



**CHAPTER XII: ECONOMIC IMPACT
Of the Virginia Coal Heritage Trail**

As noted earlier in this document, studies have determined that over 80% (118 million) of traveling U.S. adults are considered cultural heritage travelers. These tourists tend to stay multiple nights, travel in their personal cars, enjoy the back roads and both scenic and/or historical pleasure drives which, in turn, can have a significant impact on an area. Developing a well interpreted, well marketed coal heritage trail which also focuses on railroad sites and mentions the Crooked Road Music Trail through the heart of the coalfields of Southwest Virginia will give cultural heritage travelers multiple reasons to visit the region.

WHAT MIGHT ONE ANTICIPATE?

A 1989 U.S. Travel Data Center Study found that 1,600 miles of designated byways generated nearly \$48 million in traveler spending, creating over 900 jobs and \$9 million in payroll income. And a 1996 study in Colorado found that byway designation increased traffic on eight of 21 new byways leading to sales increases of about 10%. An increase of 10% in overall sales in those counties in which the Virginia Coal Heritage Trail runs through would result in over \$1.2 million dollars in taxes being generated for Southwest Virginia.

In 2005, over 68 million people visited National Heritage Areas which created significant economic impact on those regions and surrounding communities. West Virginia capitalized on this by obtaining the designation as a National Coal Heritage Area which directly created 94 jobs, generates \$3.4 million in tourist spending and adds \$2.4 million in total value to the economy*.

Those in the eastern coalfields of southwest Virginia have the potential to have similar results if they work together to develop and market the Virginia Coal Heritage Trail.

TOURISM IN SOUTHWEST VIRGINIA

According to the U.S. Travel Association, *“Tourism is proving to be one of Virginia’s most powerful industry generating \$19.2 billion in revenue, supporting 210,000 jobs and providing \$1.28 billion in state and local taxes”*. Tazewell County local tourism industry alone (one of the seven counties in which the Virginia Coal Heritage Trail travels through) is now generating nearly \$45 million dollars in annual revenue, supporting 580 tourism-related jobs and providing \$644,408 in annual tax revenue**.

*Statistics from National Coal Heritage Area Annual Report, 2006.

**Big Business – Tourism Industry Thriving in Southwest Virginia, *Bluefield Daily Telegraph*, May 15, 2010.

A 2008 economic impact study of the Crooked Road Music Trail, a portion of which travels along the Virginia Coal Heritage Trail indicated:

- A 2% increase in tourism market share above other parts of the state,
- An estimated direct economic impact of almost \$13 million for that year,
- Increased tax revenues of nearly \$600,000,
- And a total economic impact estimated to be almost \$23 million with 445 full-time equivalent jobs.

- 2008 Study by Sustainable Development Consulting Intl, LLC



CHAPTER XII: ECONOMIC IMPACT Of the Virginia Coal Heritage Trail

Breakdowns of all seven counties and the City of Norton in which the Virginia Coal Heritage Trail travels through are provided below. All of the counties except Russell County charge a “bed” tax of 2% to 5% for those visitors spending the night at hotels, motels or other lodging facilities in their communities. Dickenson, Tazewell, Wise and the City of Norton charge a “food” tax on meals purchased in restaurants which generates nearly \$4 million dollars that goes back into the local economies.

There are also a total of 1,841 people within those counties working in the tourism industry*. These figures will be used as the base numbers for future calculations of tourism economic impacts to the region as the result of marketing and promoting the trail.

2008 REVENUE & JOBS GENERATED FROM TOURISM BY COUNTY*							
COUNTY	EXPENDITURES	PAYROLL	EMPLOYMENT	SALES TAX	LOCAL TAX	LODGING TAX	FOOD SERVICE TAX
Buchanan	17,588,281	\$3,807,179	204	\$557,165	\$207,670	\$32,392 (2%)	
Dickenson	\$6,569,266	\$1,407,532	74	\$363,997	\$156,719	\$13,238 (2%)	(2% since 2006)
Lee**	\$10,615,516	\$2,906,037	168	\$517,597	\$264,808	\$2,733 (2%)	
Norton	\$15,864,670	\$2,700,428	154	\$731,791	\$714,619	\$125,638 (4%)	\$930,578 (6%)
Russell	\$10,356,229	\$2,368,333	140	\$515,986	\$167,329	N/A	N/A
Scott	\$14,866,770	\$2,931,052	175	\$713,142	\$377,460	\$4,140 (2%)	N/A
Tazewell	\$44,812,039	\$9,391,045	580	\$1,930,521	\$644,408	\$194,914 (5%)	\$1,499,045 (4%)
Wise	\$27,602,082	\$5,736,615	346	\$1,235,890	\$408,392	\$113,123 (5%)	\$1,349,113 (6%)
TOTAL	148,274,853	\$31,248,221	1,841	\$6,566,089	\$2,941,405	\$486,178	\$3,778,736

* 2008 data (most current available) provided by the U.S. Travel Association.

** Lee County also charges a 3.6% Admissions Tax on coin operated amusement machines which generated \$691 in 2008.

DOMESTIC TRAVEL IMPACT ON VIRGINIA (2008)					
COUNTY	EXPENDITURES (\$Millions)	PAYROLL (\$ Millions)	EMPLOYMENT (Thousands)	STATE TAX RECEIPTS (\$ Millions)	LOCAL TAX RECEIPTS (\$ Millions)
Buchanan	17.5	3.81	0.2	0.56	0.21
Dickenson	6.57	1.41	0.07	0.36	0.16
Lee	10.62	2.91	0.17	0.52	0.26
Norton City	15.86	2.7	0.15	0.73	0.71
Russell	10.36	2.37	0.14	0.52	0.17
Scott	14.87	2.93	0.18	0.71	0.38
Tazewell	44.81	9.39	0.58	1.93	0.64
Wise	27.6	5.74	0.35	1.24	0.51

From 2003 to 2008, domestic traveler expenditures increased 39.6% in the counties in which the Virginia Coal Heritage Trail travels from \$106.19 million to \$148.27 million.



ESTABLISHING BENCHMARKS

All six counties and the City of Norton have experienced an increase in tourism expenditures and total domestic traveler expenditures over the past few years but it would be difficult for one to attribute or not attribute this increase to the creation of the Virginia Coal Heritage Trail Scenic Byway. Therefore, it is the recommendation of the consultants to use the numbers on the previous page and below as the base numbers for future analysis of the corridor.

BREAKDOWN ON TOURISM TAXES BY CITY FOR TAZEWELL AND WISE COUNTIES				
COUNTY	TOWN	LODGING TAX	FOOD SERVICE TAX	Explanation
Buchanan Co.		\$32,292 (2%)		
Norton City		\$125,638 (4%)	\$930,578 (6%)	
Tazewell Co.	Bluefield	N/A	\$1,026,820 (5%)	
Tazewell Co.	Richlands	N/A	\$472,225 (4%)	
Tazewell Co.	Tazewell	N/A	\$301,164 (4%)**	
Wise Co.	Big Stone Gap	\$10,836 (5%)	\$469,331 (6%)	
Wise Co.	Wise	\$39,517 (4%)	\$879,782 (5%)	

***Figures from 2006.
Not reported in 2007 or 2008*

* 2008 data (most current available) provided by the U.S. Travel Association.

Since the Virginia Coal Heritage Trail travels past nearly all of the tourism-related establishments in Buchanan County, City of Norton, Big Stone Gap and the Town of Richlands, these communities, in particular, provide excellent bench marks in which to measure the success of the Virginia Coal Heritage Trail over time.

The Pocahontas Exhibition Mine has seen a continual decline in visitation over the past few years. In 2006, there were 2,447 paid visitors to the mine exhibit, a significant decrease blamed on high gas prices. In 2007, the numbers rose to 3,893 which was the year the Pocahontas By-Pass was completed and the year the Pocahontas Company Store collapsed. The following year, Pocahontas High School closed and the numbers visiting the exhibition mine declined to nearly 1,000 less than the year before. In 2009 and 2010, visitation further declined to 2,867 and 2,341 respectively. This trend needs to be stopped otherwise one of the only remaining exhibition mines still open to the public will no longer be able to afford to stay open. Using this site as the starting point and staging area for the rest of the tour will help to increase visitation. But in doing so, the experience at the very start must entice and encourage people to continue on the trail. Therefore, it is crucial that attention be made to making the Pocahontas Exhibition Mine once again a “world class” attraction.

ATTRACTIONS AND AMENITIES ALONG THE ROUTE HAVE THE CAPACITY TO GROW

Over 3,500 visitors from nearly every state and the countries of Germany, France, England and Saudi Arabia signed the register at the Coal Museum in Clinchco which recently closed. It was in operation in 19 years. And the Duffield Depot has had visitors from over thirty states although no formal survey has been taken. It is recommended that annual visitation and revenue base numbers be established for the following tourism attractions located along the Byway and that visitation counts and revenue generated for each be tracked monthly and annually in the analysis.

Base numbers for each of the establishments are provided in the chart on the following page.



**CHAPTER XII: ECONOMIC IMPACT
Of the Virginia Coal Heritage Trail**

VISITATION AT TOURISM BUSINESSES ALONG THE BYWAY*

BUSINESS	QUANTITY/PERCENT	2008	2009	2010	MONTHS	GOAL 2012
Jessie Lea RV & Campground	Average per month			5 to 6 avg.	May - November	10 to 12 avg.
Breaks Interstate Motel	% of Occupancy	35%	35%	38%	April - October	50%
Breaks Interstate Cottages	% of Occupancy	50%	61%	74%	April - October	75%
Breaks Interstate Suites	% of Occupancy	36%	44%	44%	April - October	50%
Breaks Interstate Log Cabins	% of Occupancy		50%	67%	April - October	75%
Budget Inn in Claypool	% of Occupancy	70%-80%	40%	45%-55%	Jan - December	65%
Holiday Inn in Norton	% of Occupancy			80%	Jan - December	85%
Breaks Interstate Restaurant	# of Diners	47,761	50,493	48,536	April - October	55,000
Breaks Interstate Visitor Center	# of Visitors	21,328	21,214	28,547	April - October	35,000
Crab Orchard Museum	# of Visitors		14,274	14,362	Jan - November	15,000
Pocahontas Exhibition Mine	# of Visitors	2,951	2,867	2,341	Jan - December	4,000
June Tolliver House Museum	# of Visitors					
Lonesome Pine Outdoor Drama	# of Visitors					
Southwest Virginia Museum	# of Visitors					
Lays Hardware Music	# of Visitors					
Harry W. Meador Coal Museum	# of Visitors					
Dante Coal & Railroad Museum	# of Visitors					
Duffield Depot Museum	# of Visitors					

**Information provided by the businesses themselves in a telephone survey conducted in November & December 2010.*

A few hotels such as the Village Inn in Castlewood reported occupancy levels of nearly 100% but noted that this was not due to increased numbers of visitors in the area but more to the fact that the Dominion Power Plant is under construction just down the road and workers are renting rooms by the week, month and sometimes longer. In the case of Jessie Lea RV & Campground, they too have experienced a significant increase in occupancy due to the power plant so in their case, an average count of actual tourists staying at the campground each month was noted.

Harry W. Meador Coal Museum has a visitor register for people to sign but the curator noted that many visitors do not sign it and felt it would provide an inaccurate count of the number of visitors per year. He promised to make a point to encourage more people to sign the register this upcoming year. He did note that he has seen a significant increase in visitation over the past two years and he attributes this to both the Crooked Road Music Trail and the Virginia Coal Heritage Scenic Byway.

AVERAGE VISITOR SPENDING PER DAY

Visitor spending estimates in Southwest Virginia based on comparable tourism spending levels and 2010 prices averages \$107.00 per person per day which includes an overnight stay*.

Breakdown is as follows:

- Average lodging: \$39 (based on double occupancy of \$78 per night)
- Average meals: \$30 per day per person
- Average retail sales: \$30 per day (admission, souvenirs, entertainment)
- Average gas: \$10 per day

In a study conducted by TNS Travels America, it was determined that a cultural and heritage traveler is more likely to take a weekend getaway, they stay longer than the average Virginia traveler (2.8 nights vs 2.1 nights); and they spend more per travel party (\$260 vs \$145). The dollars spent in



Southwest Virginia could be doubled if there were more shops and attractions established along the route in which for visitors to spend money.

POTENTIAL ECONOMIC BENEFITS

At this time, with increased marketing of the byway, it is very reasonable that an additional 10,000 people will drive a portion of the Virginia Coal Heritage Trail Byway in 2011, bringing with them an additional \$2.14 million dollars in visitor spending generated along the route assuming these travelers followed the trend and stayed more than one night in the area. Based on other similar coal and mining byway trails, by year five, if both marketing and improvements along the route are implemented such as improved interpretative signs and coal related visitor centers and attractions, the increase in visitor traffic could exceed 50,000 people*. This would equate to over \$10.6 million dollars in increased revenue flowing into southwest Virginia.

In the 2006 National Coal Heritage Area Annual Report, an estimated 54,000 tourists visited coal heritage themed sites within the National Coal Heritage Area in West Virginia. Working with West Virginia to promote the Virginia Coal Heritage Trail as an extension to the Coal Heritage Trail of West Virginia should create greater awareness and higher visitation numbers for both states.

If the railroad theme was also promoted and marketed, this total number would increase as much as 25% due to the growing number of railroad enthusiasts across the United States and overseas who would have an interest in seeing some of the sites along the route. A further increase would be experienced if joint marketing occurred between the Crooked Road Music Trail, the Spearhead Trails initiative and the Virginia Coal Heritage Trail providing multiple reasons to visit Southwest Virginia throughout the year.

The fact that the Virginia Coal Heritage Trail is so long means the average visitor will only drive a portion of the byway at a time. If the experience they have along one section is positive, they may have interest in coming back to Southwest Virginia to explore another section of the Trail. But if they experience frustration or feel what they are seeing does not intrigue them or does not live up to their preconceived expectations, they will most likely not come back. Therefore, it is very important they have a positive experience, and, in the process, learn about other sections of the route that may interest them in making a follow-up visit back to the region.

SURVEYING THOSE WHO VISIT

Visitor centers and chambers within Southwest Virginia should keep accurate totals of the number of visitors requesting information about the Virginia Coal Heritage Trail. The following visitor forms should be provided at each of the sites noted above. Offer a chance to win a \$50 gift certificate for gas, or a free t-shirt or some type of give-a-way to encourage participation. Visitors should be encouraged to sign in at different sites along the way. Annually, these forms should be compiled and an analysis conducted.



CHAPTER XII: ECONOMIC IMPACT Of the Virginia Coal Heritage Trail

VISITOR SURVEY FORM

1. Where do you live: _____ City _____ State _____ Zip _____
2. Purpose for trip: (Check more than one if appropriate)
 - Sightseeing or Touring
 - Traveling to or from a vacation. Name of vacation destination? _____
 - Traveling to or from a visit with friends or relatives
 - Business
 - Other (please specify) _____
3. Trip destination: _____ City _____ State _____
4. How many days will you be traveling through Southwest Virginia? _____ day(s)
5. How much do you anticipate you are spending per day on food, lodging, gas, shopping and attractions while in the area? \$_____ per day while traveling in this area.
6. Did you know you are traveling on the Virginia Coal Heritage Trail Scenic Byway where there are over 100 coal & railroad related sites along the route? ___ yes ___ no
7. Would you like more information on the Virginia Coal Heritage Trail Upcoming events? Yes ___ No ___
8. Would you like a chance to win \$50 in free gas? Yes ___ No ___

If you answered "yes" to Question #7 and/or #8, please provide us the following:

Name: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 And/or E-mail address: _____

Basic register books should include a minimum of the following so follow-up research can be conducted.

Date: _____ Destination: _____
 Name: _____
 Address _____
 City: _____ State: _____ Zip Code: _____

Comments:

BUSINESS SURVEY

The information below should be gathered from the following businesses throughout the year:

- Lodging Facilities along the Trail – Occupancy Rates each month
- Attractions along the Trail – Number of Visitors each month
- Dining Establishments – Number of Patrons each month from outside the immediate area and total revenue generated if available.
- Shops along the Trail – Retail sales each month noting, when possible, sales made by those outside the immediate area.