included funding for regional artisan centers. One of these was planned in the Staunton area. That proposed center would serve as an artisan retail venue and tourism destination. It would attract visitors and then help direct them to other nearby artisan venues. The current concept also has these goals and a similar state initiative could be pursued.

A non-profit organization should operate the new artisan center.

Although the state should develop the new artisan center in Staunton, it should not be financially responsible for its ongoing operation. Functionally, the state should serve as the building’s landlord with a non-profit organization as its prime tenant. This shared responsibility approach has been used elsewhere. For example, the state of Maine constructed the building for the Center for Maine Craft and most of its interior physical improvements. A non-profit organization (the Maine Crafts Association) operates the artisan center and is financially responsible for its long-term viability. This non-profit organization initially paid no rent for the building space that is occupies. The same was true for the non-profit organization involved with the Folk Art Center in North Carolina that has operated for more than 30 years. It has been a role model for many other artisan centers elsewhere.



Partners &
Funding Sources

Implementation
Strategies

Back Bay: Jill Jensen

Long-term partnerships are firmly in place before construction begins.

Since strategic partnerships have proven to be a successful tool in operating artisan centers elsewhere, these should be established by the non-profit organization before construction begins. The exact nature of these partnerships vary depending on unique needs and opportunities. Potential partners include corporate sponsors, private foundations, educational institutions, and government agencies. Long-term contract services should be implemented beforehand in order to ensure future financial sustainability.

Partners &
Funding Sources

Implementation
Strategies

2.2.2 Organizational Approach

Based on the above recommended governance approach, the following operational arrangements should be implemented.

The Frontier Culture Museum should host the new artisan center.

Museums have benefited from artisan operations elsewhere. For example, an artisan shop moved to the Illinois State Museum in Springfield during 1996. The museum’s physical space was enlarged and upgraded as a result. In addition to the land, Virginia’s new artisan center could also lease existing facilities from the Frontier Culture Museum for temporary special events and functions. The two organizations could also produce shared programs.

The Artisans Center of Virginia organization should be the operator of the new artisan center.

This existing statewide non-profit organization currently develops and implements systems and strategies to improve economic outcomes for Virginia artisans and their communities while assisting them in promoting their local artisan culture. It maintains the Statewide Artisan Registry, identifying artisans in Virginia and the venues that serve them and the patrons, businesses and arts organizations that support them. Its Studio School program is a workforce development initiative that focuses on honing the vocational and trade skills of Virginia artisans while providing them with the business/entrepreneurial training needed to operate, market and sell their products and services. Its Artisan Trail Network offers a unique opportunity to form strategic alliances with artisans, venues, galleries and retailers across the state, while connecting points of interest, restaurants, and accommodation locations in the related communities in order to enhance regional tourism activity.

This non-profit organization should operate the new artisan center in Staunton. It would be responsible for establishing the selection process for artisan crafts and products to be sold at the center. This is typically done elsewhere through a juried selection process, and this organization already has Juried Virginia Artisan members. This organization would also coordinate exhibits, educational programs, and artisan network information systems at the new artisan center.



Partners would contract with this non-profit organization for educational and promotional services.

Typically, multiple partners provide operational and financial support at artisan centers. For example, the Frog Hollow Vermont State Craft Center has partnerships with area educational institutions, businesses, and organizations to raise awareness regarding artisan works, craft education, and appreciation. The Kentucky Artisan Center is the result of partnerships formed between the state and Eastern Kentucky University, the city of Berea, and Berea College. The Artisan Center in Martinsville is an enterprise partner with the Martinsville-Henry County Economic Development Corporation and jointly operates the visitor information area within the artisan center. The Maine Tourism Association has operated the visitor information area of the Center for Maine Craft.

Partners often financially support the artisan center in these types of joint efforts. This contract services approach has been assumed in the following financial analysis for the new artisan center since it has been shown to help support long-term financial sustainability. Dedicated funding should be provided for these types of services. These contracted funding sources could include corporate sponsorships of educational programs and exhibits that in return promote the sponsor. Revenues from these sources are included in the “Contributions & Grants” category in the financial pro forma for operations.

Wilde Horse III: Milenko Katic’

3 | FINANCIAL ANALYSIS

This section provides the financial analysis for the proposed new artisan center. Topics include earned income from visitors, the financial pro forma for operations, and potential sources of capital support.

3.1 Earned Income from Visitors

Typically, the highest potential operating revenue source at artisan centers is from retail sales. This includes gift shop sales, online sales, and the sales from special exhibits. The combined amounts are for gross sales less discounts.

Revenues from this source at selected existing artisan centers are shown below. Tamarack has both the highest annual attendance and highest per capita retail spending in comparison with the other artisan centers.

Retail per capita spending at these other artisan centers cluster in a relatively small range between \$5.30 and \$5.80. The median per capita amount is \$5.57, which was assumed for the first year of operation at the new artisan center.

“Earned income” is typically defined as income earned by providing goods or services. This includes retail sales, food service revenues, building rental, and special events. Food service revenues include food service operations and catering. Other revenues include fees from education programs directly provided by the artisan center, facility rentals, and ancillary services such as vending operation.

The following types of revenue do not qualify as earned income: undesignated, unrestricted or general operating grants; contributions from individuals; bequests; and sponsorships.

Potential per capita food service and other spending amounts are based on the financial performance of comparable artisan centers. All per capita spending amounts are assumed to increase two percent annually due to inflation. Total potential earned income from visitors increases from approximately \$375,000 in the first year of operation to over \$525,000 by the fifth year, mainly due to the expected growth in annual attendance.

Financial Analysis

Earned Income

Exhibit 5: Retail Per Capita Spending for Selected Comparable Facilities

Name	Location	Year	Retail Sales Revenues	Reported Annual Attendance	Estimated Per Capita Retail Spending
Tamarack	Beckley, WV	FY2007-8	\$3,799,000	500,000	\$7.60
Folk Art Center	Asheville, NC	2010	\$1,433,000	250,000	\$5.73
Kentucky Artisan Center	Berea, KY	FY2011-12	\$1,365,000	252,000	\$5.42
Center for Maine Craft	West Gardiner, ME	2010	\$538,000	100,000	\$5.38
Median					\$5.57

Source: Individual facility; and Leisure Business Advisors LLC



Grasp the Pebble My Son:
Sarah EK Muse

Financial Analysis

Earned Income

Exhibit 6: Potential Earned Income from Visitors for the New Artisan Center

Factor	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Attendance	54,300	61,900	68,800	69,300	69,800
Per Capita Spending:					
Retail Sales ^{1/}	\$5.57	\$5.69	\$5.80	\$5.92	\$6.04
Food Service ^{2/}	\$1.11	\$1.14	\$1.16	\$1.18	\$1.21
Other ^{3/}	<u>\$0.28</u>	<u>\$0.28</u>	<u>\$0.29</u>	<u>\$0.30</u>	<u>\$0.30</u>
Total	\$6.96	\$7.11	\$7.25	\$7.40	\$7.55
Earned Income from Visitors:					
Retail Sales	\$302,686	\$352,211	\$399,040	\$410,256	\$421,592
Food Service	\$60,273	\$70,566	\$79,808	\$81,774	\$84,458
Other	<u>\$15,204</u>	<u>\$17,332</u>	<u>\$19,952</u>	<u>\$20,790</u>	<u>\$20,940</u>
Total	\$378,163	\$440,109	\$498,800	\$512,820	\$526,990

^{1/} Based on the experience of comparable facilities (see Exhibit 5).
^{2/} Based on food service financial performance at Kentucky Artisan Center.
^{3/} Includes education program fees and facility rentals. Based on the Center for Maine Craft.

Source: Leisure Business Advisors LLC.



A Little Bit 'o Bling: Jo Perez

3.2 Financial Pro Forma for Operations

The operating pro forma for the new artisan center is based on the assumptions discussed earlier and the experience of comparable facilities. Potential revenues combine earned income with other funding sources. The “Contributions & Grants” category includes corporate sponsorships, private contributions, contracted services, and grants for specific efforts. It also includes the revenue provided by partners for the aspects of the artisan center that these partners are financially responsible for operating.

Personnel expenses include all salaries, taxes and benefits for managers and other employees. Marketing expenses include the direct cost of purchasing media advertising. This expense category also includes all public relations costs and promotional events. It excludes personnel costs for these functions. The utilities expense category includes the cost of heat, electricity, gas, water, sewer, and telephones. Insurance expenses include those related to the building and operations, but exclude the cost of employment-related health insurance. Other expenses include those for information technology, supplies, postage, and equipment rental.

As discussed previously, other artisan centers have operated on a long-term basis by taking advantage of partnership opportunities. If such an approach is successfully used by the new artisan center, it can operate on a financially sustainable basis.



Exhibit 7: Potential Operating Income and Expenses for the New Artisan Center

Factor	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenues:					
Earned Income from Visitors	\$378,163	\$440,109	\$498,800	\$512,820	\$526,990
Sponsorships and Grants	<u>\$140,819</u>	<u>\$163,317</u>	<u>\$191,545</u>	<u>\$196,914</u>	<u>\$202,340</u>
Total	\$518,982	\$603,426	\$690,345	\$709,734	\$729,330
Operating Expenses:					
Personnel Costs	\$225,358	\$261,808	\$301,199	\$309,721	\$318,168
Retail Cost of Sales	\$166,477	\$193,716	\$219,472	\$225,641	\$231,876
Marketing	\$21,144	\$24,564	\$28,260	\$29,059	\$29,852
Utilities	\$21,044	\$24,448	\$28,127	\$28,922	\$29,711
Food Service Cost of Sales	\$21,096	\$24,698	\$27,933	\$28,621	\$29,560
Insurance	\$17,797	\$20,675	\$23,786	\$24,459	\$25,126
Bank & Credit Card Fees	\$12,262	\$14,245	\$16,389	\$16,852	\$17,312
Repairs & Maintenance	\$11,997	\$13,937	\$16,034	\$16,488	\$16,938
Other	<u>\$21,807</u>	<u>\$25,335</u>	<u>\$29,145</u>	<u>\$29,971</u>	<u>\$30,787</u>
Total	\$518,982	\$603,426	\$690,345	\$709,734	\$729,330

Source: Leisure Business Advisors LLC.

Financial Analysis

Pro Forma Statement

Hanging Shark: Ninni Baeckstrom

Financial Analysis

Capital Support

3.3 Potential Sources of Capital Support

Based on the experience of comparable artisan centers, likely potential sources of capital support for the new artisan center are:

- Government grants and allocations, particularly from the Commonwealth of Virginia.
- Sponsorship opportunities, particularly from prominent companies in the region.
- Private foundations, particularly those that support economic development and the arts.



1 Horses: Paula Brown Steedly
2 Three Throat Arch: Kevin Crowe

2



1

3.4 Capital Budget

Financial Analysis

Capital Budget

Summary of Project Costs	Phase 1	Phase 2
1. Phase 1: New Construction of Artisan Center Building: 15,000 SF @ \$ 250 /SF	\$3,750,000	
2. Phase 2: New Construction of Artisan Center Building: 10,000 SF @ \$ 250 /SF		\$2,500,000
3. General Site Development Allowance <i>Includes grading, utilities, access areas, parking, sidewalks, plantings, etc.</i>	\$375,000	\$100,000
Construction Subtotal:	\$4,125,000	\$2,600,000
4. Soft Costs @ Approximately 30% of Construction <i>Includes project management, architectural and engineering fees, permits, insurance, bidding, testing during construction, special consultants for lighting, acoustics, security systems, and environmental controls, reimbursable expenses, furnishings, and equipment.</i>	\$1,240,000	\$780,000
Project Subtotal:	\$5,365,000	\$3,380,000
5. Design and Construction Contingency @ approximately 10% of Project Subtotal	\$537,000	\$338,000
6. Museum In-Kind Equity (site, parking, infrastructure, shared venues)	\$2,000,000	
Total Project Budget in 2014 Dollars:	\$7,902,000	\$3,718,000



H| ***NEXT STEPS***



Upon approval of this Comprehensive Master Plan by the Frontier Culture Museum and the Artisan Center Management Team, the Planning Team recommends the following next steps.

1. Hold public announcement of the report's findings and recommendations. This could be in the form of public meetings, press releases and/or displays (at the Frontier Culture Museum, for example).
2. Agree on the role of Artisans Center of Virginia to operate the proposed artisan center.
3. Approve Frontier Culture Museum site location.
4. Conduct the statewide artisan industry economic impact study for which Artisans Center of Virginia has engaged Chmura Economics & Analytics, the Virginia Tourism Corporation and 'Round the Mountain to implement.
5. Seek out partnerships with supporting institutions and corporations.
6. Generate public support and support from Virginia's Governor and its Legislature.
7. Obtain public/private funding for Capital Costs.
8. Contract with architectural, engineering and construction firms to implement the project.



I | *APPENDIX*

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Comparable Facilities

1 | COMPARABLE FACILITIES

This section presents the experience of three comparable facilities not included in the body of the Comprehensive Master Plan. Topics include summary characteristics and individual case studies.

1.1 Summary Characteristics

Selected characteristics are summarized below. As shown, a wide range of comparable facilities have been examined. Case studies are presented for each of these, generally proceeding from the smallest to the largest. The proposed Awasaw Artisan Center in Rockbridge County has also been included.

Four of the existing comparable facilities have been in operation for more than 20 years. Seven are administered by state governments, while the remaining three are administered by non-profit organizations.

HandMade in America is an Asheville-based regional organization that promotes the development of new artisan operations. One of its original guiding principles was that “all projects must fit into the operation of an ongoing institution or organization, or be financially self-sustaining.” Based on available financial information, all of the existing comparable facilities below would meet this condition.

Exhibit 1: Selected Characteristics of Comparable Facilities

Name	Location	Administration	Year Opened	Total Size (square feet)
Existing:				
Illinois Artisans Shop	Chicago, IL	State Museum	1985	800
Center for Maine Craft	West Gardiner, ME	Non-Profit Organization	2008	2,500
Frog Hollow Vermont State Craft Center	Burlington, VT	Non-Profit Organization	1991	4,000
Appalachian Arts Center	Cedar Bluff, VA	State Community College	2006	4,000
Southern Illinois Art & Artisans Center	Rend Lake, IL	State Museum	1990	15,000
Artisan Center	Martinsville, VA	State Community College	2005	25,000
Kentucky Artisan Center	Berea, KY	State Authority	2003	26,000
Folk Art Center	Asheville, NC	Non-Profit Organization	1980	28,000
Heartwood	Abingdon, VA	State Foundation	2011	29,000
Tamarack	Beckley, WV	State Authority	1996	59,000
Previous:				
Artisans Center of Virginia	Waynesboro, VA	Non-Profit Organization	2000	5,000
Proposed:				
Proposed Awasaw Artisan Center	Rockbridge County, VA	For-Profit Company	---	24,000

Source: Individual facility; and Leisure Business Advisors LLC

Comparable Facilities

1.2 Center for Maine Craft
West Gardiner, Maine

The 2,500 square-foot Center for Maine Craft offers a retail gallery and an exhibition gallery, which together represents more than 200 Maine craft artisans annually. It also provides special exhibitions, demonstrations, showcase events, and cultural tourism information. It opened in 2008.

It is the first statewide enterprise of its kind to represent Maine craft artisans in all mediums. Artisans can choose whether to have their work purchased wholesale, or they can put their work in on consignment in which case they receive about 60% of the retail price when the work sells.

The decor in the Center also comes from state artisans. They built the display cases and took the wall-sized digital photographs that illustrate the process of craft-making. The Bangor Daily News observed that “it has the feel of a high-end museum store.” A participating artisan described the Center as “a gorgeous gallery.” It was modeled after the Folk Art Center in Asheville and Tamarack in West Virginia, both described later in this report.

The Center has 2,000 square feet dedicated for artisan work and a 500 square-foot area that can be used more generally for Maine tourism promotion. Near one of the doors, there is a display of tourism brochures featuring cultural opportunities for travelers and information about individual artisans. The Maine Tourism Association has operated the visitor information center portion of the facility

The Center is located within the West Gardiner Service Plaza and Truck Parking complex, which was a joint project of the Maine Turnpike Authority and the Maine Department of Transportation (MaineDOT). This service plaza is next to the Maine Turnpike and Interstate 295 (I-295). It has a mix of food and retail tenants, including Burger King, Hershey’s Ice Cream, Quiznos Sub, Starbucks Coffee and a convenience store. The Center for Maine Craft occupies a large interior space within the service plaza building, and many visitors choose it as their main destination within the plaza. During the initial winter months, about 85% of the Center’s visitors made specific trips to the store, rather than stumbling upon it during a rest stop. More than 30,000 vehicles a day pass this service plaza / rest area location.

The Maine Crafts Association is a nonprofit organization that operates the Center as an effort to support Maine artisans and organizations mainly through retail sales in a high traffic location. The Center is also a base for visitors to learn

Exhibit 2: Exterior and Interior View of Center for Maine Craft



Source: Gordon Chibroski and Maine Tourism Association.

Comparable Facilities

about Maine-made products and the significant role craft artisans play in Maine's culture, economy and heritage. The Center encourages visits to artisan studios and galleries throughout the state. It also promotes Maine's craft education institutions. Artisans do not need to be members of the association to apply, but they must join it to be included in exhibitions.

Reported attendance is more than 100,000 annually. Gross retail sales exceeded \$300,000 by the end of the first year of operation of the Center and grew to more than \$500,000 by 2011. The association had a three-year break even plan. The Center's earned revenue provides about 70% of the association's operating budget to support the educational programs and artisan services of the association. It received no government grants in 2011.

The Center for Maine Craft was created through the collaborative efforts of Maine's craft organizations. In early 2006, these organizations came together to form the Maine Craft Organizations Consortium after realizing that by working together on a set of defined projects they could better advance their own individual missions.

The Maine Crafts Association and the Maine Highlands Guild brought these nine members of the Consortium together and provided staff support. Those two organizations later merged to become a larger Maine Crafts Association. Other smaller, regional craft organizations participated with the consortium through membership in that association. Other Consortium members became advisors to the new Maine Crafts Association's board. State leaders supported this collaborative effort.

The consortium began discussing collaborating on a specific project that would benefit craft organizations and artisans in Maine. These discussions resulted in the decision to begin developing the new Center for Maine Craft.

Leaders of the consortium then met with Governor John Baldacci to lay out for him what they wanted to achieve. The governor expressed particular interest in the new center, because it would provide a highly visible retail venue for Maine craftwork. The Governor suggested that the group approach the Maine Turnpike Authority with the idea that they include such a center within a new highway service plaza they were then planning to build in West Gardiner. That site was appealing because it provided high visibility among tourists and residents. The Authority wanted to attract additional visitors to the service plaza and changed its design so that the Center could be on the front of the service plaza.

The Authority built the Center for \$1.2 million. The craft association raised another \$300,000 from various state and federal departments, foundations, companies and individuals for pre-opening costs. The non-profit organization leases the facility from the Authority for a dollar a year. The original lease was for five years.

Craft businesses were officially recognized as economically viable and worthy of support in a decree from the State of Maine Legislature in April 2007. The Center opened in 2008. The association later opened two temporary "pop-up" craft stores during the Christmas season at the Maine Mall and the Bangor Mall.

Comparable Facilities

1.3 Heartwood, Southwest Virginia's Artisan Gateway Abingdon, Virginia

Heartwood is approximately 29,000 square feet in size, and is located near Interstate 81 (I-81) Exit 14. Its main building is visible from the highway.

It showcases Southwest Virginia's craft, music and food offerings. It strives to be a convenient stop for unique shopping and dining, as well as a gateway to the region. During its planning, the following goals were identified:

- Provide a retail venue for artisans throughout Southwest Virginia.
- Provide a range of quality artisan products in both price and medium.
- Provide opportunities for exhibits of artisanship and demonstrations.
- Serve as a central resource on other regional artisans and cultural venues.
- Serve as a general tourist / visitor center.
- Include visitor amenities.

The building was designed to be reminiscent of a turn of the century Gambrel Barn. Its look drew inspiration from the region with the goal to be different, but familiar. An exterior view is shown below.

The building features four artisan galleries, where floor-to-ceiling story panels are the most prominent features, blending museum-like displays with juried crafts that are for sale. Wendy Rosen, editor of American Style magazine, wrote that Heartwood was convenient to Interstate 81. "You can get something to eat and do some great shopping as well." She suggested checking out the walking sticks, fiber art and furniture, which only large stores such as Heartwood have the space to carry.

Another gallery features music from the region, with a space for jam sessions. There is also a centrally located performance venue. Each locality participating in this regional effort is given specific days each year to use that space to showcase its local music.

A wall-sized touch-screen in the entryway can be used for trip planning. Visitors can plan their trips on regional artisan trails that identify nearby artisan studios, craft venues, galleries, and educational facilities. Visitors can also access information on where to stay in the area, where to dine, and local attractions based on their interests. On the other side of the

Exhibit 3: Exterior View of Heartwood



Source: Heartwood.

information desk at the entrance is a tree of videos, telling stories about the region. This information includes video profiles and stories of people, places and activities in Southwest Virginia.

The region's local food and wine are featured in Heartwood's restaurant, as well as its wine and coffee bar. Local coffee, wine, jams, and jellies are also available for purchase in the retail area.

Artisans who sell their work at Heartwood are members of 'Round the Mountain: Southwest Virginia's Artisan Network. They are selected through a jurying process.

In 2010, Virginia's General Assembly created the Southwest Virginia Cultural Heritage Foundation for regional economic development, largely through the promotion of organizations and activities that increase tourism and other asset based enterprises. This includes Heartwood, which strives to catalyze the economic development and restructuring of the region by improving the capacity of local artisans to create, market, and sell their crafts.

People Incorporated of Virginia is the developer and owner of Heartwood. It is one of Virginia's largest community action agencies, with the mission to provide opportunities for low-income residents in the region. That organization entered into an agreement with the Foundation to oversee the construction of the Center. Upon completion of construction, that organization assumed ownership of the building and its improvements. It has a 30-year lease with the Foundation on the building and its 8-acre tract of land.

Comparable Facilities

Friends of Southwest Virginia is the non-profit organization that manages revenues, gifts, and grants for Heartwood. Guest Services, Inc. operates its food service.

Heartwood received capital funding from the Commonwealth of Virginia, the Virginia Tobacco Commission, the Appalachian Regional Commission, the Town of Abingdon, Washington County and other localities within the region. Funding totaled \$17 million, with the Tobacco Commission providing more than \$10 million. The value of the building upon completion was approximately \$12.9 million.

Heartwood opened in July 2011, and is currently beginning its third year of operation. By the end of its third year of operation, the Center was projected to draw approximately 269,000 annual visitors and generate \$2.2 million annually in arts & crafts and food & beverage sales. Initial planning began in 2004 and the project broke ground in August 2009.

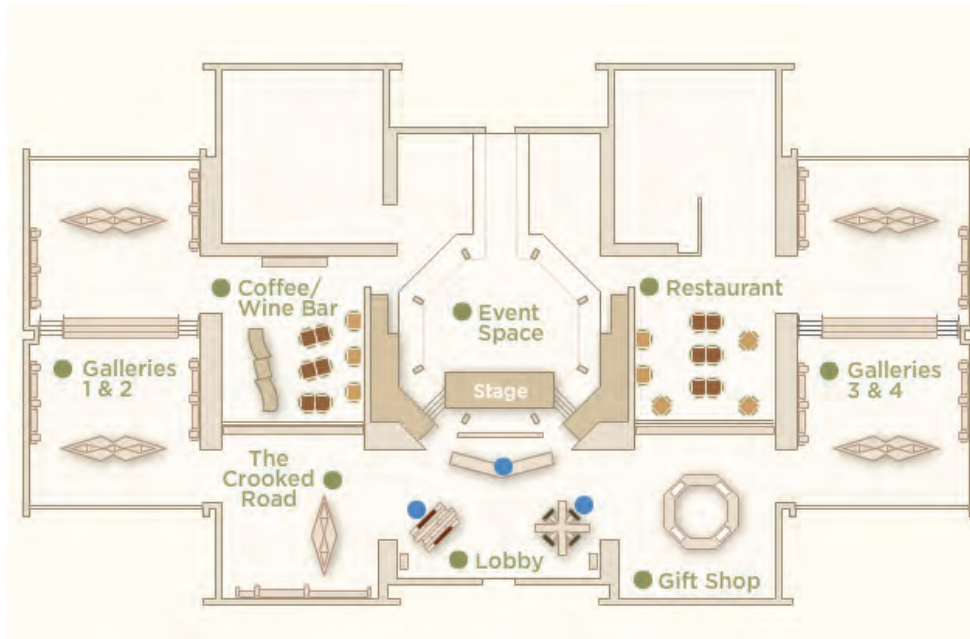
Exhibit 4: Interior View of Heartwood



Source: Heartwood

VernerJohnson | MUSEUM ARCHITECTS & PLANNERS

Exhibit 5: Heartwood Plan



Source: Heartwood

Comparable Facilities

1.4 Appalachian Arts Center
Cedar Bluff, Virginia

Part of Southwest Virginia Community College, this center is a 4,000 square-foot combined gallery, marketplace and educational facility. The Center is divided into seven small gallery spaces devoted exclusively to the exhibition and sale of work created by local craftspeople, artists, student apprentices, authors and musicians. A large exhibition area showcases regional artisans. A variety of educational demonstrations, artisan talks, professional development workshops, and craft courses are offered.

Southwest Virginia Community College undertook the creation of the Appalachian Arts Center as one possible means of improving the region’s economy by providing an outlet that would supplement income to artisans in the college’s service area by means of creating a destination for tourists traveling throughout the region. The Center is also a hub where members of the community can routinely gather for art openings, educational workshops, and classes, gaining insight into the creative process, connect with one another, share and carry forward traditions, and discover opportunity through education.

Its retail gallery has featured the work of over 180 artisans in a wide range of media from within a 100-mile radius of the Center. Artisans selling their work through the Center receive 70% of the retail price, which is handled by the college’s non-profit organization (Southwest Virginia Community College Educational Foundation). Based on that organization’s reported net revenue for FY2011-2 , gross artisan retail sales are estimated to be approximately \$50,000 annually.

The building was formerly a general store and community gathering place. The college acquired it in 1988, renovated it, and opened it as the Appalachian Arts Center in 2006.

The Arts and Crafts Production Certificate offers preparation for careers in craft shops, galleries, commercial design, and self employment in the arts. Each semester, about 80 to 100 students enroll in classes, with 10 to 15 pursuing a degree.

Exhibit 6: Exterior View of Appalachian Arts Center



Source: Appalachian Arts Center.

Comparable Facilities

1.5 Artisan Center Martinsville, Virginia

The Artisan Center is a program of Patrick Henry Community College and an affiliate of The Artisans Center of Virginia non-profit organization. Its studio school is a Workforce Development initiative that focuses on honing the vocational and trade skills of Virginia artisans while providing them with the business and entrepreneurial training needed to operate, market, and sell their products and services. It offers workshops and certificates of study in fine woodworking, glass art, fiber art, jewelry fabrication, and pottery.

The 25,000 square-foot facility also features an artisan retail shop, six artisan laboratory classrooms, a conference / meeting area, artisan studios, a fully equipped industrial kitchen used for culinary arts programs, and the Martinsville-Henry County Visitor Center.

Artwork is sold on a consignment basis, with the artisan receiving 70% of the retail price (excluding sales tax) and the Patrick Henry Community College Foundation retaining 30% as a commission.

The college opened the artisan center in 2005 to showcase local and regional artisans' crafts in an effort to promote economic development and tourism in the area. It is an enterprise partner with the Martinsville-Henry County Economic Development Corporation (EDC). In 2007, the Martinsville - Henry County Visitor Center opened within the artisan center in 2007. EDC and Artisan Center staff jointly operate the visitor center.

Renovations and upgrades to the gallery / visitor center facilities were completed in 2010. A partnership between the Center and The Artisans Center of Virginia organization was formed in 2012.

PHCC is a member of the CraftNet initiative, an international network of fourteen colleges that work together to strengthen education, training programs, and services for creative-based enterprises.

Exhibit 7: Front View of the Artisan Center in Martinsville



Source: *Henry County Virginia Living*.

Comparable Facilities

1.6 Former Artisans Center of Virginia
Waynesboro, Virginia

The Artisans Center of Virginia in Waynesboro was a former gallery at multiple locations within the City of Waynesboro. The Center was operated by the non-profit organization of the same name, and varied in size between 4,000 and 5,000 square feet depending on the specific location within the city.

The effort to develop the artisan center began in 1987, when then Governor Gerald Baliles included the statement “enhancement of the craft industry” in a set of directives to state agencies. Afterwards, a craft task force was formed to study and propose solutions to the needs of Virginia’s craft artisans.

In 1991, the Virginia Artisan Business Development Association was formed, which was focused primarily on business programs for its members. Its members voted in 1994 to broaden its mission to “promote Virginia artisans.” In 1995, that association incorporated as a non-profit organization with the name “Association of Virginia Artisans” (AVA). That organization established its statewide headquarters in Waynesboro during 1996, which featured a gallery for juried members work and space for classes. AVA chose Waynesboro for its headquarters because the town is situated at the base of the Blue Ridge Mountains, at the junction of the Blue Ridge Parkway and Skyline Drive, near two major interstate highways (I-81 and I-64), and geographically being approximately the center of the state. The organization therefore felt it could best serve the interests of its membership from this location.

Another important reason for choosing Waynesboro was the city’s broad-based community support for the organization’s programs. AVA’s long range plan was to create a 50,000 square-foot state-of-the-art statewide craft center to house its educational programs, museum, research center and retail gallery. Its operation in Waynesboro was intended to serve as a “campaign headquarters” and model for the early stages of this long-range plan and demonstrate the association’s commitment to the viability of the future craft center.

In February 1996, AVA’s Waynesboro steering committee visited the Folk Art Center in Asheville, which is described later in this report. They were impressed when they learned that the non-profit organization involved with that operation derived 80% of its income, (\$1.2 million in 1995), from sales of members’ work at its retail operations.

Exhibit 8: Exterior View of Former Artisans Center of Virginia Building



Source: Ben Schumin.

In 1997, AVA conducted a survey of 227 artisans. In that survey, respondents were asked to give percentage weight to certain possible aspects of a “Virginia State Artisan Center.” The results were presented in its Economic Report on Virginia Artisans later that year. The top aspects weights were a Sales Gallery (47%), Exhibit Area (17%), Educational Center (13%), Data Base (10%), Craft Museum (7%), and Research Center (6%). The report noted that:

“Sales are complementary to all of the other functions of the Center. Availability and display of craft educates the public about the positive benefits gained from utilizing craft products and services in personal and professional environments. Other areas of the artisan center will serve to reinforce the direct promotion of crafts. Likewise, the display and exhibits of craft stimulates interest in the historical and cultural importance of craft to the Commonwealth.”

Comparable Facilities

In 1997 the Artisans Center of Virginia (ACV) non-profit organization was incorporated. The following year, the AVA Board passed a resolution stating that “the Artisan Center of Virginia is working in partnership with the Association of Virginia Artisans to establish and operate a statewide artisan center in Waynesboro dedicated to the work of Virginia artisans in order to provide education and to preserve and perpetuate a strong awareness of craft and its cultural contribution.” The ACV Board voted in 1999 to negotiate a contract for a temporary site for the artisan center while it continued pursuing its larger artisan center plan.

The Virginia Artisans Center located in the City of Waynesboro was designated by the Commonwealth of Virginia as its official state “artisans center” in 2000. The Center, however, did not receive state funding at that time. The Cultural Facilities Bond Referendum Act (with \$1 million for the Center) was not passed that year. The organization then tried to pursue funding through its own separate legislative bill. In the meantime, it continued developing the first temporary location.

ACV opened this 4,000 square-foot retail and exhibition gallery in June 2000 at the Waynesboro Village shopping center. It featured traditional and contemporary craftworks from over 130 Virginia artisans. For quality assurance, artisans desiring to exhibit and sell their crafts in the gallery had to pass a jury process. The gallery was operated on a consignment basis, with 60% of the sale price going to the artisan and 40% to the non-profit organization. All proceeds from the gallery were used to fund the overall activities of the Center, supporting the educational, exhibit, and research endeavors of the non-profit organization.

The Center also presented five to seven statewide or national exhibits per year, and eight to ten featured artisan exhibits. Educational programming began in 2001. Artisan studio classes were offered to the public and to those wanting to improve their crafting skills. The classes were instructed by professional and juried artisans. The outreach program provided a series of instructional workshops in elementary and secondary schools in local communities with experiential and observational opportunities for children.

During the 2000 to 2006 period, the artisan center would move from one building within the Waynesboro Village shopping center to another. During the same time, the shopping center’s operation was apparently in decline. It originally opened in 1987 as the “Waynesboro Outlet Village” with nearly full occupancy. By 2006, however, it only had five retail stores and a small

number of non-traditional tenants. It closed that year and was later replaced by a new shopping center. At that time, the artisan center temporarily moved to the Willow Oak Plaza shopping center that was located further away from the highway while it looked at options for a permanent headquarters.

Even in this difficult market environment, retail sales at the artisan center had grown over time. According to tax returns filed by the non-profit organization, annual gross retail sales increased from approximately \$190,000 in FY2001-2 to almost \$290,000 in FY2007-8. It also reported in 2008 that about 40% of its sales were generated by out-of-state visitors and that less than 10% came from local residents. At that time, attendance was reported to be 20,000 annually, with more than 60% coming from outside a 50-mile radius of the city. This included 8,000 from outside Virginia.

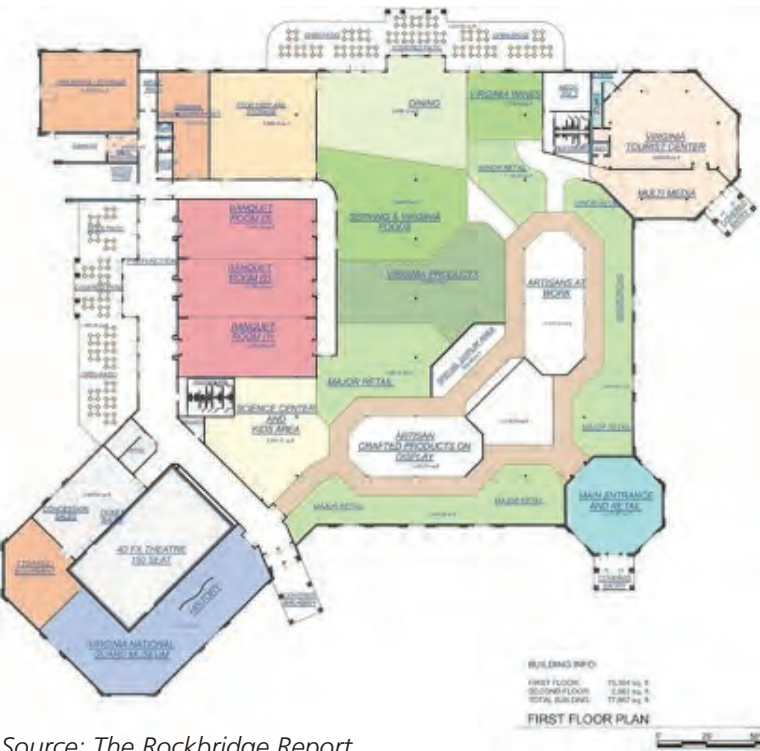
During FY2008, retail sales constituted approximately 61% of the total income of the Center and outside support provided around 30%. Government support had a share of nearly 57% in the amount of total support. Around 21% of the support was received from the Alleghany Craft Network, which was a project of the Center that was supported by the Virginia Department of Housing and Community Development.

The turning point apparently occurred during the 2008-9 fiscal year. The Great Recession would have its sharpest impact nationwide at that same time. In February 2009, the Augusta Free Press reported that The Artisans Center of Virginia would be implementing a temporary closing strategy because of slowing sales. It did not re-open. The non-profit organization announced on its website at that time:

“Because of the global economic downturn, ACV’s business model has very suddenly shifted from one where the gallery’s net revenue supported its operational costs to one where the gallery has necessitated private support to maintain operations. To more effectively and proactively utilize donor dollars, the Board of Trustees has chosen to reallocate scarce resources to activities that best fulfill the organization’s core mission. These include the development of craft trail networks to bring outside sales revenue into rural communities, an expanded web presence, increased educational and outreach programming, and exploration of partnerships with businesses to expand opportunities for artisan entrepreneurs.”

Comparable Facilities

Exhibit 9: First Floor Plan for Proposed Awasaw Center in Rockbridge County



Source: The Rockbridge Report.

2.12 Proposed Awasaw Artisan Center Rockbridge County, Virginia

This planned 24,000 square foot regional artisan and cultural center would be located on eight acres at the Raphine interchange off Interstate 81/64 at exit 205 in northern Rockbridge County.

The goal of the proposed Awasaw Artisan Center is to provide travelers an affordable, enjoyable, memorable cultural and culinary experience of the Shenandoah Valley, thereby supporting and promoting local industries such as farmers, wine makers, artists, and other craftspeople. Its concept claims to be similar to the Heartwood and Tamarack artisan centers, described earlier in this report. Planned development costs total approximately \$11 million. The layout of first floor indoor activities is shown at right.

Current components include:

- Artisan demonstration area showcasing handcrafts such as weaving and fiber arts
- Virginia arts and crafts retail center
- Virginia National Guard Museum
- High-tech tourist information center
- “Taste of Virginia” culinary experience
- Virginia-made food and wine shop
- Frozen dessert parlor
- Food court featuring seasonal foods prepared in the Southern tradition
- “Experience Virginia” plasma-screen theater
- Family-friendly experiential science exhibit
- Space to host public and private events.

The Center may also offer live music, nature trails, and other outdoor experiences. There would be parking for 15 buses and recreational vehicles, and over 200 cars. The investor group forecasts that the new Center could attract as many as 500,000 travelers annually once the facility is completed and widely publicized.

Longtime Rockbridge County businessman and former Supervisor

Robert “Bobby” Berkstresser issued a press release about the project on January 23, 2013. At that time, he announced that his Shenandoah Valley investment group, known as AWASAW Partners LLC, were finalizing plans for the Center and that it was expected to open in the summer 2014.

According to Rockbridge County’s Office of Community Development, the project is being developed as a public-private partnership. An administrative assistant for that department said backers were going to apply for grants to help with the initial construction costs. The eight acres would need to be rezoned from an industrial to a business zoning. Besides Berkstresser, the other investors are Gordon Barlow, Gen. Ted Shuey, Thomas Simons, Teresa Haggerty, T.J. Wright, Robert Hubbard, Mack Wyatt, James Putrese, and Guest Services Inc., a hospitality and management service company based out of Fairfax. Berkstresser said investors are still exploring financing.

According to the press release, officials and experts from around the Commonwealth of Virginia and within Rockbridge County participated in a three-year study to decide if such an artisan center would dovetail well with state and local environmental, economic, and tourism plans. State officials in the community development, transportation, and tourism fields have pledged to support the Center with marketing and signage initiatives and with inclusion on the Virginia Artisan Trail, which is currently in development.

On April 15th, the Central Shenandoah Planning District Commission was told that the investment partners were finalizing plans for the Center. There have been no public announcements since that date.

2 | MARKET ANALYSIS

Market Analysis

This section presents the market analysis. Topics include the resident market, tourist market, area attractions, market performance of comparable facilities, and attendance projections.

2.1 Resident Market

The geographic region covered by this consulting project is shown below. This region includes the counties (Albemarle, Alleghany, Augusta, Bath, Craig, Highland, Nelson, Page, Rockbridge, Rockingham, Shenandoah) and independent cities (Buena Vista, Charlottesville, Covington, Harrisonburg, Lexington, Staunton, Waynesboro) within this area.

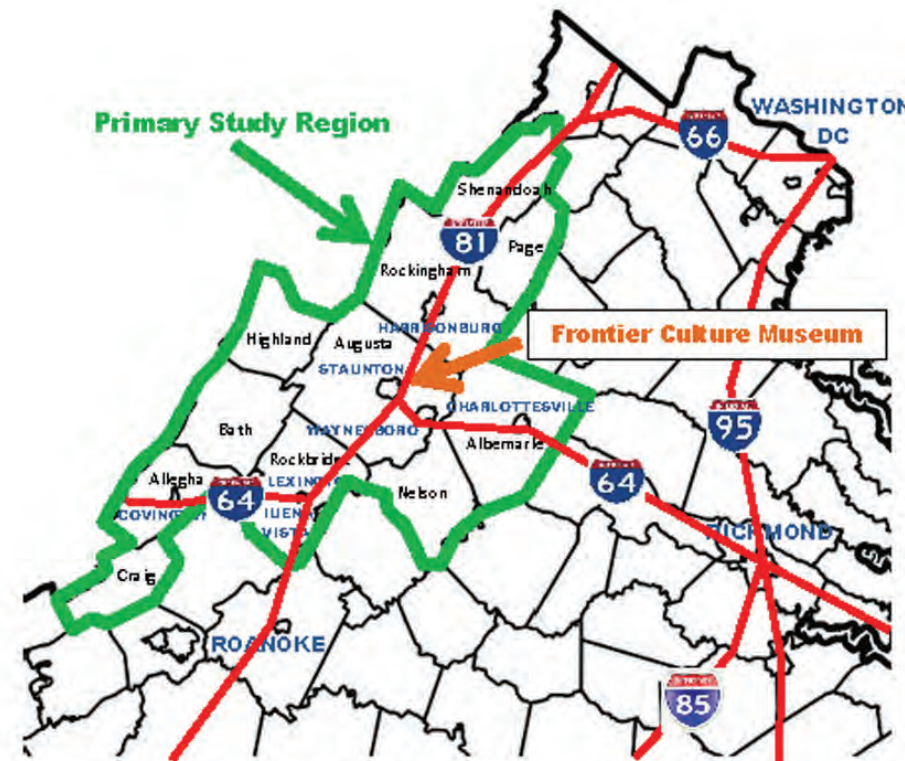
Since a specific site has not yet been selected, the Frontier Culture Museum's location has been used as the potential site for this market analysis. It is centrally located within the primary study region and is at the intersection of Interstate 81 and Interstate 64.

The market-related experience of comparable facilities provides guidance on specifically defining the resident market. According to a past survey, approximately 8% of Tamarack visitors travelled less than 25 miles. The former Artisans Center of Virginia in Waynesboro once reported that less than 40% of its sales were generated by customers coming from within a 50-mile radius of the city.

The general resident market is therefore defined as the area within 50 miles from the potential site at the Frontier Culture Museum. This market is further divided into a smaller market ring to account for decreased use as distance increases. Market rings for 25 and 50 miles are shown below

The primary resident market area (0 to 25 miles) includes Staunton, Waynesboro, and most of Harrisonburg. The secondary area (25 to 50 miles) adds Lexington, Charlottesville and parts of Lynchburg.

Exhibit 1: Primary Study Region

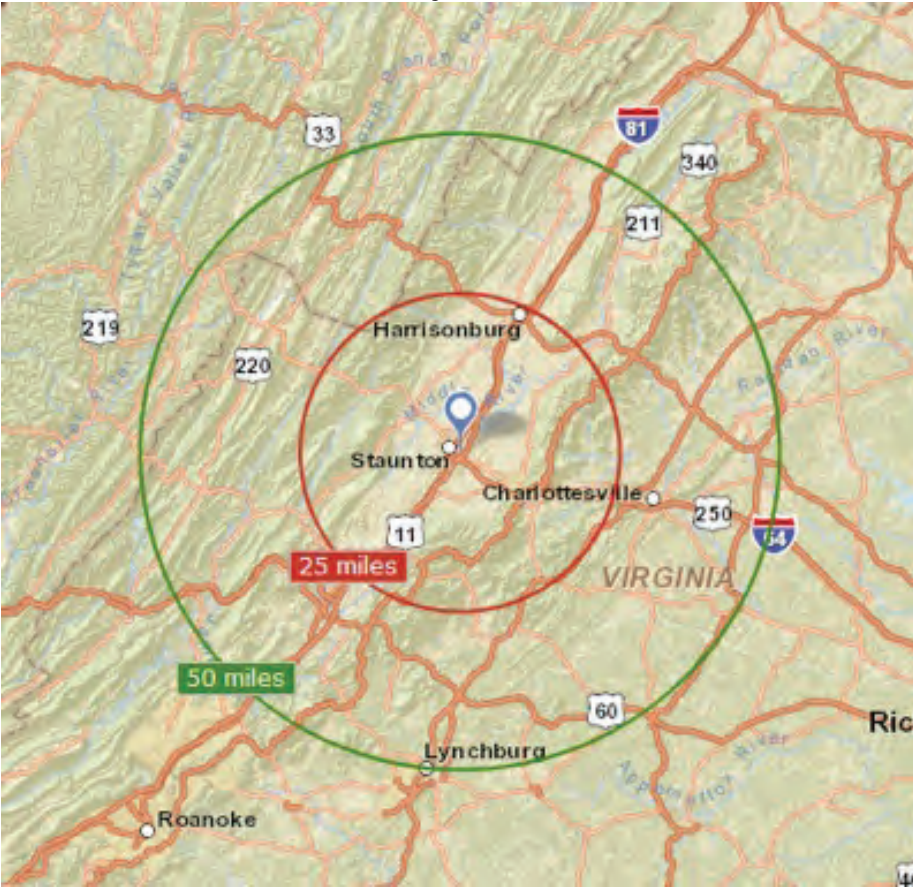


Source: Virginia Artisan Center Feasibility Study Request for Qualifications (RFQ).

Market Analysis

The Virginia Tourism Corporation defines tourists as those traveling more than 50 miles. Outside the resident market but within the day-trip tourist market, are the cities of Roanoke, Blacksburg, Winchester, Fredericksburg, and Richmond.

Exhibit 2: Resident Market Areas by Distance



Source: ESRI Business Information Solutions.

2.1.1 Size and Growth

Resident market size and growth are examined at right. Both areas are expected to experience growth in future years at the same rate as the national average.

Exhibit 3: Population Trends for the Resident Market

Year	0 to 25 Miles		25 to 50 Miles		National Average Growth
	Number	Annual Percent Change	Number	Annual Percent Change	
2010	234,000	--	390,000	--	--
2012	237,000	0.6%	397,000	0.9%	0.7%
2017	245,000	0.7%	411,000	0.7%	0.7%

Source: ESRI Business Information Solutions.

Population for each resident market area is compared to comparable facilities below. Both market areas are within the range of the comparable facilities. Population of the primary resident market area (0 to 25 miles) is slightly below the median of the group.

Exhibit 4: Population for Selected Comparable Facilities

Name	Location	Total Size (square feet)	2012 Population by Distance	
			0 to 25 Miles	25 to 50 Miles
Potential Site	Staunton, VA	---	237,000	397,000
Comparable Facilities:				
Folk Art Center	Asheville, NC	28,000	426,000	817,000
Center for Maine Craft	West Gardiner ME	2,500	274,000	479,000
Frog Hollow ^{1/}	Burlington, VT	4,000	267,000	226,000
Heartwood	Abingdon, VA	29,000	216,000	617,000
Kentucky Artisan Center	Berea, KY	26,000	199,000	799,000
Tamarack	Beckley, WV	59,000	151,000	436,000
Median	---	---	241,500	548,000

^{1/} Formally named "Frog Hollow Vermont State Craft Center."

Source: 2012 data from ESRI Business Information Solutions; and Leisure Business Advisors LLC

2.1.2 Age Distribution

Age distribution of the resident market is presented below. The median age for both market areas is slightly older than the national median.

Exhibit 5: Age Distribution of Residents

Age	0 to 25 Miles	25 to 50 Miles	United States
Under 5	5.6%	5.5%	6.5%
5 to 9	5.8%	5.5%	6.5%
10 to 14	5.6%	5.6%	6.6%
15 to 19	8.1%	7.0%	6.8%
20 to 24	10.2%	8.6%	7.1%
25 to 34	11.5%	12.3%	13.5%
35 to 44	11.4%	11.8%	12.9%
45 to 54	13.6%	14.1%	14.1%
55 to 64	12.8%	13.4%	12.3%
65 to 74	8.6%	9.0%	7.5%
75 to 84	4.8%	5.0%	4.2%
85 and Over	2.0%	2.2%	1.9%
Total	100.0%	100.0%	100.0%
Median Age	38.0	40.0	37.3
Compared to U.S.	102%	107%	100%

Source: 2012 data from ESRI Business Information Solutions

Market Analysis

Median age for each of the comparable facilities is compared to the potential site's primary resident market area below. The median age for all of these facilities, except the Kentucky Artisan Center, is older than the potential site.

Exhibit 6: Median Age for Selected Comparable Facilities

Name	Location	Total Size (square feet)	Median Age	
			0 to 25 Miles	Percent of Site
Potential Site	Staunton, VA	---	38.0	100%
Comparable Facilities:				
Heartwood	Abingdon, VA	29,000	43.8	115%
Folk Art Center	Asheville, NC	28,000	42.9	113%
Center for Maine Craft	West Gardiner ME	2,500	42.8	113%
Tamarack	Beckley, WV	59,000	42.7	112%
Frog Hollow ^{1/}	Burlington, VT	4,000	38.0	100%
Kentucky Artisan Center	Berea, KY	26,000	37.4	98%

^{1/} Formally named "Frog Hollow Vermont State Craft Center."

Source: 2012 data from ESRI Business Information Solutions; and Leisure Business Advisors LLC

Market Analysis

2.1.3 Income Distribution

Household income distribution is provided below. Median household income for both resident market areas is slightly below the national median.

Exhibit 7: Projected Household Income for the Resident Market

Income Range	0 TO 25 Miles	25 TO 50 Miles	United States
Less than \$15,000	12.8%	12.8%	13.5%
\$15,000 to \$24,999	12.5%	11.4%	11.2%
\$25,000 to \$34,999	10.9%	11.5%	10.7%
\$35,000 to \$49,999	16.2%	15.7%	14.5%
\$50,000 to \$74,999	20.9%	19.8%	18.6%
\$75,000 to \$99,999	11.4%	10.9%	11.3%
\$100,000 to \$149,999	9.8%	10.8%	12.0%
\$150,000 to \$199,999	3.1%	3.7%	4.2%
\$200,000 or more	2.4%	3.4%	4.0%
Total	100.0%	100.0%	100.0%
Median Income	\$47,160	\$48,244	\$50,157
Compared to U.S.	94%	96%	100%

Source: 2012 data from ESRI Business Information Solutions.

Median household income for each of the comparable facilities is compared to the potential site’s primary resident market area below. The median income for all, except the Frog Hollow Vermont State Craft Center, is less than that for the potential site. This would typically have a positive impact on potential attendance and artisan sales.

Exhibit 8: Median Household Income for Selected Comparable Facilities

Name	Location	Total Size (square feet)	Household Income	
			0 to 25 Miles	Percent of Site
Potential Site	Staunton, VA	---	\$47,160	100%
Comparable Facilities:				
Folk Art Center	Asheville, NC	28,000	\$40,212	85%
Kentucky Artisan Center	Berea, KY	26,000	\$36,750	78%
Heartwood	Abingdon, VA	29,000	\$35,599	75%
Tamarack	Beckley, WV	59,000	\$34,776	74%
Center for Maine Craft	West Gardiner ME	2,500	\$45,903	97%
Frog Hollow ^{1/}	Burlington, VT	4,000	\$54,321	115%

^{1/} Formally named "Frog Hollow Vermont State Craft Center."

Source: 2012 data from ESRI Business Information Solutions; and Leisure Business Advisors LLC

2.2 Tourist Market

The geographic region covered by this consulting project is shown at right. It is similar to the definition of the Fields of Gold region used by the Central Shenandoah Planning District Commission and the Shenandoah Valley region used by the Virginia Tourism Corporation. These regions are also shown below.

The latest Virginia State Tourism Plan was recently prepared for the Virginia Tourism Corporation by PricewaterhouseCoopers LLP in March 2013. One of its recommended strategies is to “encourage some retail developments to be connected to the culture and heritage of the area, which reinforces the sense of destination authenticity.”

The Shenandoah Valley Region section of this statewide tourism plan elaborates on authenticity. It points out that:

“From a tourism perspective, visitors want to experience the local culture of a destination. This includes many components, such as art and music of the region, history, local crafts, traditions, style and types of local food, architecture, religion, and distinctive leisure activities. These are what make the cultural heritage of Virginia ‘authentic.’ ”

One of its recommended action steps is to “encourage attractions to collaborate with artisans to show and sell work.” It acknowledges that:

“Direct investment from the public sector related to development and promotions may be required, and governments should create incentive programs to encourage private sector investment and attract artisans.”

The tourism plan also reviewed visitor surveys and reported that:

“Visitor insights show that the Shenandoah Valley region had a high favorability rating among past and prospective travelers. It was highly rated for its outdoor recreation opportunities, being relaxing, being good for families, and its overall atmosphere.”

Exhibit 9: Primary Study (left) Fields of Gold (center) and Shenandoah Valley (right) Regions



Source: RFQ; Central Shenandoah Planning District Commission; and Virginia Tourism Corporation.

2.2.1 Size and Historic Growth

Based on data from the Virginia Tourism Corporation, Chmura Economics & Analytics estimated in its 2012 economic impact report that there were about 6.7 million visitors traveling more than 50 miles to the Fields of Gold region in 2010. This region is shown in the center of the three region images on the previous page.

Shenandoah National Park is a major attraction in the primary study region. It extends approximately 70 miles along the crest of the Blue Ridge Mountains, between Front Royal to the north and Waynesboro to the south. Current annual visitation to this national park is approximately 1.2 million. Part of its location (#1) is noted in the map below.

The Blue Ridge Parkway is a 469-mile roadway noted for its scenic beauty that links Shenandoah National Park with Great Smoky Mountains National Park in North Carolina. It runs mostly along the Blue Ridge, a mountain chain

Market Analysis

that is part of the Appalachian Mountains. Although not a “national park,” it has generally been the most visited unit of the National Park System. Annual visitation in 2012 was approximately 15.2 million. The location (#2) of part of this parkway is noted below. The Folk Art Center, one of the comparable facilities, is located at Milepost 382 of this parkway south of the area shown on this map.

Exhibit 10: Location of Shenandoah National Park and Blue Ridge Parkway



Source: National Park Service; and Leisure Business Advisors LLC.

Long-term changes in visitation to these two major attractions are presented below. Over the ten-year period, annual visitation to the Blue Ridge Parkway has declined. Visitation to Shenandoah National Park, however, has stayed relatively constant during this same period. Its lowest visitation occurred in 2008 during the Great Recession. Annual visitation has recovered since that year, and has returned to its pre-recession level.

Another important tourism indicator is lodging room demand, presented below for the same ten year period. During this time, lodging demand has increased in the Staunton / Harrisonburg area at an average rate of almost two percent annually. This growth rate is higher than that for the Virginia state average for this same period.

Exhibit 11: Past Annual Visitation

Year	Blue Ridge Parkway		Shenandoah National Park	
	Recreation Visitors	Percent Change	Recreation Visitors	Percent Change
2003	18,344,051	---	1,163,950	---
2004	17,999,116	-1.9%	1,261,000	8.3%
2005	17,882,567	-0.6%	1,094,912	-13.2%
2006	18,953,478	6.0%	1,076,150	-1.7%
2007	17,352,286	-8.4%	1,107,227	2.9%
2008	16,309,307	-6.0%	1,075,878	-2.8%
2009	15,936,316	-2.3%	1,120,981	4.2%
2010	14,517,118	-8.9%	1,253,386	11.8%
2011	15,382,447	6.0%	1,209,883	-3.5%
2012	15,205,059	-1.2%	1,210,200	0.0%
Average	---	-1.9%	---	0.7%

Source: National Park Service.

Exhibit 12: Lodging Room Demand Change

Year	Staunton/ Harrisonburg	Charlottesville Metro Area	Virginia	United States
2003	---	---	---	---
2004	2.3%	1.6%	3.0%	4.6%
2005	5.2%	2.0%	2.8%	3.3%
2006	4.2%	2.8%	0.8%	1.1%
2007	-0.7%	1.6%	1.4%	1.2%
2008	-4.9%	-4.4%	-2.8%	-1.6%
2009	-5.2%	-2.8%	-1.7%	-5.8%
2010	5.3%	6.8%	6.0%	7.7%
2011	6.7%	1.3%	3.0%	5.0%
2012	3.8%	2.6%	2.1%	3.0%
Average	1.9%	1.3%	1.6%	2.1%

Source: Smith Travel Research.

2.2.2 Tourism Characteristics

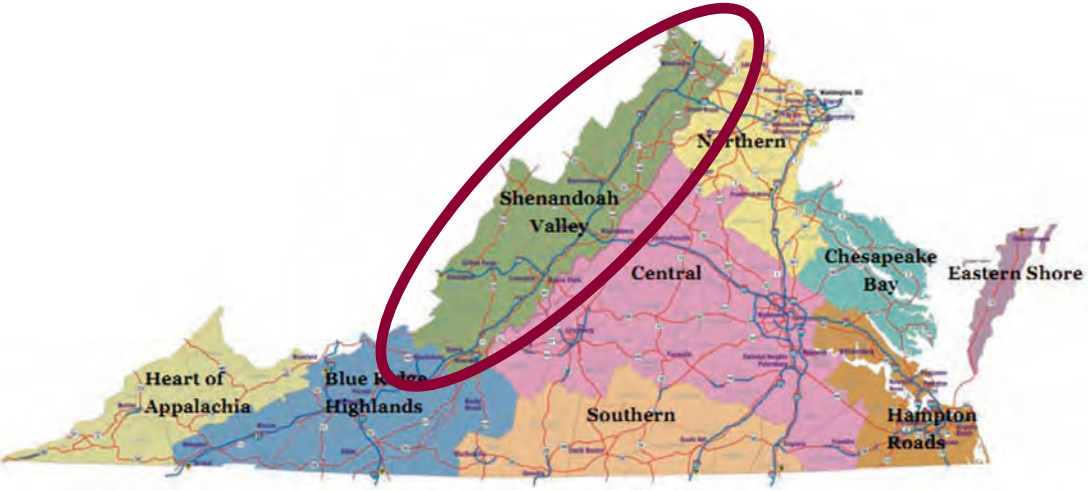
Monthly distribution of visitation to Shenandoah National Park is presented below for 2012. Seasonality generally peaks during the summer months, with another large peak during the fall month of October. Skyline Drive runs the entire length of the park and is particularly popular in the fall when the leaves are changing colors.

Seasonality is also provided for all travelers to the Shenandoah Valley region during the 2010-11 fiscal year. This region is circled in the map below. There is a similar seasonality pattern, with peaks during the summer months and October.

Monthly visitation to the entire state of Virginia during the same fiscal year had a slightly different pattern. The summer months are again the peak months, but there was also a smaller peak during the spring month of April in addition to the fall month of October.

Exhibit 13: Seasonality of Visitation

Month	Shenandoah National Park Visits	Travelers to Shenandoah Valley Region	Travelers to Virginia
January	1%	7%	5%
February	1%	6%	6%
March	4%	7%	9%
April	8%	7%	10%
May	11%	8%	9%
June	12%	8%	9%
July	12%	12%	12%
August	12%	12%	11%
September	12%	7%	7%
October	19%	11%	9%
November	6%	8%	7%
December	1%	8%	8%
Total	100%	100%	100%



Source: National Park Service; and Virginia Tourism Corporation.

Market Analysis

Market Analysis

The income distribution for travelers to the Shenandoah Valley region is compared below to all U.S. residents. Shenandoah Valley travelers are typically in more middle-class households. Over half are in households earning between \$35,000 and \$99,000 annually.

Exhibit 14: Household Income Comparison

Income Range	United States	Travelers to the Shenandoah Valley Region	
		Percent of Total	Compared to U.S.
Less than \$15,000	14%	4%	30%
\$15,000 to \$24,999	11%	8%	71%
\$25,000 to \$34,999	11%	9%	84%
\$35,000 to \$49,999	15%	16%	110%
\$50,000 to \$74,999	19%	24%	129%
\$75,000 to \$99,999	11%	16%	142%
\$100,000 to \$149,999	12%	15%	125%
\$150,000 to \$199,999	4%	4%	95%
\$200,000 or more	4%	3%	75%
Total	100%	100%	—

Source: Virginia Tourism Corporation; and ESRI Business Information Solution

The top activities or attractions for Shenandoah Valley travelers are presented at right. Shopping was fourth on this list, and was mentioned by approximately 14% of survey respondents. Retail sales are typically an important revenue source for artisan centers.

Exhibit 15: Top Ten General Activities / Attractions

Type	Percent
Visiting relatives	27%
Visiting friends	19%
Rural sightseeing	17%
Shopping	14%
Historic sites / churches	13%
State / National Park	13%
Museums	10%
Fine dining	10%
Hiking / backpacking	8%
Old homes / mansions	7%

Source: Virginia Tourism Corporation

2.3 Area Attractions

The experience of selected educational, cultural and entertainment attractions in the region is described in the following pages. These are listed in alphabetical order.

2.3.1 Blackfriars Playhouse (Staunton, Virginia)

The American Shakespeare Center presents Elizabethan plays and other works at this theater, which is modeled after Shakespeare’s original indoor playhouse. In 17th-century tradition the audience surrounds the stage and often interacts with the performers. Pre-show lectures and educational programs also are offered.

The Blackfriars annually produces more performances than the top 12 Shakespearean production houses in the nation. Additionally, the theater serves as a venue for such other types of performances, such as the annual Staunton Music Festival. Visitation is approximately 70,000 annually.

2.3.2 Frontier Culture Museum (Staunton, Virginia)

This living history museum features reconstructed working farms of the 17th, 18th and 19th centuries. Costumed interpreters depict rural life in England, Germany, Ireland, West Africa, and America. Demonstrations at two American farms show the European influence on Appalachian cultural traditions. A short film about the development of the museum project is also presented, as well as changing exhibits focusing on European and American culture. The self-guiding tour covers five-eighths of a mile. The museum attracts approximately 150,000 visitors annually.

The American Frontier Culture Foundation was incorporated in 1982 as a tax-exempt organization to accept all private donations for the museum. The Foundation supports current and new permanent and temporary exhibits, the acquisition and reconstruction of historic buildings, and the preservation of historic buildings and artifacts at the Frontier Culture Museum. The Foundation also provides the Museum with resources for teacher education programs, lectures, workshops, special programs and school field trips.

Market Analysis

2.3.3 Luray Caverns (Luray, Virginia)

Up to 10 stories tall, the underground chambers of this attraction contain a variety of natural formations. Its Cathedral Room features the Stalacpipe Organ, the world's largest musical instrument that uses specially tuned stalactites to produce music. Hour-long guided tours take visitors along lighted walkways, past stone columns and crystal pools. Attendance is nearly 500,000 annually.

The America at the Car & Carriage Caravan attraction is nearby, featuring over 140 items relating to transportation. The Luray Valley Museum is also nearby, and offers a collection of restored historic buildings that create a small 19th farming community. This includes a Shenandoah Valley museum showcasing artifacts from the 1750s to the 1920s.

2.3.4 Monticello (Charlottesville, Virginia)

This was Thomas Jefferson's home when he was not serving in public affairs from 1770 until his death in 1826. It also showcases his innovations and diversity of interests. The domed house contains maps, books, scientific instruments, time-saving inventions, and items from the Lewis and Clark expedition. A guided tour is available of the main floor's principal rooms where Jefferson's furniture and personal effects are displayed. A "behind-the-scenes" tour takes visitors to the upstairs floor, including the Dome Room. Attendance in 2011 was more than 440,000 annually.

2.3.5 Natural Bridge of Virginia (Natural Bridge, Virginia)

This 215-foot tall limestone arch spans Cedar Creek. It is an ancient natural wonder, a Virginia Civil War Trails site, and a Virginia Birding and Wildlife Trail site. The arch was purchased in 1774 by Thomas Jefferson, and surveyed by George Washington. A nearby re-created Monacan Indian village allows visitors to explore the history of Virginia's native peoples. A sound and light show is presented in the evening that has been a tradition since 1927.

2.3.6 Polyface Farms (Swoope, Virginia)

Polyface is a 550-acre family-owned farm in Augusta County that conducts tours showcasing their unique approach to farming. The owner, Joel Salatin, has written numerous books on sustainable farming methods. Visitation is approximately 12,000 annually.

2.3.7 Virginia Horse Center (Lexington, Virginia)

This 600-acre facility promotes Virginia's equine economy and equestrian sport. It offers a 4,000 seat coliseum, eight barns to accommodate 1,200 horses, carriage driving courses, and campgrounds. It also features 19 show rings, including two large indoor arenas that can host non-equine events. The Virginia Horse Center Foundation is a non-profit organization which owns and operates the Center, which serves over 500,000 people and 100,000 animals.

2.3.8 Virginia Museum of the Civil War (New Market, Virginia)

This museum interprets the 1864 Battle of New Market with an emphasis on the role of Virginia Military Institute Cadets and the Civil War in Virginia. Featured exhibits showcase artifacts from this battle and dioramas. The Emmy-winning film "Field of Lost Shoes" is also shown hourly. Visitation is estimated to be about 50,000 annually. A state-certified Shenandoah Valley Tourist Information Center is located within the main building that displays local and regional brochures.

2.3.9 Virginia Military Institute Museum (Lexington, Virginia)

This museum is one of the state's oldest museums, and displays items illustrating the history and traditions of the nation's first state military college. Exhibits include General Thomas J. "Stonewall" Jackson's uniform, his bullet-pierced raincoat from Chancellorsville, and his horse, Little Sorrel. It also includes a replica of a barracks room depicting cadet life and the Henry Stewart Antique Firearms Collection.

2.3.10 Woodrow Wilson Presidential Library and Museum (Staunton, Virginia)

This library and museum is dedicated to the life and legacy of the 28th president of the United States. Multiple galleries interpret Wilson's other roles as a scholar, university president and New Jersey governor. Exhibits include presidential campaign memorabilia, historical documents and Wilson's Pierce-Arrow limousine. There is a sound and light show of the World War I battlefield. Guided tours are also offered of his birthplace, the Presbyterian Manse, which is adjacent to the museum. This home has been restored to depict the Wilsons' family life in the Shenandoah Valley before the Civil War. Attendance for FY2011-2 was approximately 22,000 annually.

Survey Results

3 | SURVEY RESULTS

This section evaluates the results of the online survey that was specifically conducted for the artisan center feasibility study. Topics include summary characteristics, detailed survey results, and specific survey respondent comments.

3.1 Summary Characteristics of the Survey

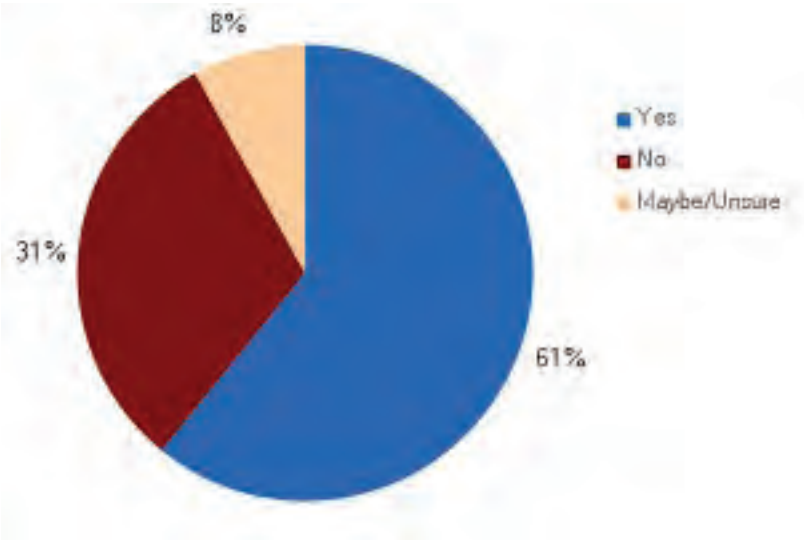
There were more than 340 respondents to the online stakeholder survey conducted in September 2013. These respondents were invited to participate based on their involvement in regional artisan, tourism, and government efforts. Key survey findings are:

- Respondents were typically pragmatic in their responses.
- An overwhelming majority strongly support the creation of the proposed artisan center with a retail area as a way to help artisans increase sales opportunities and sustain their businesses.
- Most respondents are willing to work on a consignment basis if necessary.
- Authenticity was also emphasized by survey respondents, with a Virginia focus being the best approach.
- Respondents felt strongly that Virginia-made products should be emphasized, with most feeling that only items made in the state be offered.
- More than two-thirds felt that the proposed artisan center should avoid low-price souvenirs that are not made in the state.
- A substantial majority want locally-sourced food, if provided.
- Artisan demonstrations and exhibitions were also greatly supported. Both functions could include products that would also be available for sale.
- Overall, the approach most supported by survey respondents is in line with that currently being used at many of the comparable facilities examined in the feasibility study case studies.

3.2 Survey Results

The first question measured awareness. Most respondents were already aware of the current planning for the proposed new artisan center before taking the survey.

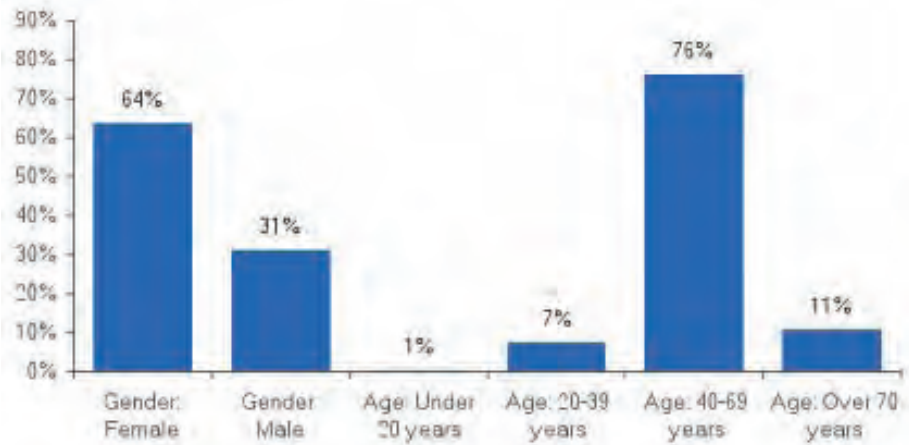
Question #1: Before this survey, were you aware of the planning study for a new Virginia artisan center?



Respondent Zip Code was asked in Question #2, which can be used for additional research on residence (beyond the county or city asked in Question #4). Demographic characteristics are shown below. Most survey respondents were women and most were middle-age adults.

Survey Results

Question #3: Demographic Characteristics



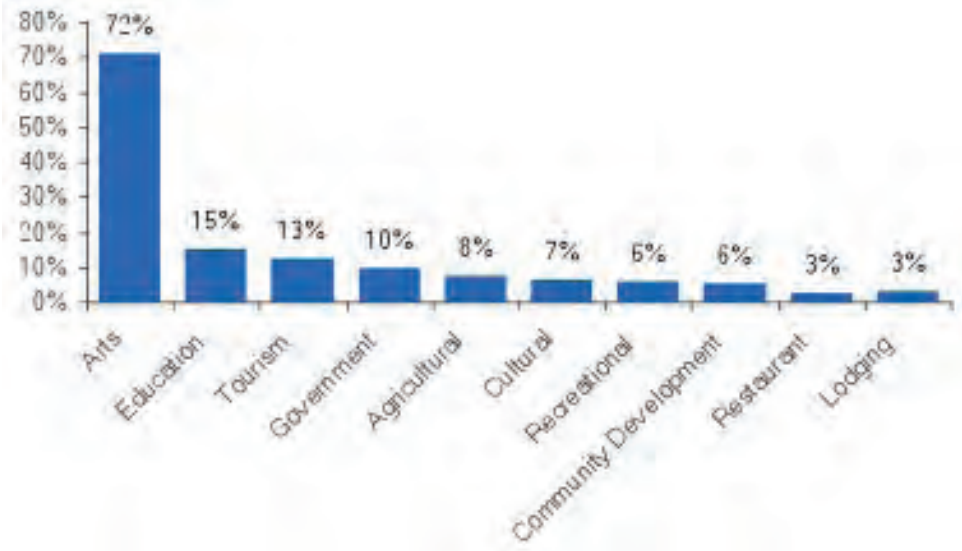
Almost two-thirds of respondents live within the Primary Study Region for the proposed artisan center. This region includes many counties (Albemarle, Alleghany, Augusta, Bath, Craig, Highland, Nelson, Page, Rockbridge, Rockingham, Shenandoah) and independent cities (Buena Vista, Charlottesville, Covington, Harrisonburg, Lexington, Staunton, Waynesboro).

Question #4: In what Virginia county or independent city do you reside?

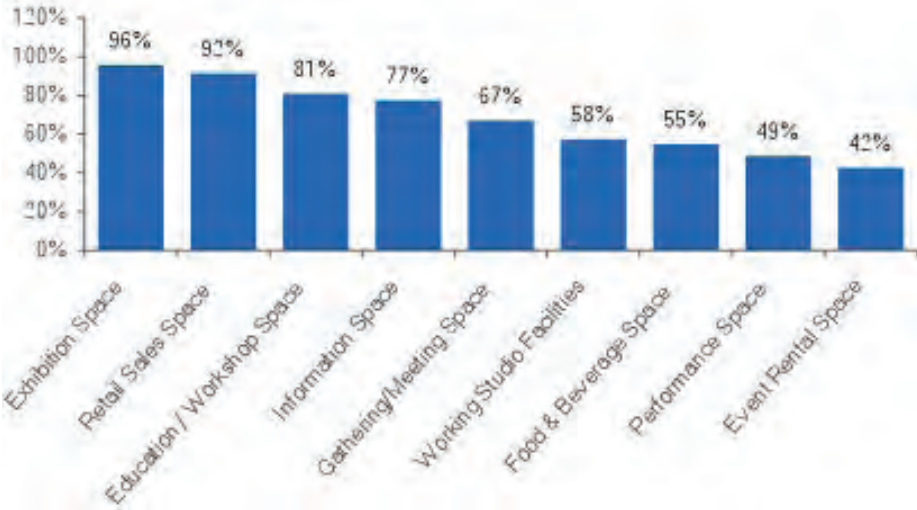
County / City	Percent
<i>Within Primary Study Region:</i>	
Albemarle County	12.1%
Augusta County	8.9%
Rockingham County	8.1%
Shenandoah County	6.6%
Rockbridge County	5.2%
Staunton (city)	4.6%
Waynesboro (city)	3.7%
Page County	3.5%
Elsewhere in Region	10.1%
Subtotal	62.8%
Elsewhere in Virginia	37.2%
Total	100.0%

Almost three-fourths of respondents are artisans or involved in other aspects of the arts. Many of the others are involved in tourism or economic development professions.

Question #5: What is your type of business?



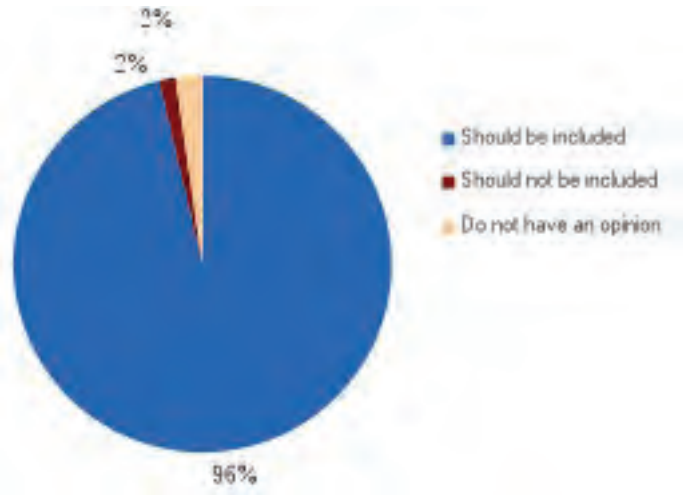
Question #6: In an ideal artisan center, what functional spaces would you want to see included?



Survey Results

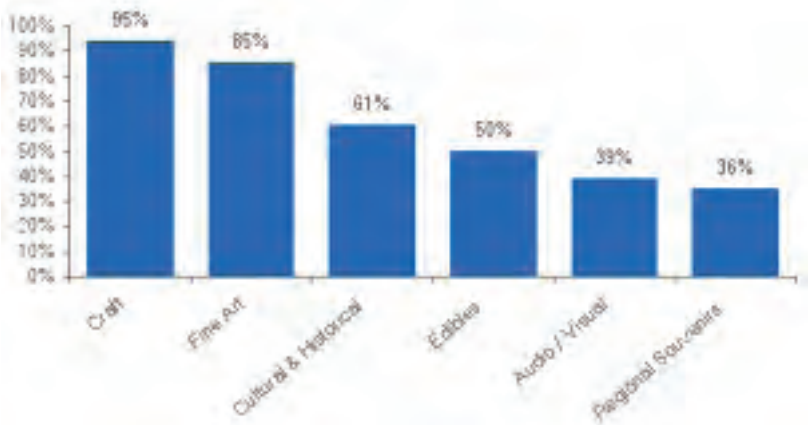
According to respondents, the most important functions of an ideal artisan center would be exhibition (which could include artwork for sale), retail sales, education / workshops, and information featuring artist literature. These are the same functions as many of the comparable facilities examined in the feasibility study case studies.

Question #7: How do you feel about inclusion of a retail area in the proposed Virginia Artisan Center that would sell artisan products directly to the visitor?



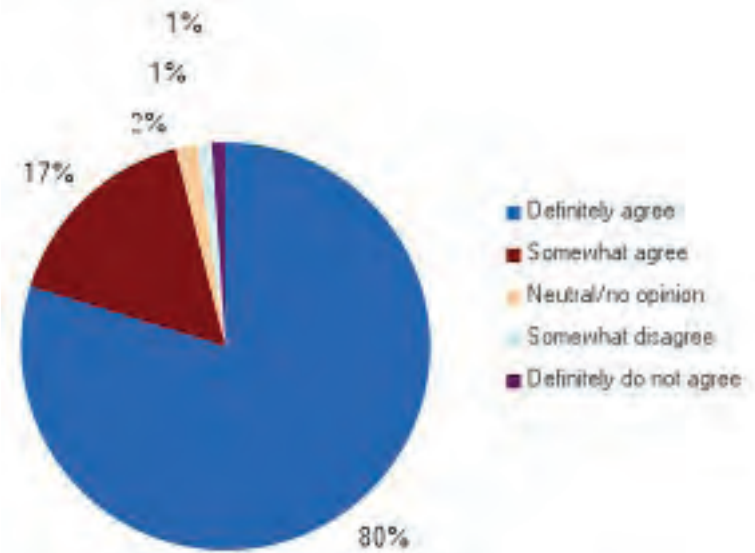
An overwhelming percentage of respondents (96%) feel that a retail area should be included.

Question #8: What types of artisan products do you see being represented through such a retail outlet?



Craft should be the main focus, followed by fine art. Regional souvenirs received the lowest support.

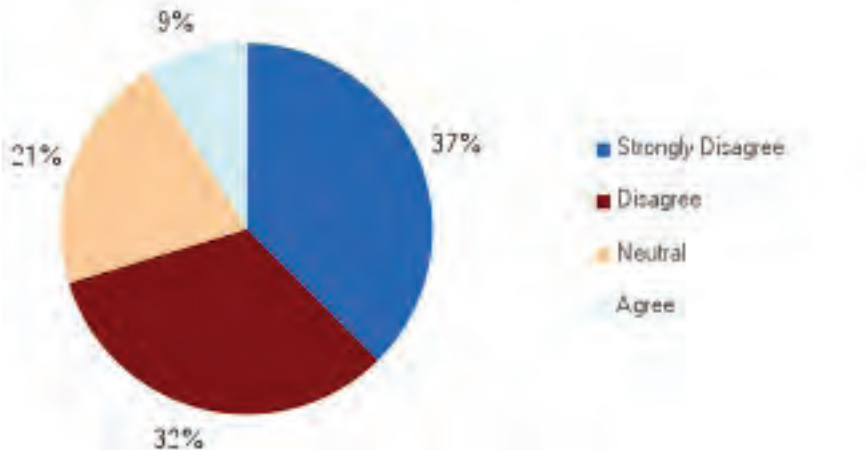
Question #9: If a retail area is provided, how do you feel about offering only Virginia-made products?



Respondents felt strongly that Virginia-made products should be emphasized, with most feeling that only items made in the state be offered.

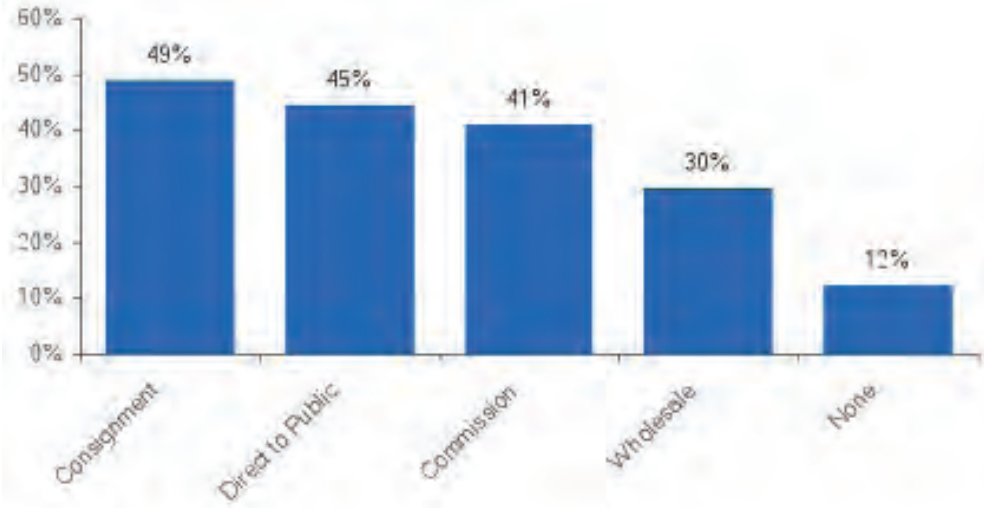
Survey Results

Question #10: How do you feel about including low-price souvenir items that may promote Virginia artisans but not be Virginia artisan-made products?



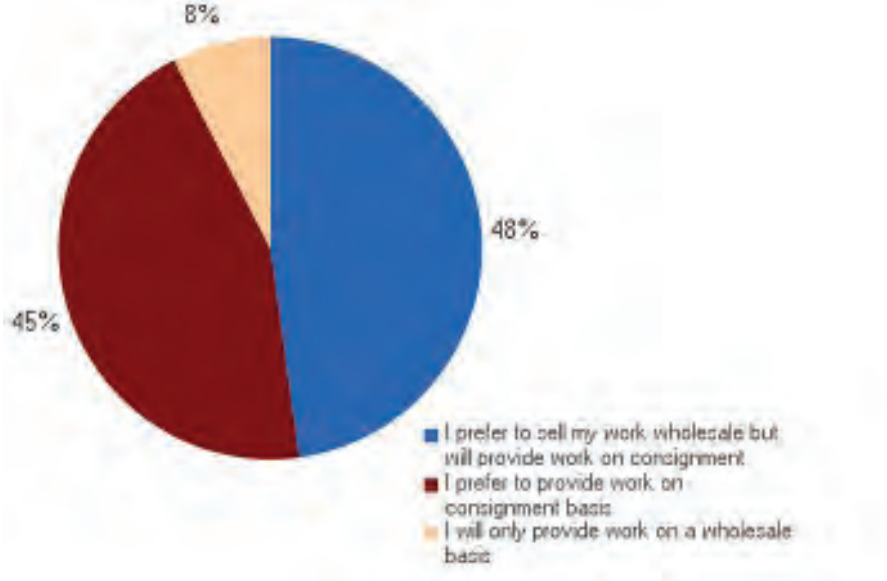
More than two-thirds of respondents felt that the proposed artisan center should avoid low-price souvenirs that are not made in Virginia. The likely challenge therefore would be to identify and offer some appealing inexpensive Virginia-made artisan products.

Question #11: If you are a Virginia artisan, what type of sales agreements with retail / gallery locations do you predominately participate in?



Less than half of Virginia artisans responding to the survey sell directly to the public. For the rest, a consignment arrangement is most likely.

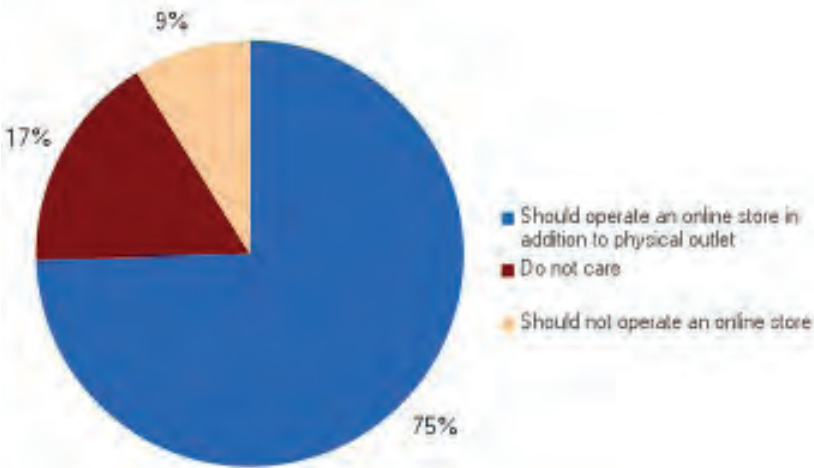
Question #12: If you are a Virginia artisan how do you feel about selling work on consignment basis versus purchased as wholesale for retail?



Artisan respondents prefer selling their work wholesale by a slight margin, but the overwhelming percentage would be willing to work on a consignment basis.

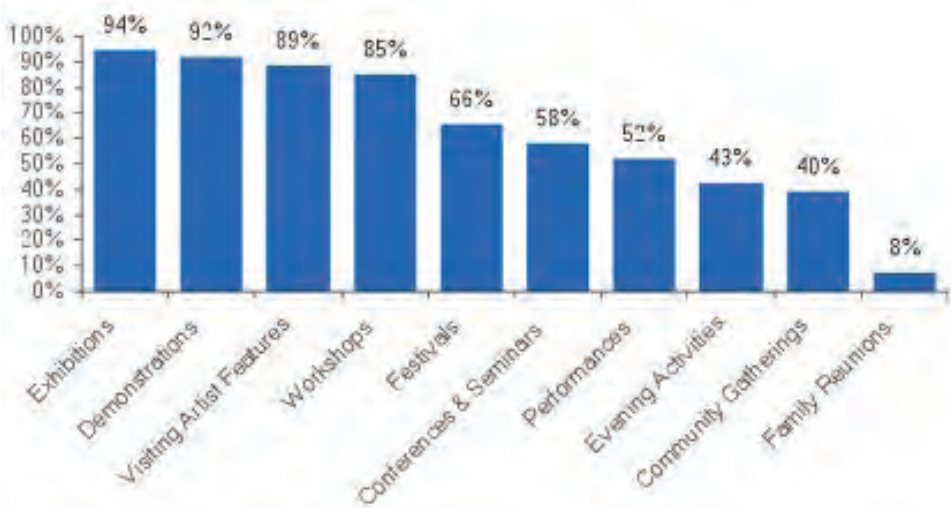
Survey Results

Question #13: Do you feel a physical retail outlet such as this should or should not also operate an online portal to extend sales of the work represented?



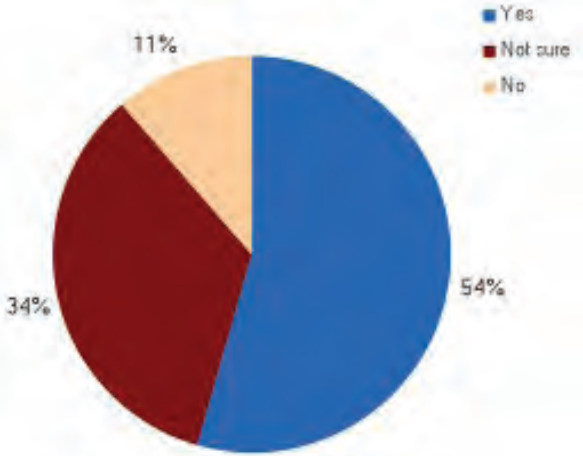
Three-fourths of respondents feel that an online store should be provided on the artisan center’s Internet website. basis.

Question #14: What types of social activities do you feel a Virginia Artisan Center might offer?



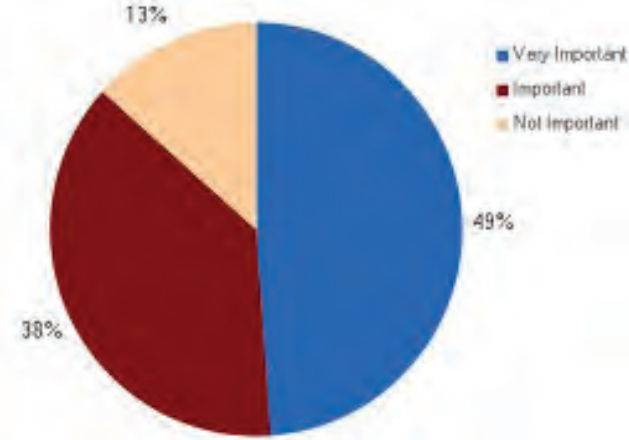
Additional artisan-related functions are the activities most supported by respondents, compared to those that have minimal artisan involvement.

Question #15: Should such a center offer food service in addition to other social functions?



A slight majority of survey respondents support offering food service, with about a third undecided or neutral about this function.

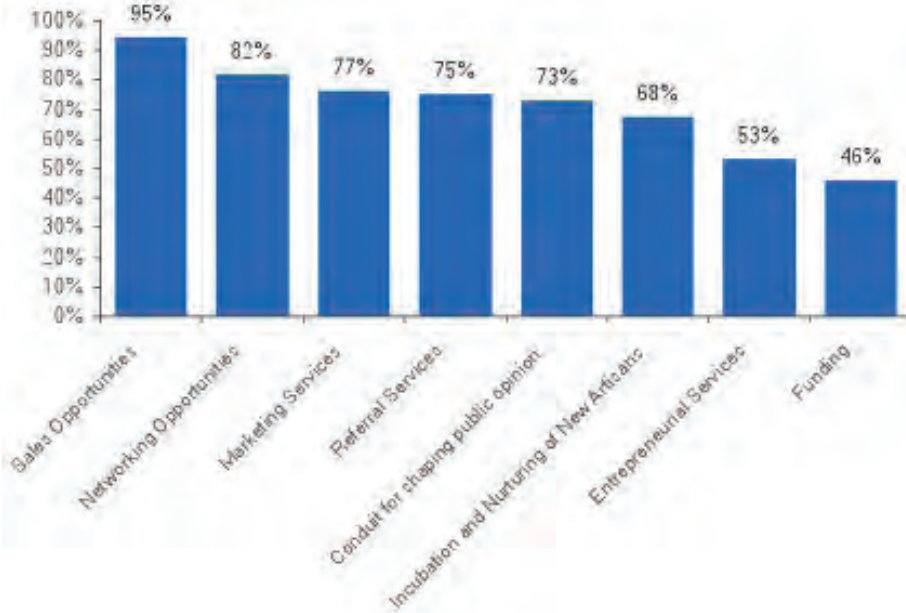
Question #16: Should food service be provided, how important is it to you that the food served is locally sourced?



A substantial majority of respondents want locally sourced food, if provided.

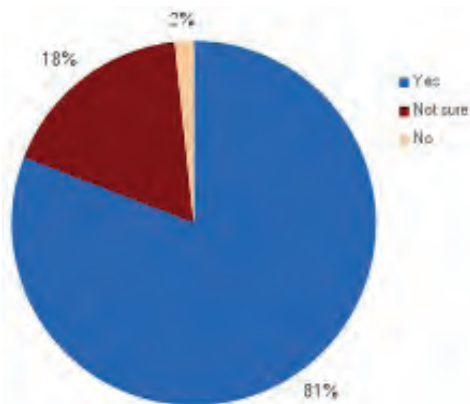
Survey Results

Question #17: What type of resources do you feel would be of value to Virginia Artisans if delivered through such a center?



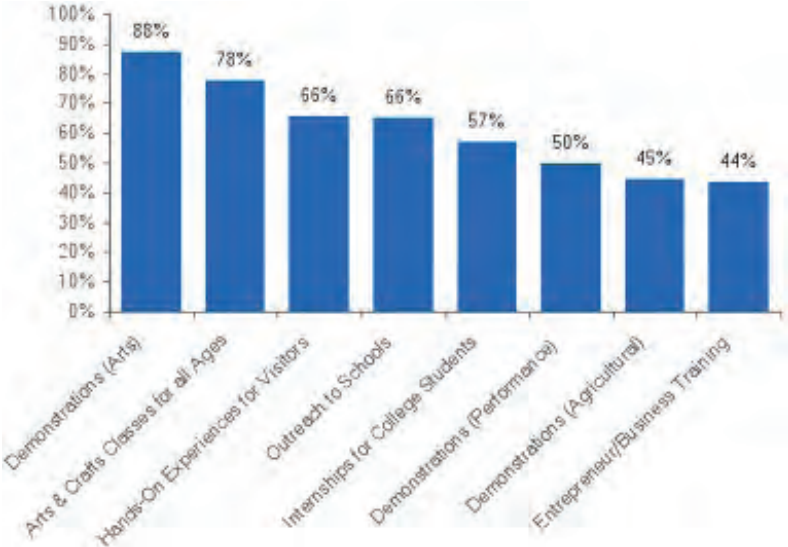
Almost all of the survey respondents feel that the proposed artisan center would increase sales opportunities. Additional marketing resources are also very important.

Question #18: Should such a center provide educational opportunities?



Most respondents want educational opportunities at the proposed artisan center.

Question #19: If educational program is provided, what types of activities should such a center offer?



Specifically, artisan demonstrations and classes that would involve visitors are favored. Outreach educational efforts are also supported.

Question #20: What are the ways the center could reflect authenticity?

Response	Percent
Look, feel and reflect Virginia	73%
Be a place to see how artisan products are made	69%
Look, feel and reflect the regional community	61%
Promote heritage crafts	60%
Be a place to tell stories about Virginia artisans	59%
Be a place that has gravity, legitimacy and sophistication	57%
Have outside gardens and sculpture	57%
Display artisan tools & techniques	52%
Provide a studio environment for Virginia artisans	50%
Have a museum component on pre-colonial to contemporary artisan crafts	41%

A Virginia focus would be the most important way to reflect authenticity, followed by on-site artisan demonstrations. Less than half want a museum-related component.

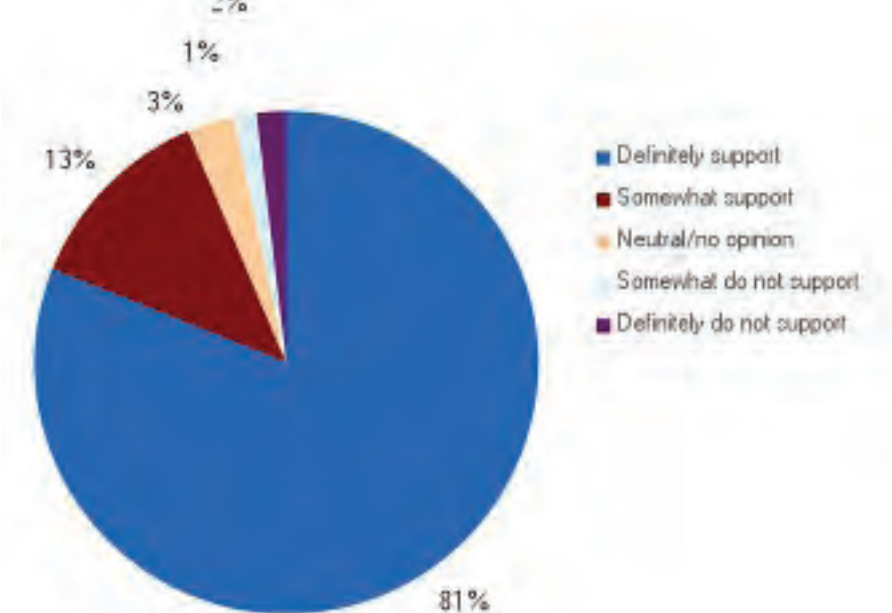
Survey Results

Question #21: What are the ways the center can serve as an economic driver for the locality / region / state?

Response	Percent
Help artisans sustain their businesses through wider exposure and the selling of their crafts	95%
Give visitors a reason to stay in the region longer	78%
Function as an anchor for Heritage & Artisan Trails	77%
Be a conduit to promote visitation to small towns in the region	75%
Help local growers through local-sourcing of their products in a food service concept	66%
Strengthen the identity of the surrounding region	63%
Attract new businesses to the region by providing programming that elevates a culturally creative way of life.	59%
Support local vineyards (a growing industry in Virginia)	54%
Expand opportunities for hospitality services such as caterers, restaurants & hotels.	43%
Attract retirees looking for a beautiful place to live affordably	41%

Almost all respondents feel that the most important economic goal of the proposed artisan center should be to help artisans sustain their businesses. Tourism-related goals are also supported.

Question #22: To what degree do you support the creation of a new Virginia artisan center?



An overwhelming majority of survey respondents “definitely support” the creation of the proposed artisan center. Only three percent oppose its creation.

Survey Results

3.3 Specific Survey Respondent Comments

The survey's final question was intentionally open-ended in order to allow respondents an unguided opportunity to comment on other topics or to reinforce the topics they felt were particularly important. Selected suggestions included:

- Build a strong core of gallery / exhibition center and artisans networking.
- Create an attractive venue. The setting should be a reflection of the art inside.
- Must be an attractive rest stop for travelers.
- Provide an outlet for a wide range of items.
- Promote and maintain a high standard of quality and professionalism.
- Maintain the focus on the juried artisans of this region and their work.
- Make clear the distinction between traditional art and contemporary art and craft.
- Feature a craft or art object mentioned in a book.
- Focus inventory on a volume of lower priced items.
- Needs to be something to draw people of all income levels.
- Offer artisan demonstration space.

Additional suggestions included:

- Use modern facilities, with video that changes regularly and good interactive exhibits.
- Have exhibits showing that many traditional crafts were off-season farm homestead activities.
- Historic facts need to be explored. Maybe a yearly or a seasonal theme can be developed.
- Have continuing exhibits and programs that keep visitors returning.
- Include festivals that feature Virginia wines and beer into the mix.
- Outreach and educational opportunities for artisans and the community.

- A wide array of classes would be a good way to financially support such an endeavor.
- Schools need to be encouraged to participate.
- Involve universities and community colleges in supplying interns.
- Use it as a community resource, not just as a tourist attraction.
- Keep focus on the arts. Wine and food have many other ways to receive support.
- Provide a cafe with as much regional food as possible and food made in the café.
- Consider what role agriculture can play in the regional artisan center beyond food service.
- Make a mini-cultural / artistic trail around the center.
- Be a "green" project, which might be a promotional angle.
- "Shenandoah Valley" is internationally recognized so we can benefit from that recognition.
- Help Virginia artisans build and maintain an online presence.
- Corporate sponsors are a definite asset worth gleaning throughout the state.

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