



# River Cities Redevelopment Roadmap

Sara Cottingham

Kasey Osborne



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911 Greenbag Road  
Morgantown, WV 26508  
[downstreamstrategies.com](http://downstreamstrategies.com)

Downstream Strategies is an environmental and economic development consulting firm with offices in Morgantown, Lewisburg, and Davis, West Virginia. We are considered *the* go-to source for objective, data-based analyses, plans, and actions that strengthen economies, sustain healthy environments, and build resilient communities. We offer services that combine sound interdisciplinary skills with a core belief in the importance of protecting the environment and linking economic development with natural resource stewardship.

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Cover photo: Left: View of the Kanawha River, Earl M. Vickers Bridge, and Montgomery (City of Montgomery). Right: View of Smithers and the Kanawha River (City of Smithers).

# EXECUTIVE SUMMARY

## About this report

With several key areas targeted for large-scale trail development, the Upper Kanawha Valley may see significant numbers of tourists coming to the area within the next decade. Leaders in Smithers and Montgomery (known as the River Cities) hope to draw those tourists into their downtowns to help stabilize and revitalize the local economy.

As these cities work towards achieving this goal, their planning must be guided by the following questions:

- *What specific businesses, services, and other amenities will be needed to attract trail visitors to Montgomery and Smithers?*
- *What can local leaders do to jumpstart tourism-related business creation?*
- *How can brownfield properties be utilized in developing an outdoor economy?*



Smithers (WV Explorer)

This report is designed as a roadmap to help Smithers and Montgomery achieve their goal of developing a trail-based tourism economy from the ground up.

This study looks at how the River Cities can develop their community capacity for tourism and be prepared to take advantage of new market opportunities in the outdoor economy. The following sections provide:

1. A comprehensive market assessment for trail-based tourism in Smithers and Montgomery.
2. An assessment of the River Cities' existing tourism infrastructure, comparing what visitors look for in a trail town with what Smithers and Montgomery currently have.
3. Specific opportunities for tourism-sector business development.
4. Detailed business startup scenarios for two tourism-sector business opportunities, linked to specific local brownfields properties.
5. Next steps, recommendations, and a checklist to guide local leaders in launching their nascent tourism economy.

## Key findings

- The River Cities lie within easy reach of existing markets: More than 10 million people reside in metropolitan areas within 250 miles, and over a million non-local visitors already travel to the nearby New River Gorge each year.
- Based on nearby trail developments already underway, projected visitor spending could bring tremendous revenue to the River Cities. According to projections in Section 1.4.1, 100,000 visitors could result in local spending of \$4.4 million per year.
- To serve future trail tourists, Montgomery and Smithers should prioritize business development that caters to the documented consumer preferences of their desired visitors: overnight visitors including motorized trail users, mountain bikers, and kayak anglers.
- Specific business opportunities in the River Cities include a high-end RV campground, short-term vacation rentals, a non-chain niche restaurant, and an outdoor gear shop with rental services.



# 1. MARKET ASSESSMENT

## 1.1 Community profile

Known as the “River Cities,” Montgomery and Smithers, West Virginia, are located on opposite banks of the Kanawha River straddling the Kanawha and Fayette County line. Despite being divided by a river and separate city and county jurisdictions, few cities in West Virginia are more united: In fact, the 2,450 residents on both sides of the river consider themselves to be “one community, two municipalities.”

Located in the heart of the Upper Kanawha Valley, less than 30 miles from the state capitol in Charleston, the River Cities lie near the last navigable upstream point on the Kanawha River, which has been a major transportation route since colonial and even Native American times.





Platted in 1876, Montgomery emerged at the site of a prominent ferry port that hosted river traffic. Soon after, as the advent of railroads fueled the rise of the region’s coal industry, Montgomery found itself positioned at a key nexus for barge and railroad commerce. By the early 1910s, the area had grown into a major shipping center for the regional coal industry, during which Montgomery emerged as the largest town in Fayette County. (Midland Trail, 2015; Great American Stations, 2020)

During the same timeframe, Smithers emerged just across the river as one of several coal camps that rose to house workers migrating to the area for work in the coal mines (City of Smithers, 2020). The City of Smithers was officially chartered in 1938.







The coal industry played a central role in the River Cities’ growth and prosperity. Located in the metaphorical buckle of West Virginia’s coal

# River Cities

## Montgomery | Smithers

641		399
Number of households		
36		26
Average age		
\$22,679		\$36,800
Median household income		
Two-town  population		
2,450		

### Major industries

 Leisure and hospitality	 Education and health services
 Transportation and utilities	 Government
 Trade	 Professional and business services



Montgomery riverfront (WV Explorer)

belt, Smithers and Montgomery sit fully within the United Mine Workers of America (UMWA) District 17 that for decades was the largest in the United States (City of Smithers, 2020).

During the height of the coal and manufacturing era, Montgomery was a major commercial center with stores, a university, a hospital, and a busy shipment center. Until recently, Montgomery was home to the West Virginia University (WVU) Institute of Technology (founded in 1895) which provided training in engineering, health professions, print management, and education.

Railroads continue to influence the area: Montgomery features a stop on Amtrak's Cardinal Line, which received a \$1.8 million upgrade in 2020. (Great American Stations, 2020)

The Upper Kanawha Valley is undergoing an economic transition. As coal and manufacturing have declined in the region, higher education became a mainstay of the local economy; however, WVU Tech closed its Montgomery campus in 2016, which resulted in significant job losses and greatly altered the economic landscape in Montgomery and Smithers. (BridgeValley Community & Technical College now occupies the former WVU Tech campus.)

In the face of these challenges, the Upper Kanawha Valley Strategic Initiatives Council (UKVSIC), led by the mayors of Smithers and Montgomery, is collaborating with regional partners to plan for a brighter future by working together. Through a series of recent community planning initiatives, outdoor recreation and trail development have consistently emerged as key priority areas for further development.

## 1.2 Existing markets: population centers and tourism destinations

From a tourism perspective, the River Cities stand out in terms of their location and connectivity to potential markets.

- **Nearby population centers:** The River Cities are located approximately 27 miles from Charleston, the state capitol, which in turn is part of a greater metropolitan corridor stretching to Kentucky and Ohio. Most of the 600,000+ residents of the Charleston and Huntington-Ashland metropolitan areas live within a 90-minute drive of Montgomery and Smithers (ACS, 2019). Several major urban centers (including Columbus, OH, Cincinnati, OH; Charlotte, NC; Lexington, KY; and Pittsburgh, PA) fall within 250 miles—the average surveyed trip distance for key outdoor user groups.
- **Existing tourism markets:** Smithers is positioned on key routes leading to the world-renowned New River Gorge National Park and the Gauley River National Recreation Area, whose legendary rapids draw whitewater boaters and other visitors from around the world. The River Cities lie just 24 miles from Fayetteville, the center of tourism for the New River Gorge. More than 1.3 million people visited these two key National Park assets in 2019 (NPS, 2020). The National Park Service (NPS) estimates that over 75% of these visitors are non-



Downtown Montgomery (Downstream Strategies)



local, high-spending visitors who are better educated and more affluent than the local resident base (NPS, 2011).

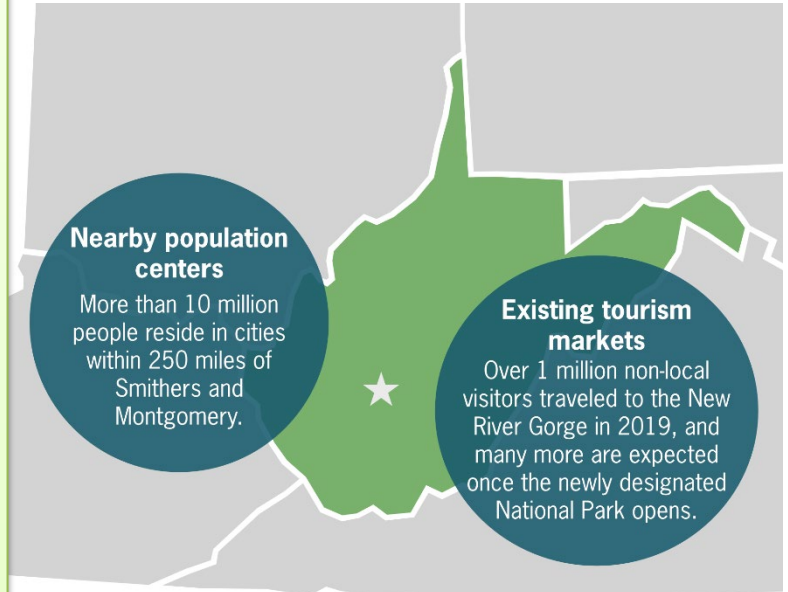
## New River Gorge National Park and Preserve

As of late 2020, the New River Gorge National River has been officially designated as America's 63<sup>rd</sup> National Park.

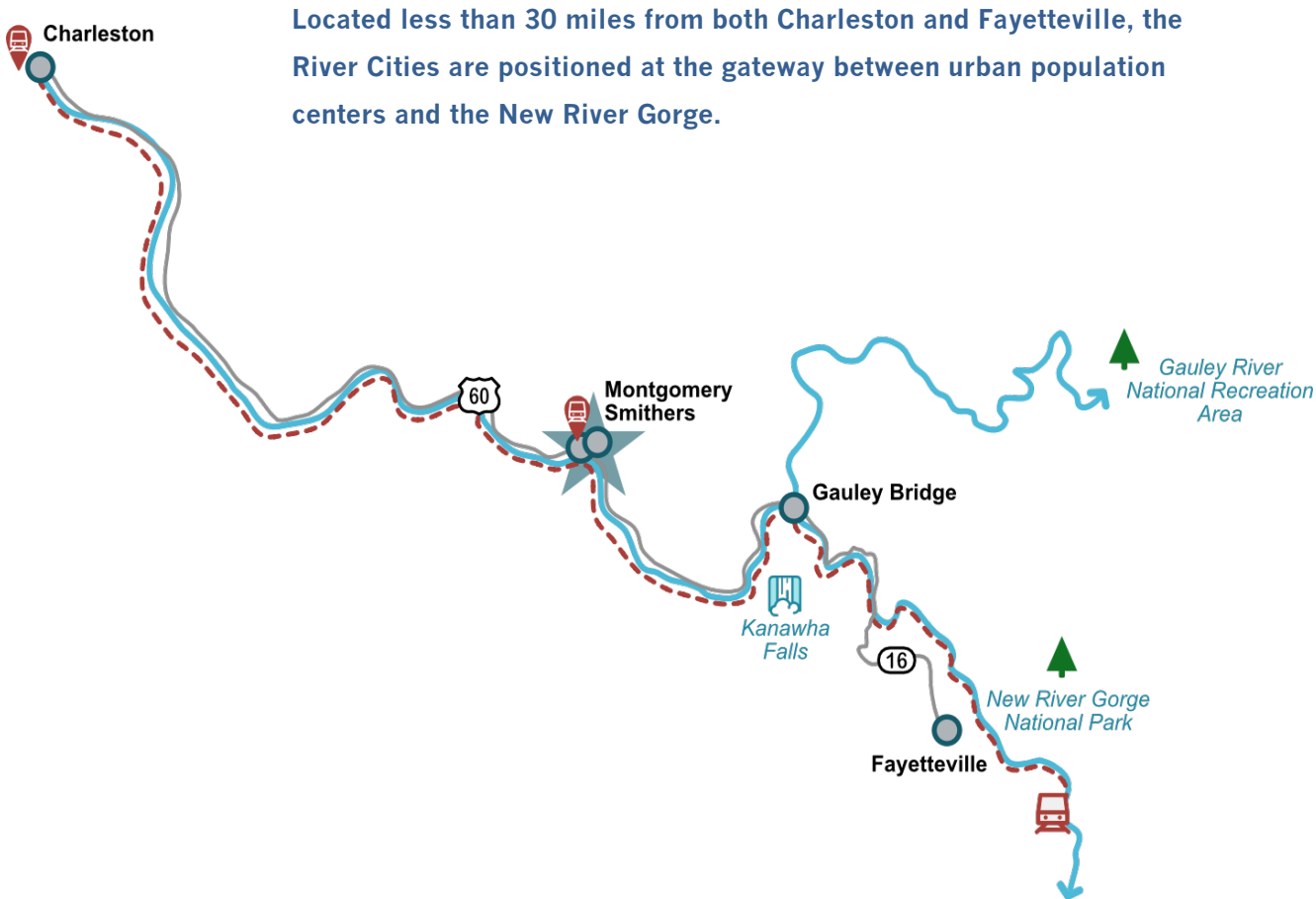
The New River Gorge Park and Preserve Designation Act, passed in 2020, establishes a 7,021-acre National Park, plus a 65,165-acre preserve where hunting and fishing will still be permitted. As it stands, the new proposed boundary will push further north up the river (with potential for future expansion), bringing nationally acclaimed tourism opportunities closer to communities like Gauley Bridge and the River Cities.

Many individuals, both in America and throughout the world, purposefully plan vacations around visiting national parks. As part of the National Park system, experts project that the New River Gorge could likely see a **20% increase in tourism** in the coming year. This tourism surge will likewise enhance job and nascent business opportunities and generate economic growth in the region. (Cain, 2020)

As a result, the River Cities stand to gain from this designation, which will bring even more tourism traffic to their doorstep.



New River Gorge (National Park Service)



Located less than 30 miles from both Charleston and Fayetteville, the River Cities are positioned at the gateway between urban population centers and the New River Gorge.

**Three key transportation corridors link the River Cities to these key markets:**

- **Road:** U.S. Route 60, the Midland Trail National Scenic Byway, is a major east-west corridor spanning from Virginia to Ohio. Passing through Smithers, Route 60 offers the most direct route by car between Charleston and Fayetteville, the seat of New River Gorge tourism. It is also heavily traveled by whitewater boaters accessing the Gauley River National Recreation Area. (Midland Trail, 2020)



- Train:** Montgomery features a newly renovated stop on Amtrak’s Cardinal Line, which links the River Cities with major cities including Charlottesville, Washington, D.C., Baltimore, Philadelphia, New York City, Cincinnati, Indianapolis, and Chicago. Within West Virginia, the Cardinal Line stretches from Huntington to White Sulphur Springs and is especially popular during the fall, when travelers enjoy seasonal foliage in the scenic New River Gorge. Nearly 108,000 riders traveled on the Cardinal Line in 2019. (Amtrak, 2020)
- River:** The Kanawha River is a defining—and uniting—feature of Smithers and Montgomery. Downstream, the river is still used heavily for barge traffic to transport coal and other industrial materials to markets in Charleston and beyond via the Ohio River. Upstream, the Kanawha River is a renowned sport fishery. Ten miles upstream of Smithers, Kanawha Falls offers a dramatic 600-foot-wide waterfall and a popular fishing destination just below the confluence of the New and Gauley rivers. While the falls pose a significant barrier to upstream travel by boat, the river nonetheless serves as a powerful thread between Fayette and Kanawha counties, past and present. Boats launched below the falls enjoy flat water to Montgomery and Smithers, providing ideal paddling conditions for canoes, kayaks, and other non-motorized boats.



Montgomery Amtrak station (Downstream Strategies)

According to internal estimates, more than 90% of Adventures on the Gorge visitors travel to the resort by car (Proctor, 2020). Based on travel routes and interstate corridors, most travelers coming from Kentucky, Ohio, and beyond would use U.S. Interstate 64, which lies approximately 14 miles from Smithers and Montgomery, to access the New River Gorge. Many coming from the greater Charleston-Huntington area likely travel on Route 60 through Smithers en route to the Gorge.



Kanawha River and Smithers (Cavalier)



### Travelers currently pass through the River Cities on their way to...

- Vacation at resorts in the Fayetteville area.
- Partake in outdoor adventures at the New River Gorge.
- Enjoy weekend getaways at scenic short-term vacation rentals.

### Key events:

- Peak summer tourism season (Fayetteville/New River Gorge region): June through September
- Gauley Season (various locations in the Gauley River NRA): Labor Day through October
- Bridge Day (Fayetteville): one Saturday in mid-October
- New River Gorge train excursions (Amtrak Cardinal Line, Huntington to Hinton): two weekends in October

Given their proximity to existing urban centers and pass-through tourism traffic, Smithers and Montgomery have an accessible market for potential tourists. They simply need to give travelers a reason to stop in the River Cities.

### 1.3 Planned outdoor recreation development

Based on a series of studies conducted by Virginia Polytechnic Institute and State University (Virginia Tech), the U.S. Environmental Protection Agency, and others, local leaders see trail-based outdoor recreation as key to attracting visitors to the River Cities and the Upper Kanawha Valley. Several key recreational developments could transform the area into a trail center.

- **Hatfield-McCoy Trails:** The Hatfield-McCoy Trails consist of over 800 miles of trails for all-terrain vehicles (ATVs) and utility task vehicles (UTVs), spanning six counties in southern West Virginia. The Hatfield-McCoy Regional Recreation Authority (HMRRRA) is currently planning its first Kanawha County trail system, which will feature a trailhead in Montgomery. As of early 2021, HMRRRA is in the process of inventorying properties for development and has secured all funding necessary to build the trail system once final permission is received from the landowner (Lusk, 2020). Though still likely five or more years from completion, the Montgomery trail system will be one of only two areas in the entire Hatfield-McCoy Trail System open to off-road vehicles (ORV) such as Jeeps, Hummers, off-road trucks, and other 4x4 vehicles (Christie, 2020; Ingram, 2021). This niche, in conjunction with the wildly successful Hatfield-McCoy Trails brand and the close proximity to the greater Charleston metropolitan area, offers tremendous potential for drawing motorized trail users to the River Cities.



Hatfield-McCoy Trails (Hatfield-McCoy Trails Instagram)



- Mammoth Preserve:** In 2020 the West Virginia Land Trust acquired 5,000 acres along the Kanawha–Fayette County line east of Mammoth. Known as the Mammoth Preserve, the West Virginia Land Trust plans to restore the former mine site into a public recreation area. While specific recreation plans were being developed at the time of this publication, West Virginia Land Trust staff indicated that their long-term vision for the property includes intentional trail development to transform the Mammoth Preserve into a destination for mountain biking (Berdine, 2020). The Land Trust hopes to open initial trails by 2022 (Christie, 2020). Given the documented market viability of mountain bike tourism, successful trail and destination development at the Mammoth Preserve could make the River Cities an anchor destination for mountain bike tourism in southern West Virginia.



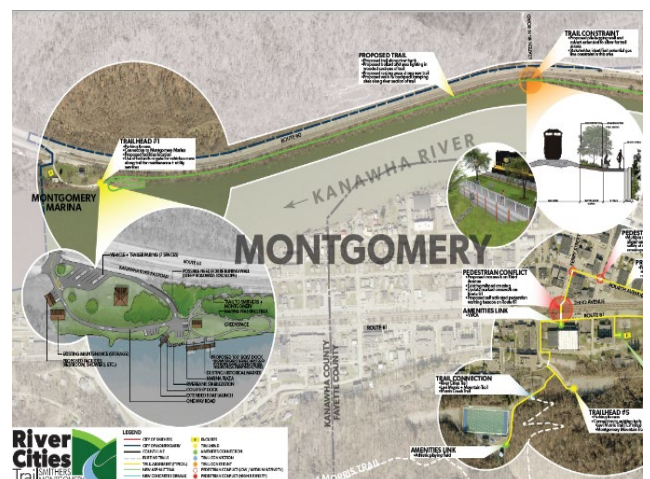
Mammoth Preserve (Adam Webster)



- River Cities Trail:** Through a series of multi-year community planning processes, the Cities of Smithers and Montgomery have embraced trails as a central component to their shared futures. In 2018 the UKVSIC worked with consultants to translate that shared vision into a formal master plan for the River Cities Trail. The River Cities Trail will link the existing Cannelton Rails to Trails, the Montgomery Mountain-City Trail System, and the Marina Trail into a cohesive network. Most importantly, the development will connect the downtowns of Smithers and Montgomery entirely by trail. In addition to enhancing quality of life for current (and future) residents, making the cities accessible by foot and bicycle will help attract visitors to the communities. As a result, this intentional focus on trail development will make the River Cities more attractive to visitors and residents alike.



River Cities Trail Plan (GA)





In addition to the River Cities Trail, leaders in Smithers and Montgomery are in the process of developing additional riverfront amenities aimed at increasing river access in the two cities.

- **Montgomery Fishing Pier and Kayak Launch:**

As of January 2021, the City of Montgomery is bidding out construction for the new Montgomery Fishing Pier and Kayak Launch at the Adams Street Park. Located between Montgomery General Hospital and its adjacent elder care facility, the park was designed to be accessible for all ages. The fishing pier will be handicap-accessible so that seniors and those in the hospital can enjoy the riverfront amenity. Funded by the NPS Land and Water Conservation Fund and a match from the City, the project is anticipated for completion within less than a year. (Thomas, 2020)



(City of Montgomery)

- **Oakland Riverfront Dock:**

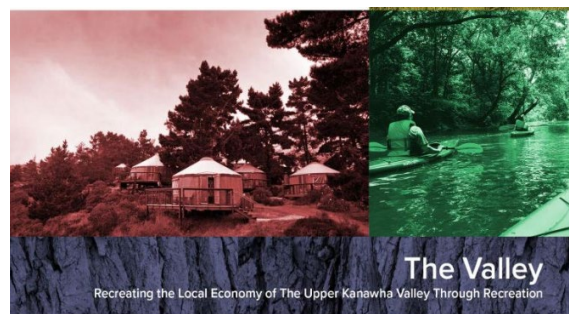
The City of Smithers is in the process of redeveloping the former Oakland School into a multi-use riverfront dock. Featuring a handicap-accessible kayak launch and courtesy dock, the Oakland Riverfront Dock will be the city’s first public river access point. It will also feature a splash pad, scenic overlook, basketball court, restrooms, a picnic area, informational signage, and off-street parking for food trucks. The City finalized a master plan for the Oakland River Dock in September 2020, and City officials are now seeking funding for implementation.



Preferred Master Plan (Thrasher, 2020)

- **The Valley: Recreating the Local Economy of the Upper Kanawha Valley Through Recreation:**

Completed in 2021, this master trail plan links the recreation developments listed above with many others (existing and envisioned) throughout the Upper Kanawha Valley (CEC, 2021).



(CEC)

## 1.4 Market audience and visitor profile

The planned trail-oriented developments in the River Cities focus on several key user groups, including motorized trail riders, mountain bikers, river enthusiasts (including boaters, anglers, and others), and hikers. Based on a thorough review of market data and case studies from trail towns across the country, the following categories of trail users are key user groups that Smithers and Montgomery could target for tourism.<sup>1</sup>

<sup>1</sup> Except where specific sources are cited, the following profiles, including spending and visitation estimates, were developed by Downstream Strategies staff, based on extensive research and analysis of market data and case studies.

**Day visitors** are individuals who stop in the area but either return home or travel elsewhere to spend the night. Day users represent all age groups and all activities, particularly boating, fishing, biking, and hiking.

These users typically make up the largest user group in terms of sheer number of visits to a trail town. While most trail systems see the bulk of users coming from within 1–2 hours away, the River Cities would likely capture a number of visitors stopping for a short break en route to the New River Gorge or the Gauley River. Many of these visitors would stop in local restaurants and shops; however, since their visits are exclusively day trips, this group spends, on average, less than \$20 per visit. As shown in the table on page 15, the overall economic impact of day users is significantly less than that of overnight visitors, despite the fact that day users comprise the bulk of discrete visits to the area.

**Motorized trail riders** are visitors who come to ride off-highway vehicles on trails. In the context of Smithers and Montgomery, many of these riders would be riding Jeeps, Hummers, and other ORVs. While the Montgomery area is known for its Jeep trails on private property (restricted to public use), a link with the Hatfield-McCoy Trails would likely bring an exponential increase in the River Cities' visibility as an off-road motorized adventure destination.



(WV Tourism)

According to data from HMRRRA, 91% of the trail system's total 56,000 visitors each year come from outside West Virginia. The majority of these visitors are middle-aged.<sup>2</sup> They travel in large groups,<sup>3</sup> and roughly 60% report spending 2–3 days riding per trip (CBER, 2020). Given the length of their stays, the size of their parties, and the gear-intensive nature of the sport, motorized trail tourists generate significant revenue for trail towns: Surveyed non-local respondents in 2019 spent \$1,156 *per trip*,<sup>4</sup> and 81% of surveyed respondents make multiple trips per year to the Hatfield-McCoy Trails (CBER, 2020). Marketing the River Cities as a niche destination for Hatfield-McCoy riders would be an effective way to tap into this lucrative user group.

**Mountain bikers** are visitors who travel to an area specifically to ride trails in the area. National surveys have found that mountain bike tourists are predominantly young professionals in their 30s and 40s with high expendable incomes, and they take an average of two trips per year specifically to bike (Barber, 2015). The River Cities sit within the desired trip distance—250 miles—of approximately 7 million mountain bikers in eastern metropolitan areas who eagerly head out of town on the weekends to try out new trails (Downstream Strategies, 2019).

<sup>2</sup> Over 79% of surveyed respondents were between the ages of 35 and 64 (CBER, 2014).

<sup>3</sup> More than 63% of surveyed respondents reported a group size of 3–8 riders per visit to the Hatfield-McCoy Trails (CBER, 2020).

<sup>4</sup> This is not a definitive per person, per day estimate, since the wording of the survey did not break out exactly how many days the respondent spent per trip, or whether that spending reflected multiple family members versus per person. Based on reviews of other off-highway trail destinations around the country, Downstream Strategies conservatively estimates typical spending well over \$200 per rider, per day.



The average mountain biking tourist spends \$382 per day on a bike trip, which tends to be two or three nights in duration (Barber, 2015). This number holds true in West Virginia: Surveys from West Virginia mountain bike races and events found attendees spend roughly \$387 per trip (Eades and Arbogast, 2019). While they sometimes camp, they often stay in cabins and short-term rentals, and they purchase half of all their meals in higher-end local restaurants (Barber, 2015).

Based on initial planning, the West Virginia Land Trust envisions focusing on beginner to moderate mountain biking trails at the Mammoth Preserve. While West Virginia is renowned for extremely difficult, technical mountain biking trails, analysis by Downstream Strategies has found that the most successful mountain biking destinations feature trails for all levels of riders (Downstream Strategies, 2019).

**Kayak anglers** are individuals who fish from kayaks and often participate in organized kayak angling tournaments. Kayak angling is a growing sector of Kanawha and Fayette County tourism, with a number of popular tournaments taking place annually on the New River. As a result, kayak anglers could be a key user group for the River Cities to target given their towns' frontage and location just downstream of the trophy waters at Kanawha Falls.

As with all other forms of outdoor recreation, the economic impact from kayak anglers who stay in the county overnight is significantly higher than the impact of local fishermen. Tournament participants include all ages, though many are over 40. Most are male, and a small percentage bring their families along. Most kayak anglers camp at the site of a tournament, though some rent cabins. They make daily purchases at local tackle shops and dine at local restaurants for dinner over the course of their typically two-night stay, bringing their estimated spending total to \$80 per day. (West Virginia Kayak Anglers, 2020)



Mountain biker at Big Bear Lake Trail Center in Preston County (Big Bear Lake Trail Center)



(West Virginia Kayak Anglers Facebook)

### 1.4.1 Total market breakdown

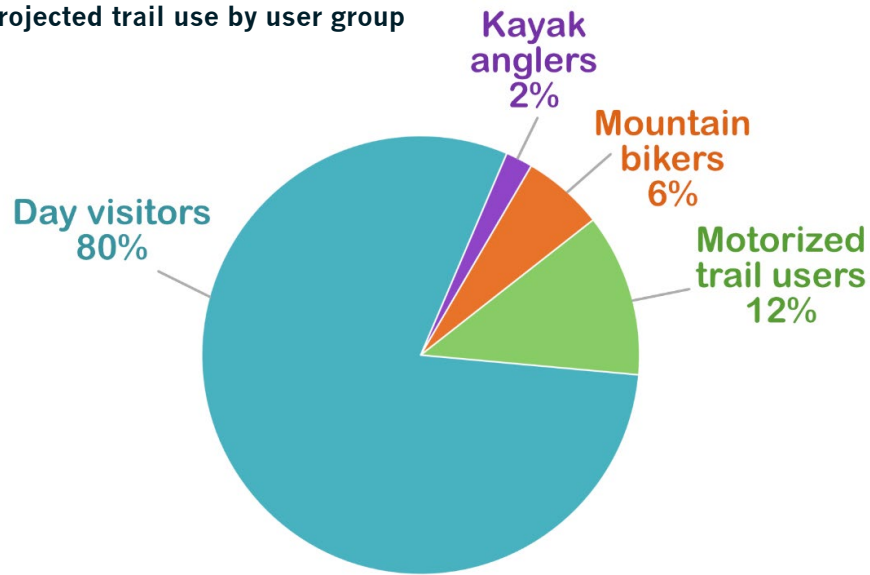
Assuming that both the Hatfield-McCoy Trail connection and Mammoth Preserve mountain bike destination are built out for full-scale tourism development, Figure 1 shows the approximate breakdown of trail visitors by user group the River Cities could expect to see.<sup>5</sup>

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<sup>5</sup> In addition to these four user groups, horseback riders are another user group with strong potential for the region. There may be interest in developing trails in the Upper Kanawha Valley specifically for horseback riders. However, since there were no concrete plans for such trails at the time this report was prepared, horseback users were not considered to be a top user group projected for the River Cities to target.



**Figure 1 Projected trail use by user group**



**Table 1: Average spending and preferences by visitor group**

User group	Age	Locality	Dining preference	Lodging preference	Other spending	Est. daily spending
Day visitors	All	Within 100 miles	A single meal or coffee	N/A	Likely to visit other downtown shops and art, though average spending is minimal	\$13
ATV/Off-road riders	35–64	Other states	Riders typically dine out for dinner. Non-riding family members may seek additional meals out	70% of Hatfield-McCoy riders stay at high-end cabins or lodges. Campgrounds and hotels/motels are a distant second and third choice	Riders often bring along their family members who seek other shopping and things to do	\$200+
Mountain bikers	30–50	Cities within 250–500 miles	High preference for upscale coffee shops and local, non-chain restaurants	Documented preference for higher-end camping or short-term rentals with Wi-Fi and other amenities	Likely to visit bike shops, outdoor stores, and other local businesses in the area	\$130
Kayak angler	All	WV, nearby states	Dine out for dinner two nights	Most spend two nights per trip. 75% camp, 25% reserve a bunk or cabin.	Daily purchases from local tackle shops	\$80

\* Note: While these visitor spending estimates were informed by a number of different sources, they were ultimately based on best professional judgement by Downstream Strategies staff.

### 1.4.2 Visitor spending scenarios

Based on the profiles of user groups the River Cities could target for trail-based tourism, Table 2 projects estimated visitor spending across several different scenarios of total visitation.

**Table 2: Spending scenarios by visitor group**

User group	User split	Daily spending	25,000 total visits		50,000 total visits		100,000 total visits	
			Visits	Estimated visitor spending	Visits	Estimated visitor spending	Visits	Estimated visitor spending
Day visitors	80%	\$13	20,000	\$260,000	40,000	\$520,000	80,000	\$1,040,000
Motorized trail riders	12%	\$200	3,000	\$600,000	6,000	\$1,200,000	12,000	\$2,400,000
Mountain bikers	6%	\$130	1,500	\$195,000	3,000	\$390,000	6,000	\$780,000
Kayak angler	2%	\$80	500	\$40,000	1,000	\$80,000	2,000	\$160,000
		<b>TOTAL</b>	<b>25,000</b>	<b>\$1,095,000</b>	<b>50,000</b>	<b>\$2,190,000</b>	<b>100,000</b>	<b>\$4,380,000</b>

## 2. TOURISM INFRASTRUCTURE ASSESSMENT

As documented in the market assessment above, the River Cities have access to a significant potential visitor base, whose spending could generate tremendous local revenue.

Attracting visitors to the area will hinge first and foremost on developing significant trail infrastructure as anchor destinations. Assuming the development described in Section 1.3 goes as planned, Smithers and Montgomery will need to be ready to draw those tourists into their downtowns.

The recipe for a tourism economy has two key ingredients:

1. **Tourism products** (or attractions) that draw people to an area, and
2. **Tourism infrastructure** that serves visitors and enhances the overall destination.

To assess the River Cities’ “tourism readiness,” this section examines the existing tourism infrastructure in Smithers and Montgomery. The following table compares the tourism-related businesses, services, and amenities the cities currently have with what their targeted trail user groups want, based on their documented consumer preferences and success stories from comparable trail towns.

**Table 3: Existing and preferred tourism infrastructure**

Sector	What visitors want	What River Cities currently have	Opportunities
Lodging	High-end campgrounds (electric, water/sewer hookups for RVs, Wi-Fi) Short-term rentals (cabins, houses, etc.)	New River Campground (Gauley Bridge, 11 mi) Short-term rentals: 1 house rental in Montgomery, 2 in Boomer, 1 in Gauley Bridge Nearest hotel/motel: Glen Ferris Inn (Glen Ferris, 9 mi), Hawks Nest Lodge State Park (Ansted, 18 mi)	RV campground and short-term vacation rentals  Planned: RV campground in Deep Water (6 mi) and hostel in Montgomery
Food & dining	Local non-chain coffee shops, cafés, food trucks, micro-breweries	Montgomery: Dairy Queen, Gino's Pizza, Frank's Pizza, China House, El Jalisco, Express Sub Smithers: Burger Carte Foods, McDonald's, Pizza Hut, Tudor's Biscuit World, Taco Bell Grocery: Grant's Supermarket (Smithers), Save A Lot (Glasgow, 8 mi)	Local, non-chain establishment of any kind  Planned: new restaurants in Montgomery
Recreation-focused businesses and services	Outdoor gear shops, rental/guide/shuttle/repair services	FC Auto (Smithers) Sinker Man bait shop (London, 4 mi) Nearest outdoor gear: New River Campground (Gauley Bridge, 11 mi), Bow-Listic Archery Shop (Chelyan, 14 mi)	Small, multi-sport outdoor shop with rental service
Other aspects	Other shops, arts and cultural activities	First Friday markets (Smithers) The GRID at BridgeValley (Montgomery) Christian Family Book Shoppe (Smithers) Country Crossings Gift Shop (Falls View, 5 mi)	Grow existing arts and cultural opportunities

## 2.1 Lodging

- **Current lodging venues:** Airbnb rentals in Montgomery (1), Boomer (2), and Gauley Bridge (1); plans underway for a hostel in Montgomery and an RV campground nearby in Deep Water
- **What trail tourists want:** full-service campgrounds; short-term rentals, especially cabins and homes
- **Business opportunities:** high-end campground, home rentals, and cabin rentals

**How many lodging options does a trail town need to support a tourism economy?** The following table compares the number of establishments in several of the nation's top destinations for mountain bike tourism. While these communities are all located in different states, each is an example of a small, rural community that has successfully rebooted its local economy through mountain bike tourism.

**Table 4: Lodging establishments in top national mountain bike tourism destinations**

Trail area	Population	Est. number of annual trail visitors	Number of establishments			Description of trail destination
			Hotel, resort, inn, or lodge	Campgrounds	Airbnb	
East Burke, VT and nearby communities	4,000	94,000	18	4	167	100+ miles of singletrack, all on private land
Anniston, AL	22,000	28,000	9	3	104	IMBA Ride Center* destination with 25+ miles of purpose-built singletrack for mountain biking
Copper Harbor, MI	100	20,000+	12	3	35	IMBA Ride Center destination with 35+ miles of purpose-built singletrack for mountain biking
Cuyuna, MN and nearby communities	3,000	185,000	6	8	48	IMBA Ride Center destination with 25+ miles of purpose-built singletrack for mountain biking

Source: *Downstream Strategies mountain bike tourism case study research, 2020*

\* "Ride Centers" are communities designated by the International Mountain Bicycling Association (IMBA) as among the best places in the world to mountain bike.

By comparison, Smithers and Montgomery, with their combined population of around 2,700, have one Airbnb rental. This points to lodging as the most pressing tourism sector the River Cities will need to develop to establish a tourism economy.

Lodging poses the biggest gap in the River Cities' current tourism infrastructure that will need to be overcome to support a thriving tourism economy. In over two decades of running the Hatfield-McCoy Trails, HMRA has found that all of southern West Virginia has a deficiency in lodging accommodations—even in the face of persistent, unmet demand for campgrounds, cabins, and home rentals (Lusk, 2017). In response to this need, their organization has worked hard in recent years to develop more lodging in their trailhead communities.

Supporting a hotel or motel requires a significant stream of existing overnight visitors. Eventually, once planned trail systems in the area are successfully bringing large numbers of trail tourists to the Upper Kanawha Valley, the River Cities may be able to support a hotel or motel. In the meantime, as these cities and the surrounding area seek to develop a tourism economy from the ground up, their efforts should focus initially on less capital-intensive forms of lodging.

BridgeValley Community & Technical College has plans underway to develop one of WVU Tech's former women's dormitory buildings into a hostel. This dormitory-style lodging would provide rooms with shared baths for visitors coming to the area.

Since the Hatfield-McCoy Trails are likely to be the biggest driver of trail-based tourism, the River Cities should anticipate a major market need for the top two lodging options sought by Hatfield-McCoy Trails riders: 1) campgrounds, and 2) short-term rental cabins and lodges.

### 2.1.1 Campgrounds

Officials from HMRRRA cite campgrounds as the number one need for most trail towns (Lusk, 2017). HMRRRA’s experience has shown that a significant share of their riders own luxury recreational vehicles (RVs) and campers, yet many are unable to bring them due to the limited number of campgrounds in the region offering full-service hookups (Lusk, 2017). For peak summer weekends, the region’s RV campsites frequently book up weeks and even months in advance.

Campgrounds are also the top lodging venue for mountain bikers, another key, high-spending outdoor recreation group for the River Cities to target. Many mountain bike tourists travel with high-end campers and vans outfitted specifically for outdoor vacations. Others may opt for tent camping.

Given this demonstrated market preference for higher-end camping facilities among trail tourists, the River Cities should prioritize camping facilities with full hookups for campers and RVs, including electricity, water, sewer, and Wi-Fi access.

There are currently no campgrounds in Smithers or Montgomery; the nearest is the New River Campground in Gauley Bridge, 11 miles upstream from Smithers. As of early 2021, there are plans for a new RV campground six miles upriver in the town of Deep Water.

**New River Campground** in Gauley Bridge offers 39 full hookup sites with water, electric, and sewer (\$34–40 per site per day) and 13 primitive sites for tents (\$26 per site per day).



Each site contains a fire ring, grill, and picnic table. There are two handicap-accessible campsites. Like many campgrounds, New River Campgrounds experiences seasonality in their business; however, campground officials note that their occupancy is generally quite high from Easter through Thanksgiving annually. There is a bait shop and store on-site open year-round that sells snacks, beverages, and ice cream. The campground is located on the river and offers a boat ramp, which kayakers, canoeists, and paddleboarders may use for a \$5 fee. The site also includes a bathhouse, laundry facilities, and Wi-Fi access. (New River Campgrounds, 2020)

Campgrounds often require minimal infrastructure compared to traditional hotels/motels, which can be cost-prohibitive as startups. Campgrounds typically offer a higher rate of return on investment than cabins because the initial capital is greatly reduced. That said, many campgrounds opt to include a range of options—including full hookup sites, tent sites, and cabins—in order to diversify their customer base.

High-end campgrounds are quite different from the primitive tent camping areas with which many West Virginians are familiar. Today, most users seek modern conveniences including Wi-Fi internet access and facilities with restrooms and showers—though those with luxury campers often prefer to use the bathrooms in their RV or camper. Modern campground clientele also look for other on-site amenities suitable for families and other group gatherings, which can include common areas with fire pits, games, pools, and more. Campgrounds with direct access or linkages to major trail areas are a major draw for overnight trail visitors.



In planning for a high-end campground, leaders in Montgomery and Smithers should keep the following things in mind:

- **Utilities:** At a bare minimum, the facility will need to supply electricity for 30-amp and 50-amp hookups, water and adequate sewer or septic service, and Wi-Fi internet access.
- **Location:** The campground should be on or linked to the River Cities Trail. River frontage would be an added bonus, as it would open up additional opportunities for on-site river access and recreation.
- **Size:** RV campgrounds vary widely in size. Small-to-mid-sized RV campgrounds generally feature 10 full hookup sites per acre and cover 10 acres total, for roughly 100 sites (Melendez, 2018). A River Cities campground could start on the small scale with around five acres, ideally in a place where additional, adjacent acreage could be added for later expansion.
- **Options:** While the market for RV campsites is strong, a River Cities campground would also want to provide tent campsites and potentially cabins as well in order to diversify its offerings for maximum economic impact.

While available riverfront real estate—particularly that with any substantive acreage—is in short supply in the River Cities, there is one property that offers the location and acreage needed for a successful campground. Just outside of Smithers in the town of Longacre lies a 26-acre riverfront parcel intersected by Route 60 known locally as Longacre Bottom. According to the Fayette County Tax Assessor’s office, the parcel is currently owned by the Kanawha Gauley C&C Company and is currently for sale. This parcel present a tremendous opportunity and ideal venue for a River Cities campground.

**Franchised campgrounds:** Building an RV park from scratch is not the only option. Franchised RV parks can be bought into, but they have additional requirements. For example, KOA, a nationwide campground franchise, requires their RV parks to have at least 75 sites and provide specific amenities, such as check-in facilities and navigational and promotional signage.

*See more information on a potential campground business startup in Section 3.1.*

### 2.1.2 Short-term vacation rental

With the tremendous growth of websites such as Airbnb, VRBO, and HomeAway, home vacation rentals are becoming an increasingly popular source of visitor accommodations worldwide. Short-term rentals—including cabins, lodges, and homes—now total over 10% of the traditional hotel room supply in the U.S., and experts acknowledge that this trend is here to stay (CBRE Research, 2020).

Based on the latest survey data from 2019, over 70% of Hatfield-McCoy riders report staying at a short-term rental cabin or lodge during their stay (CBRE, 2020). This popularity is partially due to the fact that short-term rentals are the most readily available type of lodging in the area, given the limited availability of full-service campgrounds described above. However, short-term rentals are nonetheless a very popular option for the River Cities’ targeted user groups.

Home and cabin rentals offer a viable potential for gradual, incremental growth in local lodging. Compared to the multimillion-dollar investment often required to open a hotel or motel, starting a short-term rental in an existing home or newly built cottage or cabin is a relatively small-scale investment within the means of many families. While renting out individual rooms in the style of a hotel or bed and breakfast works in some places, whole-house vacation rentals are more popular

with trail tourists and are feasible in places like Smithers and Montgomery that have available housing stock and relatively low real estate prices.

In particular, three key opportunities stand out for the River Cities:

- Existing vacant housing can be remodeled and repurposed as vacation rentals. Montgomery has a number of large, stately homes that could be subdivided into multi-unit rentals or kept as a single unit rental for larger groups. There are also several vacant apartments available in both Smithers and Montgomery that could be used as vacation rental units.
- Property owners with space on their lot can build a cottage or cabin to serve as a dedicated vacation rental. This can be a cost-effective way for a typical person or family to supplement their income as a side endeavor.
- The downtowns of Montgomery and Smithers are home to numerous multi-story buildings with ground-level storefronts. Converting the upper floors of these buildings into loft-style vacation rentals or market-rate apartments offers a great way for the owners of these buildings to diversify and increase their overall rental income from these properties.

In all cases, lots with access to the River Cities Trail and/or the river would be ideal for vacation rentals.

Much like West Virginia, Minnesota's Cuyuna Lakes region has faced the ups and downs of its industrial past: The Cuyuna Iron Range was one of the nation's top iron producers until the 1960s when the industry collapsed. By the mid-1980s, the last of the area's 30 mines closed for good. Local leaders took a gamble on outdoor recreation and focused their efforts on transforming the area into a sought-after destination for mountain biking.



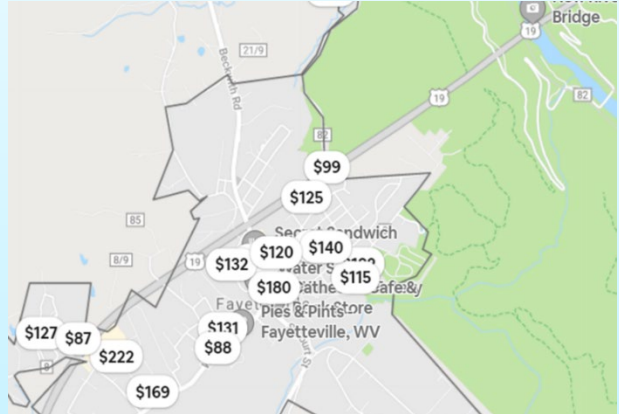
Their efforts succeeded: Ten years later, Cuyuna Lakes is a thriving place. While the region still cherishes its mining past, recreation has rebooted the area's economy. Five years after opening the Cuyuna Lakes Mountain Bike Trail System, the Recreation Area saw visitation soar from 80,000 annual visits in 2011 to 185,000 in 2016. The area added 132 jobs in the same timeframe, and trends are still on the rise. Today, landlords in the Cuyuna Lakes area who once leased homes to residents for \$600 per month are now leasing them to bikers for \$600 *per week*. (Aamot, 2017<sup>6</sup>; IMBA, 2014; Photo: Singletracks)

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<sup>6</sup> Visit <https://cutt.ly/Shn5wSN> to read an in-depth case study on how mountain biking saved this Minnesota mining town.

## Fayette County short-term rentals

The nearby town of Fayetteville has seen a tremendous rise in demand for short-term vacation rentals in recent years. Embracing this boom, many residents are buying up houses simply to rent them out to visitors. Given their popularity, the Fayetteville Convention & Visitors Bureau helps promote these rentals by advertising popular Airbnb listings on its local lodging page.



Airbnb currently features 150 listings in and immediately around Fayetteville—ranging from economic and quaint one-bedroom cabins for less than \$100 per night to upscale, contemporary getaways that can host well over 10 guests. Airbnb estimates that a four-bedroom home could yield over \$1,700 per month. AirDNA’s Rentalizer, a third-party analytical tool, estimates a modest home that accommodates four guests in Fayetteville will reach an average occupancy rate of 57%, which, at a predicted \$186 per day, is enough to bring in \$38,694 of annual income (AirDNA, 2021). In fact, individuals in Fayetteville earn a living through managing Airbnb rentals—and some are available and willing to help out River Cities property owners start building up a short-term rental presence. (Photos: Airbnb)



*See more information on a potential vacation rental business startup in the Business Opportunities section.*

## 2.2 Food and dining

- **Current food and dining venues:** 13 restaurants (some locally owned, though mostly chain fast food restaurants); at least new restaurant is currently underway in Montgomery
- **What trail tourists want:** non-chain coffee shops, cafés, restaurants, and craft breweries
- **Business opportunities:** local restaurant with combined coffee, craft beer, and food offerings

Food and dining are major amenities for any trail town. Whereas lodging is used solely by overnight visitors, restaurants and eateries serve all visitors—including the day visitors who, as shown in the visitor spending scenarios in Section 1.4.1, form the vast majority of visitors to most trail systems. National survey data shows that mountain bikers eat approximately half of their meals at local restaurants when traveling (Barber, 2015). This figure likely holds true across other types of trail tourists: Visitors cook some meals at their rental and often pack snacks and lunches for long trails,

yet by and large they enjoy supporting local dining establishments as a key way to take part in the local flavor.

How many food and dining options does a trail town need to support a tourism economy? The following table compares the number of establishments in several of the nation’s top destinations for mountain bike tourism. While these communities are all located in different states, each is an example of a small, rural community that has successfully rebooted its local economy through mountain bike tourism.

**Table 5: Dining establishments in top national mountain bike tourism destinations**

Trail area	Population	Est. number of annual trail visitors	Number of establishments				Description of trail destination
			Coffee shop	Fast food	Local cafés, bakeries, restaurants, diners	Local brewery	
East Burke, VT and nearby communities	4,000	94,000	2	0	18	1	100+ miles of singletrack, all on private land
Anniston, AL	22,000	28,000	3	20	16	0	IMBA Ride Center destination with 25+ miles of purpose-built singletrack for mountain biking
Copper Harbor, MI	100	20,000+	0	0	8	1	IMBA Ride Center destination with 35+ miles of purpose-built singletrack for mountain biking
Cuyuna, MN and nearby communities	3,000	185,000	1	2	11	1	IMBA Ride Center destination with 25+ miles of purpose-built singletrack for mountain biking

Source: Downstream Strategies mountain bike tourism case study research, 2020

By comparison, Smithers and Montgomery, with their combined population of around 2,700, have 13 dining establishments, most of which are fast food chains. As of early 2021, there are several new restaurants planned to open in Montgomery. However, this still points to food and dining as a key tourism sector the River Cities will need to develop to establish a tourism economy.

The top four dining choices from surveyed mountain bike tourists are 1) burgers, 2) pizza, 3) beer, and 4) Mexican (Barber, 2015).

Food and dining venues—which include restaurants, cafés, bakeries, diners, food trucks, coffee shops, and bars—can be challenging businesses to run. Yet few other businesses are as integral to the very heart of a trail town as places to eat.

Recognizing the challenges of the industry, the following business opportunities pose strong fits for dining options in small, rural communities.



## 2.2.1 Restaurants

Modern trail tourists look for higher-end restaurants with a local flair. The following case studies show that, with a little creativity, West Virginia restaurants can offer the higher-end food and beverage offerings sought by trail tourists—even in small communities off the beaten path.

- **Whistle Punk Grill & Taphouse (Richwood, WV):** The Whistle Punk Grill & Taphouse is a restaurant in downtown Richwood, West Virginia (population 1,888). Since 2018, the venue has served handcrafted food using locally sourced ingredients and offers the widest craft beer, cider, and wine selection for miles around.

The Whistle Punk pays homage to Richwood’s history in more ways than one. Named after the lumberjack who blew a whistle to signal mealtime in Richwood’s logging camps of yore, the restaurant is located in the former Richwood Bakery, built in 1923 on Main Street. Owners Lance and Stacy Raffo bought and renovated the building themselves, with the help of friends and the surrounding community—all without taking out a loan.



Outdoor seating (Whistle Punk Facebook)

The Raffos trusted the market data from sources including the Richwood Tourism Business Opportunity Assessment crafted by Downstream Strategies in 2018, which showed that despite Richwood’s economic challenges, there was already a steady stream of non-local visitors passing through Richwood en route from the Charleston area to destinations in Pocahontas County (Downstream Strategies, 2018). By combining excellent food with an incredible beverage selection and live music, the Whistle Punk now gives visitors a reason to stop in Richwood, and the restaurant has become a central hub and gathering place for Richwood’s development efforts.

- **Stone Tower Brews (Buckhannon, WV):** Stone Tower Brews is a combined specialty coffee shop, restaurant, and craft beer garden located on Main Street in Buckhannon, West Virginia (population 5,493).

According to James Kane, co-owner of Stone Tower Brews in Buckhannon and its sister restaurant, Joe N’ Throw in Fairmont, it can be very hard for a traditional coffee shop to stay afloat in a rural community when they are only open from 7am to 2pm but still have to pay full rent for their space. The same could be said for a high-end bar specializing in craft beverages in a small town. The concept for Joe N’ Throw came about when its founders “noticed that people who like great coffee often like craft beer, too” (Kane, 2019). They rented a storefront in downtown Fairmont and opened a traditional coffee shop with a full kitchen and craft beer on tap, with income-generating hours from 8am to 10pm. Their



Stone Tower Brews (USA Restaurants)

Fairmont restaurant proved so successful that the co-owners opened Stone Tower Brews in Buckhannon as a separate restaurant following roughly the same business model.

Stone Tower Brews offers specialty coffee drinks (featuring the company’s Stone Tower Joe coffee roasted in Fairmont), a revolving selection of craft beers, and a menu filled with creative, modern offerings made with locally sourced ingredients. The combination of high-end coffee and craft beer has proven just as successful in Buckhannon as in Fairmont. The business model gives the restaurant appeal to a wide array of customers, and “it gives us the ability to be open all day essentially,” said manager Courtney Page, quoted in WV Metro News. “You get the morning atmosphere with the coffee and the evening atmosphere with the beer. It’s kind of a crazy concept to put together, but it works, and they blend together really well.” (Young, 2018)

Small, new-to-tourism towns like Montgomery and Smithers can strategically meet this market demand by focusing initially on a single venue that hits multiple market niches—such as high-end coffee, craft beer, unique local food, and/or any combination of the above. While Smithers and Montgomery currently have few non-chain dining options, such a restaurant could prove to be an essential anchor to the River Cities’ early tourism development: Providing mixed fare gives customers the variety they seek in a destination and offers a solid business strategy for owners.

### 2.2.2 Brick-and-mortar versus mobile offerings

Both Montgomery and Smithers have available buildings that could be repurposed for a restaurant space. For example:

- **400 3<sup>rd</sup> Avenue in Montgomery**, known as the bank building, offers a turn-key restaurant venue with a unique flair. Originally built as a bank, the space was fully renovated to house a restaurant and was most recently home to the Bank Bar & Grill. The building sits directly across the street from Montgomery’s Amtrak station, which offers tremendous access to downtown visitors. The building also has apartments upstairs that could be used for short- or long-term rentals to supplement the owner’s income.
- **212 3<sup>rd</sup> Avenue in Montgomery**, known as the Tabbott building, will soon be home to a new restaurant. Formally used as a law office, the restaurant will occupy roughly one-third of the building.
- **190 Michigan Avenue in Smithers**, known as the old Cavalier Market, once housed a small grocery store. The space has a small kitchen and bathroom and could be easily renovated for a small café and/or coffee shop. (Read more about a potential dining business startup in this space in Section 3.2.)



400 3<sup>rd</sup> Avenue (Downstream Strategies)



212 3<sup>rd</sup> Avenue (Downstream Strategies)



190 Michigan Avenue (Downstream Strategies)



Full renovations would be needed for many available spaces. Other lots could be cleared and prepared for construction of a new restaurant space. Whether renovating an existing space or building new, the overall low cost of living and affordable real estate makes a restaurant venture far more affordable in the River Cities than in a larger urban area.

Yet the growing popularity of food trucks nationally presents opportunities for entrepreneurs to provide high-end food without investing in a brick-and-mortar location. In the River Cities, where tourism is still in the relatively early stages of development, food trucks open possibilities for testing growing markets. For example, siting a food truck at the Oakland Riverfront Park or other popular recreation areas on weekends would be a flexible, low-risk way to test the viability of a restaurant on site.

*See more information on a potential restaurant startup in Section 3.2.*

While tourism-driven market demand and consumer spending strongly favors independent, characterful venues with higher-end offerings, some such restaurants that open in small, rural communities experience pushback from locals who view the new venues as too expensive or highfalutin. Pricing can factor into public perceptions. For example, a restaurant with espresso machines for high-end coffee drinks needs to price their beverages accordingly to offset the costs of goods and equipment, and while tourists may expect and seek out these higher-priced offerings, residents used to a fifty-cent cup of coffee may understandably balk at a four-dollar latte.

Such venues in rural communities across West Virginia and other states have found ways to smooth potential conflicts and ensure their venues are inclusive of their local communities. For example, TipTop Coffee in Thomas lists standard prices on their menu but discounts those prices for locals. Other venues such as Big Timber Brewing Company in Elkins, the Whistle Punk in Richwood, and many more serve as central gathering places for their communities, honor their local heritage and sense of place, and work hard to make their establishment welcoming for both locals and visitors alike.

## 2.3 Recreation-focused businesses and services

- **Current options for outdoor gear and services:** one local ATV sales and service business; other options extremely limited
- **What trail tourists want:** Recreation activities on both land and water; outdoor gear shops; gear rental, repair, and shuttle services; guided activities and adventures
- **Business opportunities:** Combined gear shop with fishing, kayaking, and biking equipment and rentals

Current offerings for outdoor gear and services are very limited in the River Cities. Smithers currently has one ATV sales and repair shop, FC Auto. Anglers can purchase bait at Sinker Man Bait Shop in London or at New River Campground in Gauley Bridge, but Walmart in Dickinson offers the nearest location to buy any more extensive outdoor gear.

As trail developments come to fruition in the Upper Kanawha Valley, the area's lack of outdoor recreation-focused businesses will present a market opportunity for the River Cities' budding trail economy.

### 2.3.1 Outdoor gear shop with rental service

Outdoor gear shops are an important staple of any trail town. Such shops tend to be located in a downtown area with high visibility and traffic or co-located with a trail center or resort, and they frequently become the hub of the local outdoor community. As a result, the downtown of either Montgomery or Smithers would serve as a great location for an outdoor gear shop.

As the River Cities grow their tourism offerings, they should focus initially on a small outdoor gear shop catering to multiple activities. Independent outdoor stores can be successful enterprises in small, rural communities. The key to success often hinges on diversification. Having a market niche is important, yet there are definite limits to how many high-end purchases (such a mountain bike or a kayak) a shop in a small community is likely to sell in a given month. To weather the peaks and valleys between sales of large items, many successful shops offer big-ticket items like bikes for sale, but much of their business falls in other services provided, such as gear rentals, repairs and tune-ups, and guided tours for visitors.

#### **Blackwater Bikes (Davis, West Virginia)**

From its beginnings in a small Davis apartment in 1982, Blackwater Bikes has grown into one of West Virginia’s premier bike shops. The shop offers top-quality bikes for sale and rent, as well as a full-service bike repair department with expert mechanics on staff. Blackwater Bikes is a key fixture of the community. According to the owner, more visitors stop at the bike shop to ask for recommendations or directions to trailheads than go to the local visitor center. But as with many tourism-sector businesses, their sales are highly seasonal: “We can do more business in one day in July than in all of the month of January,” said owner Rob Stull.

In examining their business model, the owners realized the only way they could compete with online retailers like Amazon was to keep their overhead low and offset the cost of their building. As a result, they bought a riverfront lot across the street from their former rented location downtown, financed by a local bank devoted to investing in the community. They built a new building to house the bike shop on the main floor plus a separate vacation rental on the ground/basement level. Having multiple income streams ensures that the business can thrive even when store sales are slow. In fact, according to Stull, “the vacation rental brings in way more income than the bike shop! And it allows us to keep the shop’s rent affordable.” (Stull, 2021) (Photos: Blackwater Bikes Facebook)



As a result, a River Cities outdoor store would be well suited to offer a range of items and services. The shop could offer general outdoor gear and clothing, as well as fishing equipment and a small fleet of bikes, kayaks, and paddleboards for rental or purchase. (The shop could also offer ATVs for rent, though given the significant upfront investment required, a new business would likely be better suited to enter motorized rentals after several years of gradual, scaled growth and success.) It could

also offer a paid shuttle service for boaters and bikers and guided fishing and mountain biking excursions. These could be subcontracted out to local residents interested in earning additional income.

**Repair services:** As tourists begin coming to the area, the need for skilled repair services specializing in high-end off-road vehicles, mountain bikes, boats, and RVs will likely increase. Any business offering outdoor gear for rent must be able to repair high-end items (such as ATVs, bikes, boats, etc.) in order to keep their business afloat.

Smithers is already home to an ATV sales and service business (FC Auto), as well as a custom motorcycle detailing business that is currently interested in opening a brick-and-mortar storefront. With training in advanced manufacturing technology and welding available locally through BridgeValley Community & Technical College, local entrepreneurs can position themselves to take advantage of this market opportunity by offering specialized repair services for outdoor recreation vehicles and equipment.

## 2.4 Other aspects

### 2.4.1 Arts, cultural activities, and other things to do

- **Current options for other shops and things to do:** First Friday farmers' market and Plein Air Art nights (Smithers); The GRID at BridgeValley (Montgomery); local theater offerings; limited number of shops (including the Christian Family Book Shoppe in Smithers) and stores
- **What trail tourists want:** Other shops, arts and cultural activities
- **Business opportunities:** Expanded opportunities for local food and craft events

Trails may be the primary attraction drawing visitors from other places. However, most trail towns find their visitors are eager for other activities and things to do. A typical mountain biker spends just under five hours per day riding on a bike trip, which leaves plenty of time for exploring other things the local area has to offer (Barber, 2015). Similarly, CVBs throughout southern West Virginia report that Hatfield-McCoy Trail riders are desperate for additional things to do—particularly those with non-riding family members along for the trip. In addition to other outdoor activities mentioned above, visitors look for local shops and arts and cultural activities in the area.

While there are relatively few opportunities for shopping or other modes of consumer entertainment in Smithers and Montgomery, the River Cities do have several opportunities that could be expanded upon.

- Before the pandemic, Smithers hosted a small farmers' market on the first Friday of every month, as well as Friday evening Plein Air Art events featuring area artists and food vendors.

- Located on the former WVU Tech campus, BridgeValley now operates a business accelerator and makerspace known as The GRID. The GRID is envisioned as a space where ideas can be transformed into art, new business ventures, or inventions, as well as a gathering place for artists in the community. The GRID offers equipment for small-scale industrial manufacturing as well as small-scale brewing of craft alcoholic beverages. The facility can be accessed with a \$20 day pass or \$150 monthly membership. The GRID also offers workshops in painting, jewelry making, silk screen printing, sewing, homebrewing, distillation, cider making, woodworking, ceramics, metalworking, and other topics.
- Home to a growing number of local artists, the River Cities have been home to other developments in the arts in recent years. The Montgomery Arts Group is a collective of talented crafters, artists, musicians, and performers in the Montgomery area. The group's work is visible on streetlights throughout downtown, which feature seasonally themed hand-painted decorative banners. The group also maintains a visible presence in expanding murals throughout the River Cities through collaborations with schools, local artists, and interested property owners. Other independent artists hold children's art classes in Montgomery and take part in weekly Friday night summer street festivals in Smithers.



Local artist Chuck Nunley working on mural at the former Nunnery's Garage in Smithers (Steve Keenan, The Montgomery Herald)



Art Gallery at The GRID in Montgomery (The GRID Facebook)

- Additionally, a local community theater group produced more than two dozen free live theater performances in the past three years with the support of Smithers and Montgomery. They included performances for the public and schools by professional actors from the renowned Oregon Shakespeare Festival. The theater initiative has also cooperated with the GRID to present shows and is collaborating with Smithers to retrofit a stage in the former elementary school that became the Gateway, the new home of Smithers' city hall and community center with several commercial tenants.
- The City of Montgomery has plans underway to transform the Neal D. Baisi Athletic Center, the former collegiate gymnasium for WVU Tech, into a full-scale gym.

These represent a great start in the right direction. Tourists want to see variety in terms of shops, events, and things to do, and in the absence of more options, pop-up markets and spaces like The GRID offer a range of vendors, activities, and workshop opportunities to meet a wide range of tastes. Pop-up markets also offer vendors the opportunity to scale up their businesses gradually: As they gain a following among market visitors, some vendors may eventually be able



to rent out a storefront and maintain a permanent brick-and-mortar presence. As a result, pop-up markets like the Smithers farmers' market and Plein Air Art events pose a great starting point for local leaders to focus their initial business development efforts as they prepare for gradual expansion for downtown business activity.

The City of Montgomery is currently moving forward with improvements planned for a downtown plaza on Ferry Street near the Amtrak station. As of early 2021, the City is in the process of demolishing three City-owned buildings, which will make way for a new open-air pavilion with a stage and concession area. The space will be utilized for outdoor events such as farmers' markets and performances downtown.

### 2.4.2 Filling storefronts

Montgomery and Smithers have a number of empty buildings downtown, 14 of which have been assessed through Fayette County's EPA Brownfields Assessment project. Many of these properties—particularly storefronts and other commercial buildings on Michigan Avenue in Smithers—are highly visible locations and should be top priorities to match with prospective businesses and/or organizations as tenants.

The mayors of Smithers and Montgomery, and the UKVSIC which they guide, are making great strides in matching businesses with available properties in the River Cities. For example:

- Montgomery has recently recruited several businesses to the city, including a candy manufacturer, an ammunitions manufacturer, and the Mountaineer Challenge Academy. The mayor and city council are working collaboratively with other local partners, such as BridgeValley, to redevelop a number of buildings formerly owned by WVU Tech.
- Smithers has identified several local entrepreneurs who are eager to own local businesses with a brick-and-mortar presence, including a restaurant and a custom motorcycle detailing business.

As a result, local leaders are already very well-versed with the issues surrounding downtown redevelopment. Wherever possible, leaders in Smithers and Montgomery should continue to connect prospective entrepreneurs with potential storefront spaces and facilitate innovative solutions to the town's building and business creation needs.

The following examples from other communities can lend perspective to these efforts.

For example, rents and absentee landlords are often major barriers that keep downtown storefront spaces in small communities from being occupied. Yet many communities have found that the importance of downtown occupancy outweighs that of rental income. Local leaders in Buckhannon, West Virginia, have found that occupancy and activity in high-visibility spaces boosts downtown business activity and enhances the community's overall sense of pride. As a result, local leaders in Buckhannon work with downtown property owners, businesses, and organizations to fill nearly every storefront on their main street, which has in turn enhanced the vibrancy of the downtown business district. (Create Buckhannon, 2019)

In some cases, owners of vacant properties are sometimes more than happy to negotiate a reasonable rent in order to have the building occupied, and many communities have entrepreneurs or organizations who would love to occupy a space if they could afford it. For instance, the Riffraff Arts Collective in Princeton was given free access to a 2,000-square-foot space in a former department store in which to base their community arts cooperative. In exchange for occupying the space, Riffraff covers the building's utilities and general maintenance needs. This arrangement has breathed life into an otherwise unused space that is now enriching the greater community.

For buildings with willing owners, one potential strategy for occupying storefronts, incentivizing retail business formation, and improving downtown buildings could be to mirror the success of Nelsonville, Ohio (population 5,000), a historic coal mining community that subsidizes downtown storefront rent for artist-retailers. Over a period of five years, artists cleaned up downtown storefronts, brought the town’s downtown square back into economic productivity, and increased downtown occupancy rates from 25% to 85% (Lambe, 2008).



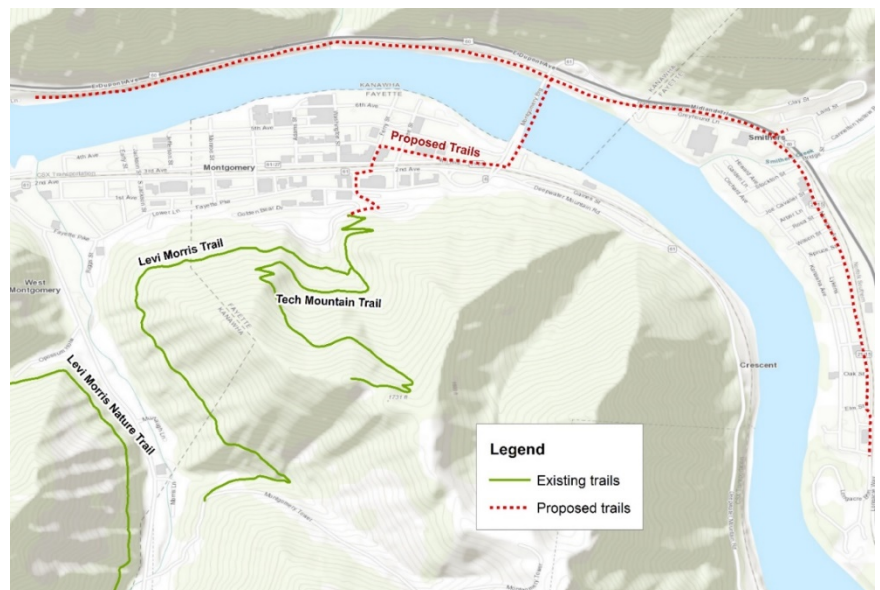
The City of Montgomery owns a suite of storefront spaces at 212 3<sup>rd</sup> Avenue. Known as the Tabbott building, this space was donated to the City and would require minimal improvements to be ready for tenants. As of early 2021, a restaurant plans to open in the Tabbott building, which will occupy roughly one-third of the space. The remaining two-thirds of the building would be ideal for boutique storefronts for artists, craftspeople, and other small retail businesses. Since the City owns the building outright, it may have more leeway to offer subsidized rents to new businesses.

*Read more about specific steps for local leaders in the Next Steps section.*

### 2.4.3 Trails and related amenities

As noted in Section 1.3, the UKVSIC worked with GAI Consultants and Community Solutions Group to develop the River Cities Trail Plan. Completed in June 2018, this plan presents detailed designs and a phased implementation plan for constructing the trail improvements needed to link Montgomery’s and Smithers’ existing trail resources into a cohesive trail network and into the greater regional trail networks.

With the plan in hand, local leaders are seeking funding to implement six phases of trail construction as laid out in the River Cities Trail Master Plan. Phases 1–4, the top priorities for implementation, will:



(Downstream Strategies)

- provide a full trail connection between Smithers and Montgomery;
- link the existing Cannelton Rails to Trails, Montgomery Mountain-City Trail System, and the Marina Trail into a cohesive network; and
- create three trailheads along the route.

## Wayfinding

While locals usually know their way around, visitors generally need more direction to help them navigate from trails to local restaurants, dining, businesses, attractions, and other points of interest. Therefore, wayfinding elements, which include signage and other features that help orient visitors, are a key component to any community hoping to cater to tourists.

As leaders in Smithers and Montgomery plan for future trail visitors, they should consider the following common types of wayfinding features to help accommodate trail tourists:

- **Trailheads:** The River Cities Trail Master Plan calls for five trailheads, which will provide parking, signage, and potentially other amenities such as public restrooms for trail users.
- **Interpretative signs:** These signs are placed throughout the town, highlighting assets and interesting facts about the River Cities, such as local history and ecology.
- **Community guides:** These can take the form of banner signs affixed to light poles throughout the two towns and will direct passersby to key assets and features of the River Cities.
- **Map kiosks:** Kiosks can offer a variety of information to pedestrians and other trail users, such as river access points, boat launches, trail linkages, other local points of interest, and notifications for community events and town activities.
- **Trail markers:** Trail markers should be strategically placed along the River Cities Trail, serving as directional markers and wayfinding tools for trail users.

The River Cities Trail Plan presents some styling suggestions for the River Cities Trail, shown in the figure below. Additionally, several designs have been completed for individual locations, including the Oakland Riverfront Park.

However, local leaders will want to create an actual brand and a style guide for the River Cities for all signage and wayfinding materials across both communities. Though it can seem like a relatively small detail, having coordinated signage designed around a common theme will be useful for visitors and reflect positively on the River Cities as a trail destination.

**Figure 3 River Cities Trail Master Plan styling suggestions**





A regional example of a purposeful wayfinding initiative is the Great Allegheny Passage Trail (GAP). The GAP is popular 150-mile rail-trail in southwestern Pennsylvania and western Maryland. It passes through multiple counties and more than 12 towns, making adequate signage a top priority. As trail visits climbed to 1 million per year—many from first-time riders—feedback and surveys often cited the need for improved signage for users to better navigate their trips and find facilities and businesses. To address this shortcoming, the Trail Towns Program established a uniform, comprehensive signage system which included custom ground signs, post- and fence-mounted signs, trailblazes, and updated kiosks with business directories and maps that display wayfinding and mileage, amenity information, and local identification. By 2014, 23 locations were upgraded to the new GAP design and branding standards, and visitors note the signs are a boon to their experience at the GAP. (Trail Towns Program, 2014a, 2014b)



Various examples of the updated GAP signage system (The Progress Fund)

As part of the project plan for implementing the River Cities Trail, the UKVSIC has proposed creating a program modeled after the successful GAP Trail Towns Program created by The Progress Fund.

The Trail Town Program offers a proven model for revitalizing rural communities by growing outdoor tourism and small businesses. This capacity building program would be designed to include organizing, design, economic restructuring, and marketing components for the River Cities.





### 3. BUSINESS STARTUP SCENARIOS

What would it take to actually start a tourism-sector business in the River Cities? The following scenarios explore startup costs and logistics for several of the key business opportunities identified in Section 2, including:

- an RV campground, and
- a restaurant.

These scenarios represent very modest startups. Significantly more *could* easily be spent on these business concepts. However, the goal with these scenarios is to show that an entrepreneur with a little grit, determination, and community buy-in could launch a tourism-sector business on a lean budget.

The following pages for each opportunity can be printed double-sided to serve as a business prospectus handout that can be shared with potential entrepreneurs, funders, and other interested parties.

*Disclaimer: The following hypothetical scenarios present projections that are based on estimates and assumptions and are informed by the best available data at the time this document was prepared. Proprietors are advised to confirm any figures listed in this report before making any financial commitments.*

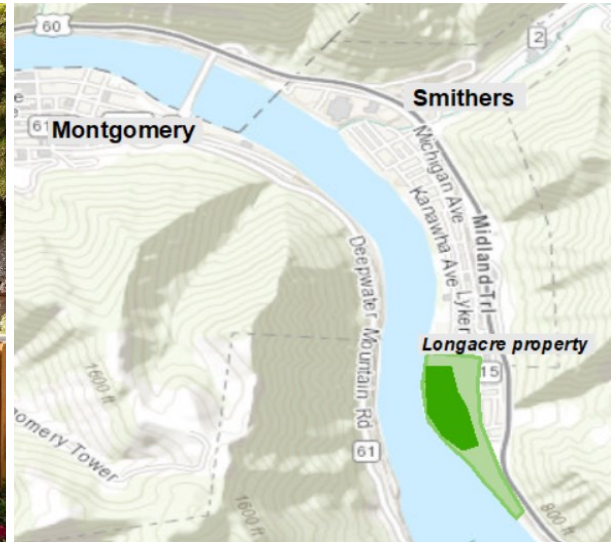
# BUSINESS STARTUP SCENARIO

## RV CAMPGROUND

**Business scenario:** A high-end RV campground on the 26-acre property, known locally as Longacre Bottom, along the riverfront in Longacre. Based on the size of the property, full-scale development could accommodate 260 full hookup sites; however, this scenario examines initial development of 25 campsites with full hookups for electric, water, and sewer on five acres of the property.



San Diego Metro KOA campsite (KOA)



Approximate location of a campground within the Longacre parcel

### Estimated startup costs and financing

To build out 25 sites, the proprietor would need at least three acres. Assuming that owner was willing to sell off part of the 26-acre parcel at the appraised price per acre of roughly \$29,000,<sup>7</sup> five acres would be valued at \$145,000.<sup>8</sup>

Once the property is acquired, it will need basic capital improvements to be developed as a campground, including, at a minimum, full hookups for water, sewer, and electricity (with options for 30- and 50-amp service). Utilities are currently extended to the perimeter of the property and will need to be extended within the site.

For a River Cities campground, the proprietor should plan to invest around \$8,000 per site—roughly half spent on the necessary hookups, and half spent on concrete for the site pad and additional on-site amenities and improvements—totaling roughly \$200,000 for 25 sites. While this is slightly less than the national average development cost per RV campground (\$10,000 per site), it would likely be more than adequate given that the site is flat and has easy access to municipal utilities (Niche Investment Network LLC, 2014).

Based on these initial development assumptions, an initial investment of approximately \$345,000 is needed to open the campground, which falls within the scope of 7a Small Business Loans from the Small Business Administration.<sup>9</sup> As of early 2021, typical terms for a 25-year loan include 15% down and monthly payments of around 4–6%.

Startup costs	Cost
Land purchase	\$145,000
Campground development	\$200,000
<b>Total estimated startup costs</b>	<b>\$345,000</b>

### Potential loan scenario:

- 15% down payment: \$51,750
- Total borrowed: \$293,250
- Payments of ~\$1,574 per month

\*Assuming 10-year fixed terms at 6% interest

<sup>7</sup>According to the Fayette County Assessor's website, the property is appraised at \$753,500 (Fayette WV Parcel Viewer, 2020).

<sup>8</sup>Given the value of riverfront property, it is possible the riverfront acreage could carry a higher value per acre.

<sup>9</sup><https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans>

## Operating costs

The proprietor should expect to incur the following categories of operating expenses:

- **Loan payments:** Assuming the proprietor secures a loan with similar terms described above, monthly loan payments would likely total \$19,000 per year.
- **Utilities:** Based on estimates for RV energy and water consumption, the campground could likely see total utility costs (including electricity, water, sewer, and wireless internet) of around \$5,000, though actual costs will vary based on actual consumption and local rates. The campground may also consider adding gas hookups at additional cost.
- **Payroll:** More than 70% of RV parks have less than 5 employees, who incur average payroll costs of \$30,000 each. Assuming the River Cities campground starts with two employees, payroll costs would likely total \$60,000 per year.
- **Insurance:** A small RV campground could expect insurance premiums of \$70–80 per month for a standard general liability policy.<sup>10</sup>
- **Taxes:** Assuming the business is incorporated as a limited liability corporation (LLC) with a single owner, the business could expect annual federal and state taxes of around \$36,000.<sup>11</sup>
- **Other:** The proprietor should expect to spend around \$40,000 on other necessary items including

## Revenue

Pricing for RV campsites often varies based on length of stay (nightly, weekly, or monthly, with discounts offered for longer stays) and sometimes based on season (with higher prices offered during the peak summer season and lower rates in the slower winter months). At an average daily rate of \$45 per site, the campground would need to see 50% occupancy during the peak summer months in order to break even. Given the national average occupancy rate of 69% for full-service sites, a River Cities campground could likely see significantly higher occupancy rates (80%) during the peak season from April to November (Readex Research, 2019). Even assuming occupancy drops to 20% during the slower months of December through March, a River Cities RV campground could expect to see total annual revenue from lot rent amount to \$243,000.

## Business performance

Assuming total (gross) RV site income of \$243,000 and total operating expenses of \$169,840, the projected profit (net income) for the RV campground business would be just over \$73,000 per year. That represents a 30% profit margin and a 21% return on investment. This places the River Cities campground on par with national performance standards: RV campgrounds typically see 10–30% ROI (Sullivan, 2020). As a result, this is a very promising business opportunity that could recoup initial investment in just five years.

Pro forma income statement	
<b>Estimated annual operating expenses</b>	
Annual loan payments	\$19,000
Utilities	\$5,000
Payroll	\$60,000
Insurance	\$840
Taxes	\$45,000
Other/misc. costs	\$40,000
<b>Total operating expenses</b>	<b>\$169,840</b>
<b>Projected annual revenue</b>	
<b>Income from RV sites (gross)</b>	<b>\$243,000</b>
<b>Net annual income</b>	<b>\$73,160</b>

**Profit margin: 30.11%**

**Projected return on investment: 21.21%**

At this rate, it would take roughly **five years** to recoup the initial startup investment.

<sup>10</sup>Based on estimates from <https://generalliabilityinsure.com/small-business/rv-parks-campgrounds-insurance.html>

<sup>11</sup>Based on an assumption of \$118,000 in taxable income and tax rates of 24% (federal) and 6.5% (state).



# BUSINESS STARTUP SCENARIO

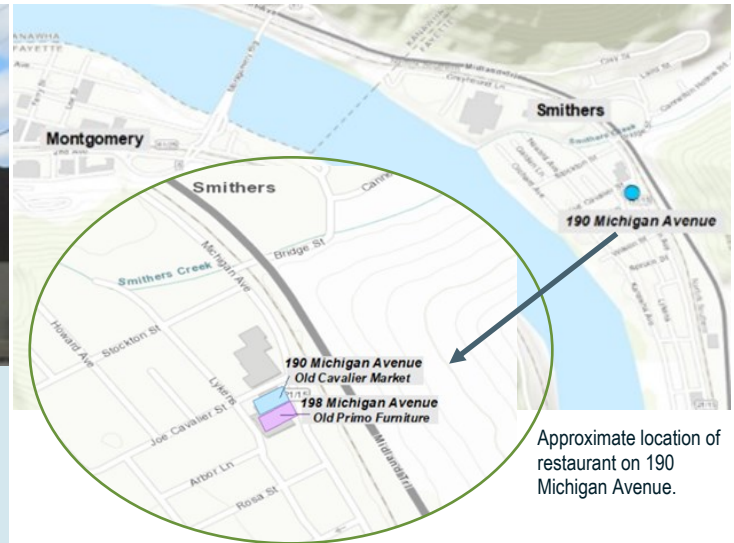
## RESTAURANT

**Business scenario:** A small, niche café/coffee shop located in the former Cavalier Market building in Smithers. Based on successful restaurant business models featured in Section 2.2, this business might feature a mix of niche offerings such as specialty coffee, unique local food, craft beer, and/or any combination of the above designed to please tourists and locals alike. Located just off Route 60, the building is in a prominent location that will be readily visible to the 7,000+ cars travelling by each day (Cavalier, 2021).



### Snapshot: 190 Michigan Avenue

- 3,110 square feet
- Built in 1920
- Known as the old Cavalier Market
- Phase I Environmental Site Assessment completed
- Will be owned and updated by the City of Smithers
- Ample parking and visibility from Route 60 (Midland Trail)



Approximate location of restaurant on 190 Michigan Avenue.

### About the building

Located at 190 Michigan Avenue in Smithers, the former Cavalier Market building once housed a small grocery store and deli and was very recently used as a dance studio. The building was assessed in 2019 as part of Fayette County's Brownfields Assessment Project and found to be in suitable condition for redevelopment. The building will be purchased by the City of Smithers. The City plans to replace the roof, upgrade the electrical and plumbing systems, and replace the front windows. Once these renovations are complete, the City will rent the space for \$10,000 per year.

### Estimated startup costs

The interior space could be functional with a modest remodel of \$10,000 for paint, bathroom updates, and other cosmetic improvements. Proprietors can minimize costs by doing as much of the work themselves—or with the help of family and friends—as possible.

The single biggest line item for a restaurant is generally the kitchen. The City has furnished the building with two refrigerators, stoves, and basic cabinetry. However, the entrepreneur may still want to install a modern kitchen with new appliances. The space will also need other restaurant equipment (including a point-of-sale system) and furniture and supplies. Together, the new kitchen and other necessary restaurant items would likely require an upfront investment of around \$50,000.

Factor in another \$1,000 for necessary licenses and an initial food inventory budget of \$10,000, and this business will be ready to start for around \$73,500. Compared to typical restaurant startup costs, which range anywhere from \$95,000–2 million, this location presents a major opportunity for investment (Crane, 2019).

Startup costs	Cost
Initial rent (3 months)	\$2,500
Remodel	\$10,000
Kitchen, equipment, and supplies	\$50,000
Initial food inventory	\$10,000
Licenses, permits, fees	\$1,000
<b>Total estimated startup costs</b>	<b>\$73,500</b>



**Startup tip:** If possible, budget for new appliances. Used appliances for commercial kitchens may cost less upfront, but many restaurateurs often find that maintenance and repair of used appliances often costs more in the long run. — James Kane, co-owner of Stone Tower Brews





**Startup tip:** In addition to the barebones startup costs listed above, experts advise that any new business start out with a few months' worth of cash reserves on hand as contingency to help cover any unforeseen expenses that might arise.

## Operating costs

The proprietor should expect to incur the following categories of operating expenses:

- **Rent:** The City will charge \$10,000 in rent for the space.
- **Utilities:** The space might see utilities of \$500 per month, totaling \$6,000 per year.
- **Payroll:** Assuming the restaurant opens with five employees at minimum wage, payroll would total around \$120,000 per year.
- **Inventory:** Restaurants typically spend a third of their total revenue on food and beverage inventory. For this startup, inventory for the first year could total \$100,000.
- **Other:** The proprietor should plan on spending a minimum of \$30,000 per year on insurance, a website, advertising, maintenance, and other miscellaneous expenses—though additional investment in this area would be key to driving higher sales.
- **Taxes:** The business will need to pay sales tax and business and occupation (B&O) tax. Depending on the business structure, income tax for the business will likely be routed to the owners' personal tax return.

## Revenue

In 2019, the average West Virginia restaurant made \$935 in sales per day, which translates into annual sales of over \$341,000 per year (Womply, 2020). Based on research and consultation with West Virginia restaurateurs, a higher-end, full-service restaurant could easily earn over \$500,000 in sales annually (Kane, 2021). However, assuming that a River Cities café would start with counter service only (where customers order and pick up food at the counter, rather than having wait staff deliver food to tables), a conservative estimate for total annual sales would be \$300,000 per year. To hit that sales level, the restaurant would need to see around 100 customers spending \$10 each per day.

## Business performance

Based on the pro forma projections below, a small restaurant/café in the Cavalier Market building could likely net \$34,000 per year. Given the projected startup costs of \$73,500, this means that an eager entrepreneur could recoup their initial investment *in just over two years*.

While restaurant profit margins nationally span anywhere from 0–15%, this café's projected 11.6% profit margin would fall well within the bounds of typical restaurant performance. In fact, some sources report that most restaurants in the U.S. see typical profit margins from 3–5% average (On the Line, 2021).

Pro forma income statement	
<b>Estimated annual operating expenses</b>	
Rent	\$10,000
Utilities	\$6,000
Payroll	\$120,000
Cost of goods sold	\$100,000
Other/misc. costs	\$30,000
<b>Total operating expenses</b>	<b>\$266,000</b>
<b>Projected annual revenue</b>	
<b>Total annual restaurant sales</b>	<b>\$300,000</b>
<b>Net annual income</b>	<b>\$34,000</b>



**Startup tip:** Restaurants can be very costly businesses to open and often run on tight profit margins. Depending on the needs of the specific restaurant, the costs of kitchen equipment and other line items could be higher than the figures projected. However, this scenario shows that, given the affordability of the property, a modest restaurant could thrive

**Profit margin: 11.3%**

**Projected return on investment: 46%**

At this rate, it would take just over **two years** to recoup the initial startup investment.

## 4. NEXT STEPS

The following recommendations offer practical guidance for local leaders as they work to fast track tourism development in Smithers and Montgomery.

### 4.1 Educate the greater community about tourism opportunities

The River Cities face tremendous opportunities for tourism development as planned trail systems are built out within the next 5–10 years. As shown in Section 1.4, even modest numbers of trail visitors could result in millions of dollars of local visitor spending.

Tourism will be a new industry for the River Cities, and even though the community is already generally supportive of tourism, many simply do not yet fully grasp just what trail and tourism development could mean for the area. Therefore, community education is the first critical step to educate local leaders about tourism opportunities presented in Section 1.3 and how impactful trail and tourism opportunities can be for the area.

City leaders should share the results of this report widely. A public presentation (held by videoconference due to the pandemic) is planned for early February 2021. The presentation will be recorded so that it can be shared with others after the fact.

### 4.2 Start a Trail Town Program

The River Cities should prioritize developing a Trail Town Program that will help local businesses tap into economic benefits from trail and tourism development. The Trail Towns model developed by The Progress Fund helps communities tailor tourism- and trail-focused assistance to help local businesses tap into a growing trail economy.

**The Progress Fund**, a nonprofit based in Pennsylvania, has developed a wonderful model for what they have termed **Trail Town Programs**, which are grassroots community capacity building initiatives designed to help communities leverage their trails for economic impact. Piloted successfully at the Great Allegheny Passage, a 150-mile bike trail through southwestern Pennsylvania and Maryland. Since then, many other communities have since replicated the program model in other places to huge benefit. Visit [trailtowns.org](http://trailtowns.org) and download the Trail Town Guide to learn more about how to start a River Cities Trail Town Program.

The River Cities can start by recruiting interested individuals to serve on a volunteer Trail Town Committee, which could take charge of implementing the recommendations and checklist items presented in this report. The group can also work with the mayors and the UKVSIC to go after funding to grow the River Cities Trail Town Program and allow it to hire paid employees to advance local tourism business objectives.

### 4.3 Create an inventory of investment-ready projects.

Next, local leaders should create (and maintain) an inventory of business concepts and other projects that are ready for investment and implementation. This inventory can be initially populated with the business opportunities highlighted in Section 3 and expanded upon as additional opportunities arise. Having a formal list of specific investment-ready tourism projects will help local leaders and the community better respond to funding opportunities.

The River Cities Trail Town Committee can publish or otherwise share the inventory with the greater community, which will also promote a local culture of entrepreneurship and provide clear, tangible

goals that community members can work towards as they check off the businesses and projects identified on the list.

Creating this inventory as a repository for community business ideas is the natural first step; however, as with any list, this inventory will only be helpful so long as it is maintained and kept current. As a result, it should be treated as a living document to be updated and revisited over time.

#### **4.4 Pair tourism business development with trail construction.**

As shown throughout this report, the downtowns of Montgomery and Smithers have ample opportunity to support successful tourism-sector businesses—assuming that planned trail developments succeed in attracting non-local visitors to recreate in the Upper Kanawha Valley.

By all accounts, the planned trail developments outlined in Section 1.3 have tremendous potential to fuel the growth of a local tourism industry. However, timing the development of local tourism businesses to coincide with the opening of those planned trail areas will be crucial for the success of the local tourism industry.

Ideally, Smithers and Montgomery will need to have the key tourism-sector business offerings identified in this report operational as soon as the Hatfield-McCoy Trails' new Montgomery trail system opens. Yet until these visitors start coming to the Upper Kanawha Valley, initial tourism businesses may not be viable without a steady inflow of non-local traffic.

Therefore, local leaders need to work closely with advocates of the planned trail developments (particularly HMRRA and the West Virginia Land Trust) to ensure that lodging, dining, and other tourism-sector venues are developed in concert with the trails themselves. Close coordination with these entities can ensure that tourism developments in Smithers and Montgomery can best accommodate and complement the offerings being developed at the nearby trail areas.

Just as the trail systems are expected to grow gradually over time, local leaders should anticipate that the flow of tourism traffic will steadily increase as the trail systems gain recognition nationwide. As a result, local leaders should embrace scalable tourism efforts that can start small and continue to build additional venues as trail visitation grows over time.

River Cities leaders should also continue moving forward with implementation of the River Cities Trail and plan for signage and ancillary wayfinding amenities. As of early 2021, the UKVSIC is currently seeking funding for trail implementation.

#### **4.5 Identify and recruit entrepreneurs**

Ultimately, implementing any of the business opportunities presented in this report hinges on having an entrepreneur who has the desire and ability to pursue the identified business. To that end, if local leaders want to see these needed businesses come to fruition, they can start by helping to identify prospective entrepreneurs.

First, they can start by networking within the community to identify local residents who might be interested in starting a business. This search might also identify potential people from the area who have since moved away for other opportunities but might be interested in coming back to start a new business venture.

The mayors of Montgomery and Smithers are already doing this very well: As of early 2021, the mayors have already identified people interested in starting restaurants, a motorcycle detailing business, an ATV dealer whose business could be expanded, and many more. If anything, these leaders should simply work with the Trail Towns Committee to ensure that a running list of all interested potential businesses is maintained and shared.

One of the best ways to find local entrepreneurs is by looking for individuals who have already taken some initiative and demonstrated interest in a given field.

For example, the founder of Joe N' Throw (Fairmont), the sister restaurant to Stone Tower Brews (Buckhannon), started out roasting coffee and selling it at a local farmers' market. One day a customer, impressed with the coffee, struck up a conversation with the coffee roaster. From that encounter, a partnership was formed: The customer became an investor and helped the coffee roaster start Joe N' Throw as a brick-and-mortar coffee shop/restaurant in downtown Fairmont.

The lesson learned? According to Joe N' Throw co-owner James Kane, "look to the people who are already showing an interest, such as those selling at a local market or starting a bakery truck or other smaller-scale businesses on their own" (Kane, 2021). As shown in their experience, those who have already taken the initial step in starting a business often make great candidates for growing into a brick-and-mortar retail presence.

#### **4.6 Recruit outside entrepreneurs to the River Cities**

While local residents pose an obvious first choice for leaders to target as potential entrepreneurs, they should also plan to cast a wider net and look for people outside the area. With affordable real estate and a reasonable cost of living, the River Cities and West Virginia as a whole present great investment opportunities—particularly for entrepreneurs currently living in more expensive states. Among West Virginia entrepreneurs, many cite the Mountain State's affordability as one of its great selling points. As Stacy Raffo in Richwood put it, "you can afford to fail in West Virginia," since the overall costs of starting a business are so much lower here than in other states (Positively WV, 2020).

But in order to reach people and/or businesses in other places that might be interested in relocating to the area, local leaders need to make it known that the River Cities are a great investment opportunity for potential entrepreneurs.

This can happen organically as visitors begin to pour in from other states. For example, the Blue Goose Inn and Restaurant in Matewan, a major Hatfield-McCoy trail town, was started by an out-of-state rider who saw so much opportunity in the area that he chose to move to Matewan and start a business (Gillespie, 2020).

To be more proactive, local leaders can pursue news coverage (through either ads, articles, or feature stories) with prominent media sources and organization networks, both within and outside the state, as well as with travel and tourism-industry associations. For example, to recruit a proprietor for a potential RV campground, ads placed with publications or newsletters from RV industry associations (such as the National Association of RV Parks and Campgrounds<sup>7</sup> or the RV Industry Association<sup>8</sup>) could lead to valuable exposure.

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<sup>7</sup> [www.arvc.org](http://www.arvc.org)

<sup>8</sup> [www.rvia.org](http://www.rvia.org)



## 4.7 Continue downtown redevelopment progress

As referenced in Section 2.4.2, the downtown areas of Smithers and Montgomery have a number of buildings that could be redeveloped to ultimately house new tourism industry ventures.

Local leaders have already made great strides in initiating strategic downtown redevelopment. The UKVSIC was formed specifically to help catalyze downtown redevelopment in Smithers, Montgomery, and other key neighboring communities. The River Cities have made strategic progress in several crucial fronts:

- The mayors of Montgomery and Smithers have worked with the Northern West Virginia Brownfields Assistance Center to conduct a BAD Buildings survey of blighted and dilapidated properties.
- Partnering with the Fayette County Commission and Resource Coordinator's Office, Smithers and Montgomery are the focus of Fayette County's 2018 EPA Brownfields Assessment Grant, which funded the creation of this report. Through this grant, the communities prioritized properties in the two cities for redevelopment. To date, Environmental Site Assessments (ESAs) have been completed for 17 properties, as well as an Environmental Assessment for the property that is now home to Montgomery's park and public fishing pier.
- The two cities have jointly hired a code enforcement officer to help move forward in addressing neglected properties.
- The City of Montgomery is currently buying and/or condemning blighted buildings held by absentee landowners and making plans to have them demolished. To date, several properties on Ferry Street between 3<sup>rd</sup> Street and 4<sup>th</sup> Street near the Amtrak station have been acquired. Once cleared, these lots are envisioned to be repurposed as a community space for live music and events.

The completion of environmental due diligence through the 2018 EPA Brownfields Assessment Grant has led to reuse and redevelopment opportunities in both communities:

- Both Montgomery and Smithers were able to move their town halls into buildings following completion of Phase I ESAs.
- One assessed property is currently being redeveloped into corporate headquarters and materials storage for an ammunitions manufacturing company.
- Phase I ESAs will facilitate the transfer of two properties from WVU Institute of Technology to the City of Montgomery for use as a community center and as office and living space with a waiting tenant.
- The assessed Oakland School property in Smithers was awarded an EPA Small Communities Technical Assistance Grant, administered by West Virginia Department of Environmental Protection, for redevelopment planning. A master plan to redevelop the property into a riverside park has been completed.

These actions represent significant achievements and have set the River Cities on a positive trajectory for downtown redevelopment and revitalization.

As they continue building upon this redevelopment progress, local leaders can use the findings of this report to concurrently advance tourism development objectives.

Building upon the previous recommendations, once interested entrepreneurs have been identified, local leaders can help these individuals in finding and selecting a location for their business. For example, local leaders could assist entrepreneurs in the following ways:

- 1. Identify properties that would be a good fit with their business concept.** City leaders can help steer interested entrepreneurs to properties that have been prioritized for redevelopment. This helps the entrepreneur find a space that will meet their business needs, and it helps the greater community by putting vacant properties to good use.
- 2. Make introductions with the existing owners.** In the case of properties owned by absentee landowners, entrepreneurs may need help tracking down the owners of their desired property.
- 3. Negotiate with or incentivize existing owners to work with small businesses.** Though cities like Montgomery and Smithers may not have abundant financial resources to offer as incentives, they *can* leverage the clout and authority of their offices to encourage landowners to sell or rent space to worthy entrepreneurs. In the Nelsonville, Ohio example referenced in Section 2.4.3, local leaders convinced landlords on main streets to offer reduced rent to artists willing to renovate the buildings. Targeted media coverage can be used to raise awareness and garner public support (as well as unforeseen additional resources) to help encourage otherwise uninterested property owners.

## 4.8 Develop a tourism-ready workforce

While building out a trail system is a critical first step, communities often need additional capacity building assistance in order to realize a sustainable economic boost from land- and water-based trail development.

First-time entrepreneurs in rural communities often start at a disadvantage. In West Virginia, as in much of rural America, those coming from geographically isolated, economically depressed areas may not have been exposed to thriving local businesses. Without experienced local mentors, they may find themselves lacking the basic understanding of management, accounting, and marketing principles needed to start and run a successful business.

For communities new to tourism, developing a local hospitality industry can be a challenge. As a result, training programs focused on helping local workers prepare for jobs in the tourism and hospitality sectors can be tremendously valuable, particularly for areas with nascent tourism economies.

Workforce development for trails and recreation can take many different forms and should be a key part of the River Cities Trail Town Program's work. Local leaders should consider partnering with academic institutions to bring hospitality- and tourism-focused workforce development programs to the Upper Kanawha Valley. Given its existing presence in Montgomery, BridgeValley poses an obvious possibility. Local leaders should also consider WVU's new Outdoor Economic Development Collaborative<sup>9</sup> as well as Marshall University's Department of Sport, Tourism & Hospitality Management<sup>10</sup> as potential collaborators.

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<sup>9</sup> <https://provost.wvu.edu/centers-institutes/oedc>

<sup>10</sup> <https://www.marshall.edu/sports/>

Local businesses themselves offer important opportunities for on-the-job training. For example, Water Stone Outdoors in Fayetteville makes a point of hiring local youth to work in their outdoor shop (Kistler, 2020).

However, according to research by Downstream Strategies, finding reliable workers is the single biggest hurdle many tourism-sector businesses in West Virginia face. Yet so many young West Virginians leave the state because they struggle to find interesting, engaging work in the Mountain State.

In response to this rift, Generation West Virginia formed the **Impact West Virginia Fellowship** program as an initiative to attract, retain, and advance the best and brightest young talent to live, work, and contribute to a better future for West Virginia. Fellows are placed with participating businesses or nonprofits that pay the fellow a set salary for one year. In turn, the fellows work at their host company/organization four days per week and spend each Friday contributing their brain power and time to a local nonprofit. (Visit [weimpactwv.org](http://weimpactwv.org) for more information.)

Programs like the Impact West Virginia Fellowship present a promising (and cost-effective) opportunity to match the best and the brightest with engaging careers in the River Cities.

The River Cities can also look to the example of communities in southeastern Ohio adjacent to the Baileys Trail System, a planned tourism-driven mountain bike trail network in the Athens area. In the last several years, two nonprofit partners have begun providing workforce development opportunities related to trail-based tourism:

- Rural Action has provided training sessions for local residents near the Baileys Trail System on how to run successful short-term rentals using Airbnb and other platforms.
- The Appalachian Center for Economic Networks (ACEnet) plans to provide “pop-up offices” in trail towns where they will host workshops and provide assistance to residents developing business plans.

Leaders are also working with the Appalachian Conservation Corps to create temporary jobs connected to trail-building where people can learn skills and gain certifications (such as in chainsaw use, for example). They have secured funding to support Athens High School in placing 12 paid high school interns per year in different organizations and companies throughout the region for work experience. Their goal is to expose young people to viable job options and career paths in the area.

#### **4.9 Coordinate marketing efforts with local businesses and trail areas**

Once tourism businesses begin to form in Smithers and Montgomery, marketing will play a major role in their ability to survive and thrive. According to Richwood business owner Stacy Raffo, the key to tapping into pass-through traffic is to actively let people know that your business exists. “We knew... that we had to captivate people from around the state, make them want to stop in Richwood, and also want to make the drive to Richwood,” said Raffo (Positively WV, 2020). She and many other successful hospitality business owners in West Virginia rely on active, consistent marketing—particularly through social media—to gain and maintain a following of customers from around the state.

Given the importance of marketing, leaders in Montgomery and Smithers can help local businesses by plugging into marketing efforts to promote local businesses and trail areas. Local leaders should plan to work closely with HMRRA, the West Virginia Land Trust, and other trail partners to ascertain their marketing needs and evaluate how the cities can enhance overall trail marketing in the area.

Local leaders should also stay abreast of progress towards establishing a regional trail network. The Mountain State Trail Alliance is currently working on establishing a regional recreation authority for non-motorized trails that would cover Kanawha, Fayette, and other neighboring counties. Such a network would have potential to boost trail-based tourism in the region.

In 2019, Governor Justice signed Senate Bill (SB) 317 into law, which allows three or more contiguous counties to create a multi-county trail authority for non-motorized trail networks. Once enacted, such authorities offer liability protection to landowners with recognized trails on their property. Faced with the liability from trespassing visitors already likely recreating on their property, the passage of this legislation greatly incentivizes private landowners to welcome trail development on their land.

Current efforts by the Mountain State Trail Alliance seek to establish such an authority in Nicholas, Fayette, Greenbrier, Raleigh, Summers, Kanawha, and Webster counties. The River Cities' support and participation in such an authority would likely help expedite its creation. As planned trail developments in the Upper Kanawha Valley come to fruition, local leaders in Smithers and Montgomery will want to be integrally involved in any future regional trail network authorities that would impact trail and tourism developments in the area.

#### **4.10 Initiate public policy changes**

The mayors and city councils of Montgomery and Smithers have been working actively to initiate policies that encourage the creation of new businesses, particularly in the tourism sector. For example, the cities are already implementing some of the best practices identified in Section 2.4.2, such as giving B&O tax breaks to new businesses and actively working with entrepreneurs to help them implement their ideas for new business.

In 2019, both Montgomery and Smithers adopted new city-wide comprehensive plans. In addition, as of early 2021 both cities are currently in the progress of completing a comprehensive overhaul of their respective zoning ordinances. The cities expect the updated zoning ordinances, being completed by the Land Use and Sustainable Development Law Clinic at WVU, to fully address a number of key issues relevant to tourism-sector business creation, including short-term rentals, bicycle and pedestrian issues, business development, and more.

Once the zoning ordinances are updated, each city should develop a set of brochures to help interested entrepreneurs understand City regulations pertaining to new businesses (such as short-term rentals, retail stores, restaurants, outfitters, etc.) Preparing some basic, easy-to-understand materials can help encourage business creation by providing clear guidance on all the relevant rules a new tourism-sector business would need to follow to operate in full compliance in either city.

In addition, Montgomery should be ready to initiate ordinances to allow ATVs on city streets. This ordinance change is already on the City's radar and will likely be implemented in the coming years as the Hatfield-McCoy trail development progresses.

#### **4.11 Leverage investment and resources**

When it comes to leveraging investment and financial resources, the River Cities have two key possibilities. They can help entrepreneurs identify, apply for, and receive loans or other forms of support. Alternatively, the cities can pursue funding to redevelop some of the properties themselves, which could then be sold or rented to interested entrepreneurs. The following resources can help the River Cities on both fronts.



#### 4.11.1 Small business development

Many resources are available for entrepreneurs interested in starting small businesses in West Virginia.

- The **Upper Kanawha Business Assistance Program (UKAN)** is a financial assistance program sponsored by the Kanawha County Commission designed to encourage small business startup and expansion in the region. The program offers up to \$10,000 in forgivable loans to businesses with 25 or fewer employees to assist with capital needs, including building/property renovation, signage, equipment, supplies, inventory, and working capital. Though the program focuses primarily on Kanawha County enterprises, Montgomery and Smithers businesses located in Fayette County are eligible to apply. (UKAN, 2021)
- The **U.S. Small Business Administration's (SBA's)** West Virginia District Office in Clarksburg provides prospective, new, and established persons in the small business community with financial, procurement, management, and technical assistance. The SBA provides training and counseling on starting and/or expanding businesses, assists bank and non-bank lenders in securing SBA loans for their small business customers, and provides trainings for small businesses on how to do business with the federal government. (SBA, 2020)
- The **West Virginia Small Business Development Center (SBDC)** is a statewide network that provides assistance in all 55 counties. SBDC helps small businesses from the concept phase to established enterprises and offers training in business planning and development, coaching, financing recommendations, and more. SBDC can help compile all the preliminary information and paperwork needed to open a business legally, including information on licensing, taxes, insurance, recordkeeping, and the forms needed for hiring employees. SBDC can also assist with evaluating a business idea for feasibility and projected success and can provide hands-on assistance in obtaining loans. SBDC has business coaches/managers based in Charleston and Summersville and periodically offers trainings and workshops in other locations. (WVSBDC, 2020)
- The **West Virginia State University Community & Economic Development Program** offers extension agents and services focused on community development and revitalization, regional and local economic development, and small business development. The program offers targeted support for small business development, retention, and expansion efforts with emphasis on artisan and the creative economy sectors. Services include incubation, mentoring, access to capital assistance, entrepreneur training, management strategies, marketing, counseling on collaborative development, business plan assessment and strategies for expansion.
- The **New River Gorge Regional Development Authority (NRGRDA)** offers small business support in the areas of finance, employee and labor resources, environmental permitting, zoning, state and local taxes, existing government programs, training, media coverage, and more. NRGRDA offers a business coach to support small businesses free of charge and manages its own revolving and micro-loan programs. (NRGRDA, 2020)
- The **West Virginia Hive Network** is a regional business accelerator located in Beckley, West Virginia. The Hive provides mentoring, coaching, technical assistance, and support tools to aspiring business owners. (West Virginia Hive, 2020)
- The **West Virginia Community Development Hub's Communities of Achievement Program (HubCAP)** offers support for communities as they take their community development efforts to the next level. The Hub's staff serve as coaches, connecting the community with capacity building resources needed to achieve the town's goals. (HubCAP, 2020)

In addition, training and mentoring opportunities specific to hospitality and outdoor recreation industries are recommended.

- **West Virginia University (WVU) Extension** offers a tourism specialist who coordinates the WVU Rural Tourism Design Team. The Team provides research, training, and technical assistance support for sustainable rural tourism development throughout West Virginia. Partnerships with Recreation, Parks, and Tourism Resources; Landscape Architecture; Graphic Design; Public Administration; and other colleges and departments at WVU provide a depth of knowledge and expertise strategically targeted to support the development of a sustainable tourism economy in West Virginia. (WVU Extension, 2020)
- **West Virginia Welcome**, designed by the West Virginia Hospitality Education and Training Program, is a collaboration between WVU's Hospitality and Tourism Program, West Virginia Department of Education's HEAT program, the West Virginia Hospitality and Travel Association, and the WVU Extension Service. The program offers introductory courses on hospitality, available as a 45-minute online video course and through two-hour classroom-style trainings. (WVU Extension, 2020)

#### 4.11.2 Federal grant programs

There are several recurring federal programs that should be on the River Cities' radar:

- **AML Pilot Program:** Economic development projects near abandoned coal mines may qualify for federal Abandoned Mine Lands (AML) Pilot Program grants, which are administered locally by the West Virginia Department of Environmental Protection. In 2020, the Justice administration released \$25 million for projects through this program. Another \$25 million is expected in 2021.
- **POWER Grants:** The Appalachian Regional Commission's Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative targets federal resources to help communities and regions that have been affected by job losses in coal mining, coal power plant operations, and coal-related supply chain industries due to the changing economics of America's energy production. In 2020, the Appalachian Regional Commission announced \$43.3 million of funding for 51 projects to support economic diversification in Appalachia's coal-impacted communities. Additional funding for POWER is expected to be allocated in 2021.
- **U.S. Department of Agriculture (USDA) Rural Development Grants:** Dozens of USDA grant and loan programs are relevant to community revitalization and trail initiatives, including the Community Facilities Direct Loan & Grant Program and the Rural Business Development Grant Program.
- **U.S. Economic Development Administration (EDA) CARES Grants:** The Economic Development Administration published an Addendum to its Fiscal Year 2020 Public Works and Economic Adjustment Assistance Notice of Funding Opportunity, making an additional \$1.467 billion in CARES Act funding available to eligible grantees in communities impacted by the coronavirus pandemic. One of its goals is to fund projects that increase economic resilience and a community's ability to weather economic shock. The EDA is accepting proposals on a rolling basis. While the future of this program is somewhat uncertain, it is likely that it will continue in some form in 2021.
- **Community Development Block Grants:** Public-private partnerships present additional opportunities for putting together funding solutions for innovative economic development projects. Public entities have access to recurring federal funding streams, like Community Development Block Grants, which have priorities and goals that are complementary to downtown tourism development efforts. These funding streams can and should be used as leverage or a match.

## 5. CHECKLIST

### IMPLEMENTATION CHECKLIST | RIVER CITIES REDEVELOPMENT ROADMAP

#### Share the tourism development plan.

- Present the findings of this study to local leaders.
- Make the presentation publicly available online.

#### Start a Trail Towns Program.

- Start a volunteer group of individuals who are interested in moving the River Cities' tourism development forward.
- Hold regular meetings to work toward accomplishing the items on this checklist.
- Seek grant funding to turn this volunteer group into a formal program with paid staff.
- Begin crafting a brand for the River Cities and develop initial plans for necessary marketing.

#### Create an inventory of investment-ready projects.

- Use the opportunities presented in this plan as a starting point.

#### Pair tourism development with trail construction.

- Stay in close dialogue with HMRRRA and the West Virginia Land Trust on the development of the Hatfield-McCoy Montgomery trail system and the Mammoth Preserve.
- Develop a timeline for Hatfield-McCoy and Mammoth Preserve trail development and prioritize starting key tourism-sector businesses (and installing wayfinding amenities) to coincide with trail openings.
- Continue moving forward with the implementation of the River Cities Trail and plan for signage and ancillary wayfinding amenities.

#### Identify local entrepreneurs.

- Identify local residents who have already started small businesses (e.g., a bakery truck, a booth at a farmers' market, an ATV repair shop, etc.) that could expand into a brick-and-mortar space.
- Identify local residents who might be interested in starting a business.

#### Recruit outside entrepreneurs to the River Cities.

- Contact news outlets across West Virginia and beyond to seek media coverage on River Cities business opportunities.
- Contact industry associations specializing in relevant tourism sectors (e.g., RVs, campgrounds, restaurants, outdoor gear, ATVs, etc.) to place ads and showcase River Cities opportunities.

#### Continue downtown redevelopment progress.

- Identify properties that would be a good fit for tourism-sector businesses.
- Connect existing building owners with interested entrepreneurs.
- Negotiate with or incentivize existing owners to work with small businesses.
- Pursue media coverage about particular buildings that could be repurposed to house new businesses.

**Develop a tourism-ready workforce.**

- Work with BridgeValley and other academic institutions to develop offerings tailored to 1) the tourism and hospitality industry, and 2) machine and gear repair, particularly focused on off-road vehicles, bikes, and boats.
- Look for ways to engage and mentor youth
- Leverage resources like Generation West Virginia's Impact West Virginia Fellowship Program to attract and retain young talent.

**Coordinate marketing efforts with local businesses and trail areas.**

- Work closely with HMRRA, the West Virginia Land Trust, and other partners to ascertain their marketing needs and evaluate how Smithers and Montgomery can assist in promoting the trails.

**Initiate public policy changes.**

- Continue initiating policies that encourage the creation of new businesses, particularly in the tourism sector.
- Upon completion of both cities' zoning ordinance overhaul in 2021, develop brochures to help interested entrepreneurs understand City regulations pertaining to new businesses.
- Montgomery should be ready to initiate ordinances to allow ATVs on city streets.

**Leverage investment and resources.**

- Help connect interested entrepreneurs with resources and training opportunities needed to develop and manage a successful business.
- Continue to pursue funding for downtown redevelopment and business creation.



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