

Bath County Tourism Plan

A Four-Season and Four-Corner Plan of Action

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Executive Summary

Bath County has benefited from a tourist based economy for over two hundred years. It is a community defined by its most fundamental assets, the underground springs that give the county its name. From that asset, the community has flourished, and with the vision of John and Margaret Lynn Lewis and their family, helped make Bath County an oasis in the wilderness.

During the course of this study, Virginia Tech faculty looked at many aspects of Bath County. While this report's focus is to develop a strategic plan to guide county leadership, it is important to recognize that the development of an effective tourism plan does not take place in a vacuum. With 65 percent of the county's workforce employed in the tourism industry, developing and implementing an effective plan has enormous consequences for the entire county.

Despite its small size, Bath County packs a lot into its 540 square miles. Bath County has considerable strength economically. While it leads the Highland region in median household income, it dwarfs its West Virginia counterparts. Likewise, Bath has the lowest number of citizens living in poverty, although the median household income is only 71 percent of the state's average.

Like many other rural communities, Bath is seeing a decline in younger residents. Virginia's 2008 Triennial School Census reports a student population of 772. Like all of the Highland counties, Bath has experienced a significant drop in the 18-24 year age group. While the demographic profile for the 24-45 age group is almost even with the national average, there is a clear trend that the county's population is growing older.

This report also includes snapshots on visitors to Virginia, using both quantitative and qualitative data from the Virginia Tourism Corporation (VTC). Based on the VTC data, Bath County has a lot of what the traveling public is looking for as they seek out vacation and family outing experiences. While this report is not a marketing plan per se, it was important to gauge the interest of the traveling public toward the type of amenities that Bath County has to offer. This assessment provides insight into how the county and Chamber of Commerce should utilize the tourism fund to maximize the appeal of the county to visitors.

In reviewing the "voting" by participants in the November 19, 2009 community meeting on tourism, one theme emerged that was common to each of the tourism categories: there has been a general lack of communication, promotion and manpower for tourism initiatives. In addition, efforts to market Bath County as a tourist destination have taken a piecemeal approach as opposed to a unified effort, resulting in an incomplete information package available to potential visitors.

The authors strongly believe that Bath County should hire a full-time, experienced Director of Tourism to bring direction and leadership to the tourism initiative, as well as enhance communications between all tourism-related sectors of the community. Communications and promotion were the two strategic needs cited most often during the community meeting, cutting across all five focus areas. Bath County needs one dedicated person who focuses each day on promoting Bath County as a tourist destination. That person will work to keep channels of communication open, and keep community groups connected to the county's broad strategic goals.

In their first year, the efforts of the Director of Tourism need to be highly focused on the 'low hanging fruit' of immediate opportunity. Secondly, immediate effort should be given to consolidating information on all of the trails in the county into one printed document. With efforts to update the county website already planned, trail and other tourism information will be included with a stronger tourism focus as well as general county information. Third, the county needs to assess the accessibility of trails and other sites from the perspective of a visitor experiencing Bath County for the first time, and develop a capital plan to remedy any deficiencies.

In reviewing the literature on tourism promotion, speaking with leaders of the VTC, and interviewing tourism officials across the region, one salient feature determines more than any other why some communities are successful and others are not: successful communities work together. For the Bath County tourism initiative to achieve progress, all of the citizens of the community will have to work together toward a series of common goals. To that end, it is important to identify an overarching principle as the county moves forward:

The Bath County tourism program is designed to benefit all four corners of Bath County. The tourism plan is an opportunity for the community to both create and assist in the development of tourism initiatives that give value to the history and character of Bath County in a manner that is open to all citizens. The tourism planning process will be dynamic and sustainable, setting a standard of excellence for joint implementation efforts on the part of the community and its Board of Supervisors.

The authors reviewed previous efforts to enhance tourism in the county. The 1994 "Bath County's Citizens Commission on the Future" appeared to reflect the concerns of today as well as those 15 years ago. A 2008 SWOT (Strengths, Weaknesses, Opportunities and Threat) analysis by the Virginia Western Highlands Tourism Commission identified divisions between new residents and life-long residents as a threat. To this point, the opening section of the 1994 report offered the most jarring insight into the community. The report notes, "The greatest change we could trigger for Bath County is to lay to rest the 'we versus they' mentality which has divided us for many years....There is no 'they.' There is only us: the people of Bath County."

Bath County adopted a two percent occupancy tax in 2004. From those resources, the Board of Supervisors has made significant contributions to the Bath County Chamber of Commerce in support of its tourism promotion plans that included funding for a revised website and marketing materials. The Bath County Chamber of Commerce utilized the funds to develop exceptionally high quality marketing materials.

What makes Bath County most unique is its people. It is a community where farmers have worked the same land their families have owned for hundreds of years. It is a community where visitors meet people born and raised in Europe who have chosen to live in Bath County. It is a community where the person you bump into at the farmers market may have studied piano at the Juilliard School of Music or plays in a well known local blue grass band. Bath County's diversity is its strength and ultimate charm.

Project Objective and Approach

1.1 Project Objective

The 2009 Virginia General Assembly passed legislation that allowed Bath County to impose an additional two percent transient occupancy tax. The legislation stipulates that the revenue generated by this tax shall be spent in support of tourism activities.

The Bath County Board of Supervisors contacted the Virginia Tech Office of Economic Development (OED) to assist in the development of a strategic plan that would build community support and understanding for the tourism initiative, and identify a plan of action to guide decision making for community and government leaders regarding use of the revenues from the increased transient occupancy tax.

The tourism sector employs almost 65 percent of Bath County's workforce, and generates \$225.7 million in revenue. Tourism is the primary industry for Bath County, and nurturing and growing that industry must be a fundamental objective of county government. The county's tourism plan is not something that can be outsourced nor left to chance.

1.2 Project Approach

One of the project's objectives was to build community support and understanding for the tourism initiative. To that end, a project review committee was formed that included representatives of the business community and other community interest groups. The goal of the review committee was to provide guidance to OED's research efforts, and maintain lines of communication with business and community groups during the project. The review committee was briefed on the outline of the study and asked to make comments. Following the

research phase but prior to the county-wide public meeting, the research findings and tourism asset inventory were presented to the committee for review.

A community meeting was held on November 19, 2009, at the Bath County Courthouse. Newspaper articles promoted the event in advance of the meeting, and Bath County paid for an advertisement in the local newspaper inviting the community to participate. The county administrator sent letters of invitation to the businesses identified in the asset inventory, flyers were posted at public locations around the county and review committee members were asked to encourage county residents at all levels to attend the public meeting.

Additionally Virginia Tech faculty interviewed local businesses to learn more about their strategic objectives in relation to the tourism initiative. These interviews include representatives for the Garth Newel Music Center, The Homestead and the Bath County Chamber of Commerce.

1.3 Legislative Authority for Transient Occupancy Tax

Be it enacted by the General Assembly of Virginia:

§ [58.1-3825.2](#). Additional transient occupancy tax in Bath County.

A. In addition to such transient occupancy tax as is authorized by § [58.1-3819](#), Bath County may impose an additional transient occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or space occupied.

B. The revenues collected from the additional tax shall be designated and spent as follows:

1. One-half of such revenue shall be designated and spent solely for tourism and travel, marketing of tourism, or initiatives that, as determined after consultation with the local tourism industry organizations, attract travelers to the locality and generate tourism revenues in the locality. If there are no local tourism industry organizations in the locality, the governing body shall hold a public hearing prior to making any determination relating to how to attract travelers to the locality and generate tourism revenues in the locality.

2. One-half of such revenue shall be designated and spent solely for the design, operation, construction, improvement, acquisition, and debt service for such expenses on debt incurred after June 30, 2009, of tourism facilities, historic sites, beautification projects, promotion of the arts, regional tourism marketing efforts, capital costs related to travel and transportation including air service, public parks and recreation, and information centers that attract travelers to the locality and generate tourism revenues in the locality.

C. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days in hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms.

D. If Bath County requires local hotel and motel businesses, or any class thereof, to collect, account for, and remit the tax imposed pursuant to this section, the County may allow such businesses a commission for such service in the form of a deduction from the tax remitted. Such commission shall be provided for by ordinance, which shall set the rate thereof, no less than three percent and not to exceed five percent of the amount of tax due and accounted for. No commission shall be allowed if the amount due is delinquent.

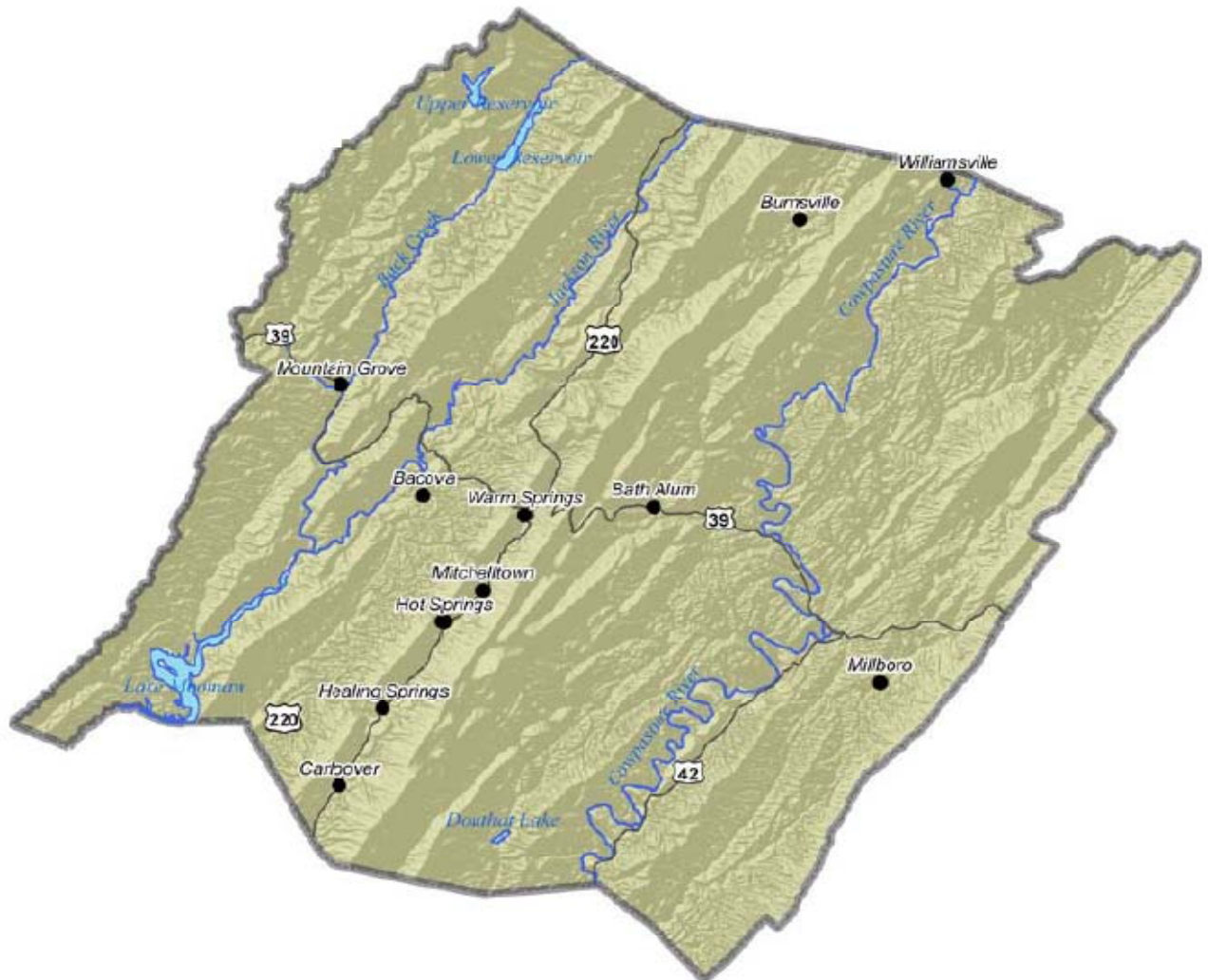
E. All tax collections pursuant to this section shall be deemed to be held in trust for Bath County.

2.0 Bath County Today

Bath County, Virginia is named for the English resort city of Bath, an ancient city visited for its healing spring waters since Roman times. For over 200 years, Bath County has been defined by its natural beauty and hospitality. The county has a long history of attracting visitors hungry to enjoy the soothing waters of the natural springs and tranquil alpine vistas, and has played host to such notable visitors as George Washington, Thomas Jefferson and many other recent U.S. presidents.

According to the county's website, visitors began coming to the springs of Bath County by 1750 and by the early 1800's records indicate 6,000 visitors traveled to the springs annually. Given the population density and the difficulty of travel in that period of history, these figures represent a significant number of visitors and established Bath County as a tourist center.

Figure 1: Bath County Map



Source: Central Shenandoah Planning District Commission

Located along the western, central border with West Virginia, Bath County encompasses 540 square miles. Eighty-nine percent of Bath County is comprised of forest, with 51 percent in national forest and 6 percent under state park. The Nature Conservancy also owns more than 9,000 acres of critical forest habitat in the county.

The economic landscape of Bath County has been shaped by its largest employer, The Homestead. The hotel's dominance established an economic foundation in the local economy and numerous jobs for its citizens. Like many large entities in small communities, however, the Homestead may inadvertently limit the

development of a more diversified retail and tourist base. The Homestead has created a signature identity for Bath County and given it exposure that few communities of its size could hope to replicate, but as the Bath County Citizens Commission on the Future stated in its 1994 strategic plan, Bath County needs a diversified tourism industry. “Not just a prosperous Homestead but also growth in the entire independent hospitality and recreation sector,” the report noted.

2.1 Population

Many rural communities have lost population as residents leave to seek more economic opportunity. During the last decade, Bath County has seen its population decline. Ironically, Bath County’s population has been relatively unchanged since its founding, fluctuating from 5,508 residents in 1800, a high of 8,137 in 1930, and the last decennial census the county had 5,048 residents in 2000.

The most recent data from the Weldon Cooper Center at the University of Virginia indicates that the population is once again on a downward swing, having experienced about a 10 percent loss in the last nine years. Against that backdrop, Virginia saw its population increase by 95 percent since 1960.

Bath County was not alone in seeing out migration of its population. The other counties that comprise the Alleghany Highlands – Craig, Highland and Alleghany --also witnessed a similar drop in population. From 1950 to 2008, Alleghany experienced a 30 percent decline in population, despite a bump in county population when Clifton Forge gave up its independent city status in 2001.

Figure 2: Population Figures, Highland Region

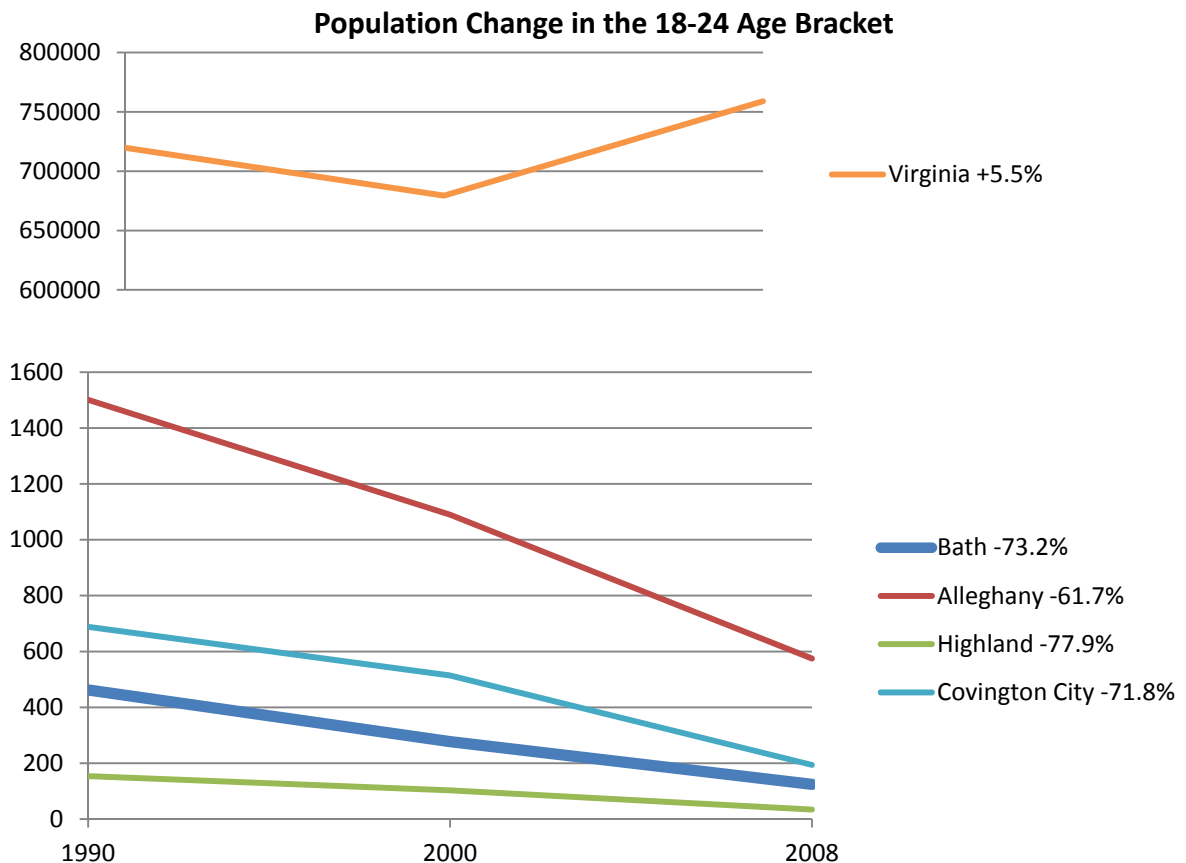
Total Population	1960	1970	1980	1990	2000	2008
USA	179,323,175	203,211,926	226,545,805	248,709,873	281,421,906	304,059,724
Virginia	3,966,949	4,648,494	5,346,818	6,187,358	7,078,515	7,769,089
Bath County	5,335	5,192	5,860	4,799	5,048	4,544
Highland County	3,061	2,529	2,937	2,635	2,536	2,426
Alleghany County	12,056	12,461	14,333	12,926	17,215	16,202
Craig County	3,356	3,524	3,948	4,372	5,091	5,087

Source: U.S. Census Bureau

2.2 Age Shift

Bath County has experienced a significant decline in the 18-24 year age bracket. From 1990 to 2008, Bath County witnessed a 73.2 percent decline in 18-24 year-olds. By comparison Virginia saw a 5% increase during the last decade. This demographic represents young people who graduate from high school and leave the community either to attend school or seek full-time employment outside the county. The outmigration of this age group creates a danger that young people won't return, and the community will lose continuity with its own citizens, and also represents a drain on a significant segment of the entrepreneurial class needed to foster a more robust tourism industry.

Figure 3: Population Trends in 18-24 Age Bracket – Virginia and Highland Region



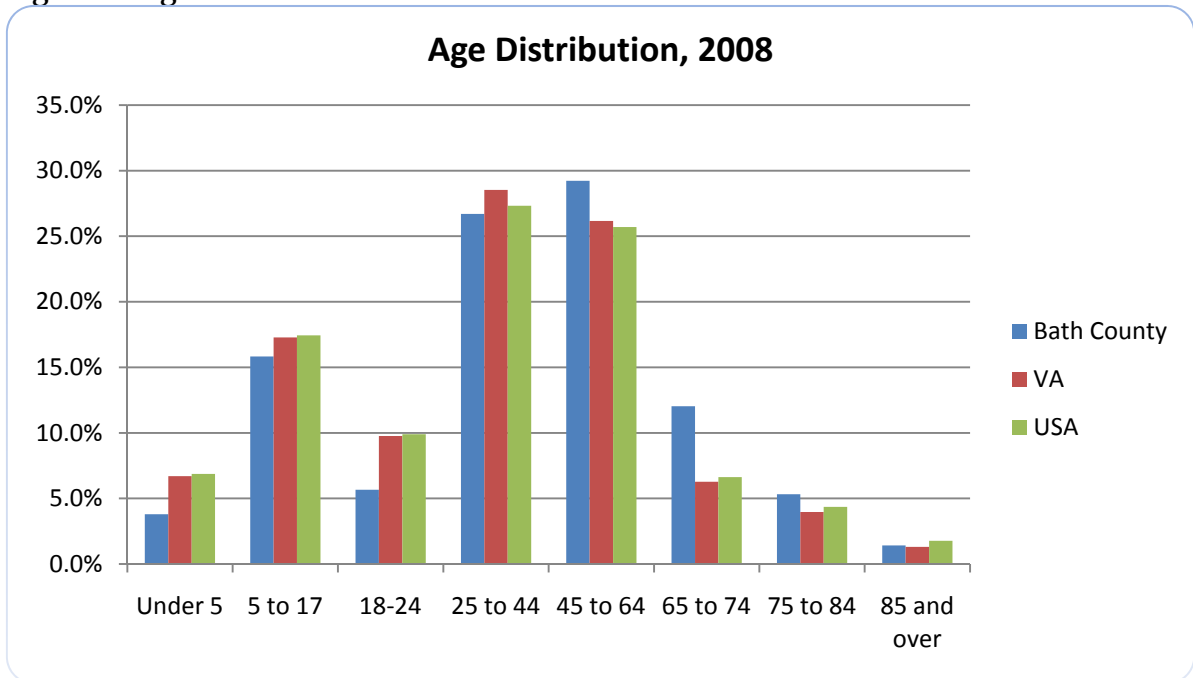
Source: Weldon Cooper Center, U.S. Census Bureau

2.3 Age Distribution

While older citizens can and will continue to participate in the economy, the aging population will accelerate demand on county services. The demographic mix serves to highlight the need to diversify the county's economy in order to provide the resources needed to assist county residents. The county also faces a unique dilemma due to the aging population and outmigration of youth: as it seeks to establish a branding image as an all-season outdoor play ground, it is important that visitors to the county feel the reality of the community reflected in that image.

As noted in the chart below, the age distribution in Bath County follows pattern similar to many other rural communities. The county has a small number of young children under the age of 5, but as a component of the overall population, the Bath County numbers are not substantially below the state and national averages. The county shows a spike in its adult population beginning in age 45 to 64, and continuing into the 65 to 74 age bracket. These numbers reflect the fact that Bath County has become a location where people begin second careers after living in other part of the country.

Figure 4: Age Distribution

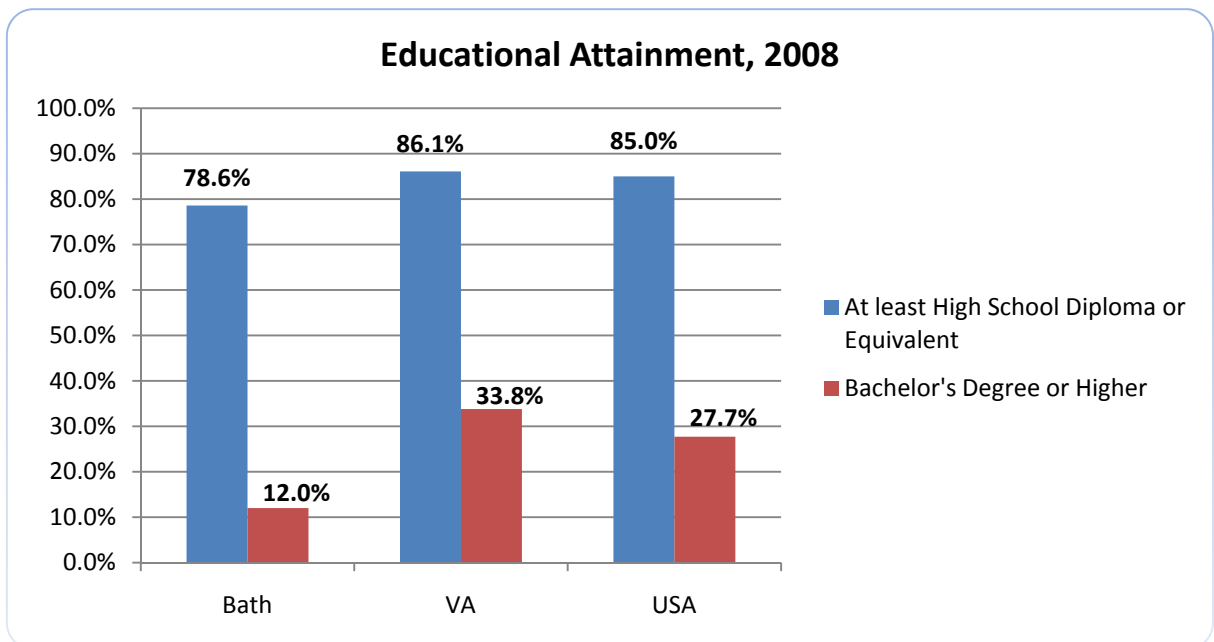


Source: Weldon Cooper Center, U.S. Census Bureau

2.4 Educational Attainment

A critical measure of any community's economic development potential is the educational attainment of its citizens. While Bath County ranks below the state average on the percentage of citizens with a high school diploma or equivalent, the discrepancy is not too dramatic. That is not the case for the number of residents with a four-year degree, as Bath County is significantly below the state average on this measure. This discrepancy could hamper the county's plans for future growth as the county seeks a more diversified economic mix, even among tourism related industries, and may diminish the attractiveness of the county for younger residents.

Figure 5: Educational Attainment in Bath County as compared to Virginia and the US



Source: U.S. Census Bureau, Weldon Cooper Center

Many statistics are indicators of how a community is progressing, but none more telling than whether its young people are continuing their education past high school. The chart below details the self-identified post-graduation plans for high school seniors in Bath County as compared to students in other areas of the region. Among the four localities, Bath County ranks third in the number of students who plan to attend two or four year institutions following graduation from high school. For Bath there was a significant spike in the number of students who listed "other continuing education plans" as compared to other students in the region.

Figure 6: Post Graduation Plans for Bath County and surrounding counties
High School Seniors, Class 2008

	Attending Two-Year College	Attending Four Year College	Other Continuing Ed Plans	Work	Military	No Plans
State of Virginia	29%	47%	5%	12%	3%	5%
Alleghany County	47%	24%	2%	20%	4%	1%
Bath County	32%	33%	19%	9%	5%	0%
Craig County	41%	38%	2%	5%	4%	9%
Highland County	20%	40%	8%	6%	8%	0%

Source: Virginia Department of Education

2.5 Income and Poverty

The income strata of a community are important measures of overall vitality. Precise data enables policy makers to shape policies aimed at improving opportunities for all citizens.

Despite its rural setting, a visitor can quickly determine that Bath County has a significant pocket of high income residents. Looking at common income metrics, Bath County ranks quite well on a number of fronts. Yet there are many corners of the county where economic opportunity remains a goal more than a reality. Reading between the lines of this type of data is not easy, but the figures for Bath County suggest the county has a bimodal economic landscape: a portion of residents are doing quite well, a larger portion are significantly challenged, and very few fall in between.

Among the counties of the Alleghany-Highlands, including Pocahontas and Greenbrier counties in West Virginia, Bath County enjoys a relatively robust median household income. Despite its relatively high position in the region, Bath County median income is only 71 percent of the state average.

Figure 7: Median Household Income

Median Household Income	2000	2007
Virginia	\$46,677	\$59,575
Bath County	\$35,013	\$42,316
Alleghany County	\$38,545	\$41,530
Highland County	\$29,732	\$36,521
Augusta County	\$43,045	\$50,887
Pocahontas County, WV	\$26,401	\$31,832
Greenbrier County, WV	\$26,927	\$33,163

Source: U.S. Census Bureau / Weldon Cooper Center

Similarly, Bath County's poverty index is below the state average and is the lowest in the region. The difference between Bath County's poverty index percentage and those of Pocahontas and Greenbrier counties is particularly striking. The relatively low poverty rate in Bath County supports an image of a stable rural community that many people from across the nation will feel comfortable visiting and exploring.

Figure 8: Percentage of Virginians Living in Poverty, 2008

	Number	Percent
Virginia	766,852	10.2%
Alleghany County	1985	12.6%
Augusta County	5,686	8.2%
Bath County	430	9.6%
Craig County	565	11.2%
Highland County	311	12.8%
Pocahontas, W.Va.	1371	16.8%
Greenbrier, W. Va.	5952	17.6%

Source: U.S. Census Bureau

<http://www.census.gov/did/www/saipe/data/statecounty/data/2008.html>

While the U.S. Census is the most reliable source of income data, the current data from the 2000 Census is outdated, with new data unavailable until the 2010 census. However, a number of metrics can give a more recent depiction of economic conditions in Bath County, and provide an indication of poverty in the county that is somewhat masked by other indicators.

The Virginia Department of Education tracks school divisions across the state to measure the percentage of students who have been economically disadvantaged anytime during their four years in high school. This measure again shows that Bath County compares favorably to the region, but also indicates that a significant portion of families in the county experience poverty.

Figure 9: Va. School Report Card, Class of 2009 Cohort

	Economically Disadvantaged Anytime
Alleghany County	85.8%
Augusta County	79.0%
Bath County	73.9%
Craig County	82.4%
Highland County	93.3%

Source: Va. Department of Education

3.0 Visitor Center Data

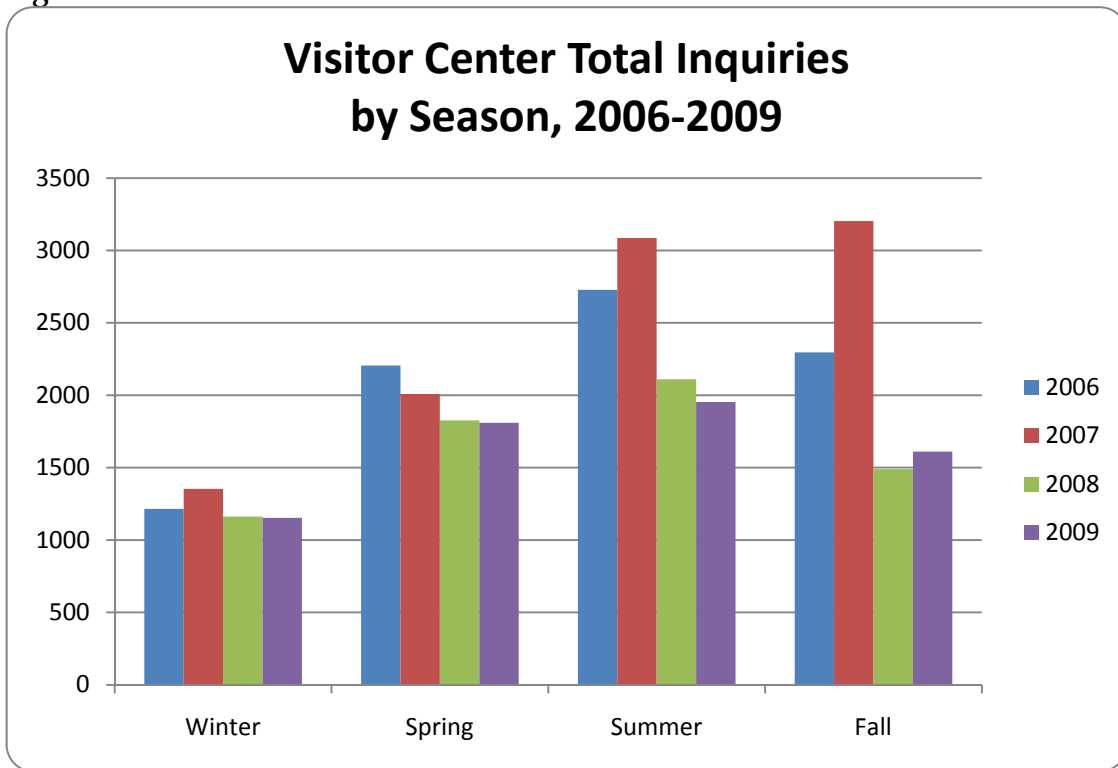
The Bath County Chamber of Commerce has kept detailed records of visitors to its Visitor Center over the last four years. The data provide a wealth of information on visitor interests, as well as information on what method was used to contact the chamber, (e.g., by walking in, by calling the chamber, etc.).

During the course of the last four years, over 30,000 travelers have contacted the Visitors Center, which represents a significant number of guests passing through the area. This base of visitors is a significant opportunity for the tourism economy to build upon, allowing other local venues to draw tourists to attractions they may not have intended to visit in their initial travel plans.

3.1 Visitor Center Inquiries

This chart shows strong trends over the last four years, with few visitors in the winter and more during the warmer months. In general, inquiries at the Visitor's Center peak during the summer, but many travel to the County in the Fall and Spring as well. The figures show a strong surge of visitors in the summer and fall of 2007, but the impact of the economic crisis on consumer spending is evident in the precipitous drop in visitors starting in Fall 2008.

Figure 10: Visitors to Chamber Visitor Center

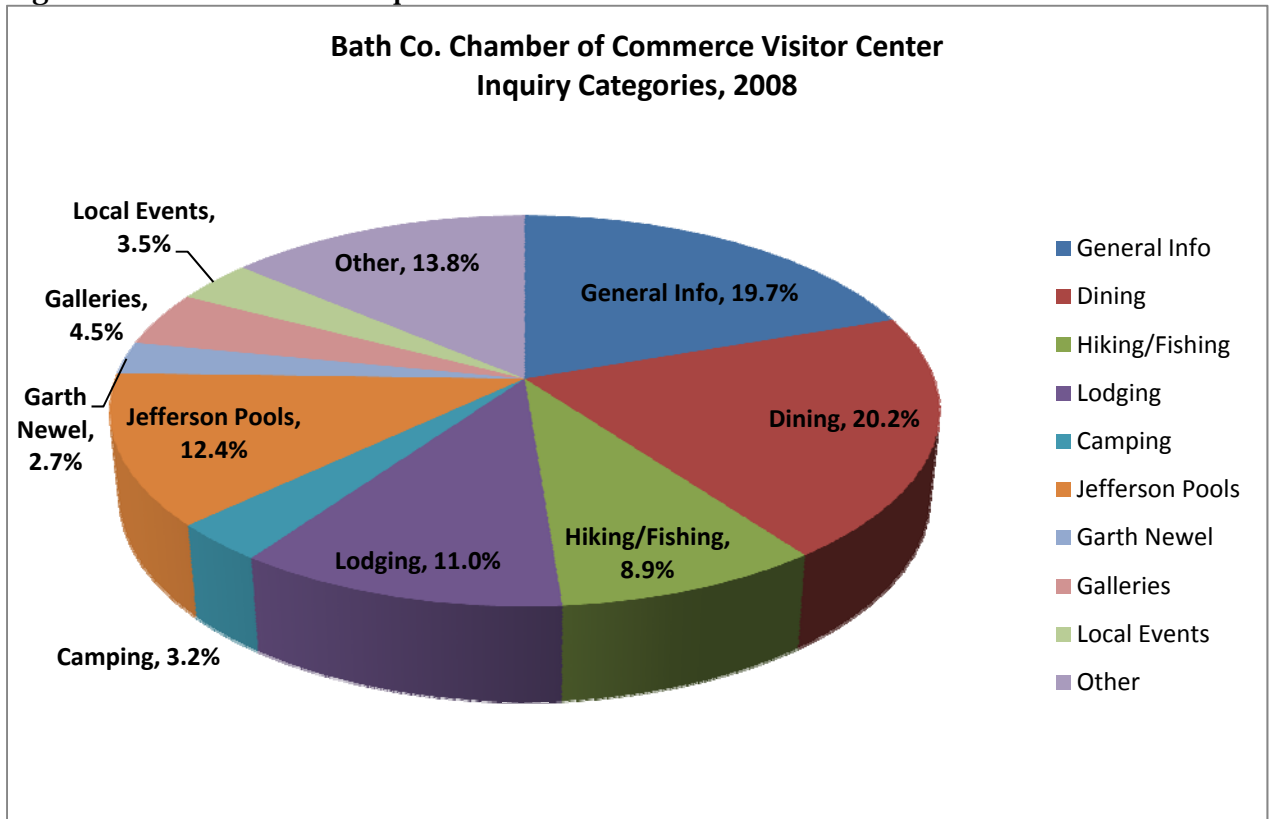


Source: Bath County Chamber of Commerce

3.2 Inquiries to Visitor Center Based on Interest

Figure 11 depicts the type of information visitors requested from the Visitors Center in 2008. The interest in dining establishments ranks very high, supporting comments during the public hearing on the need for more local dining opportunities. It should be noted that interest in the Jefferson Pools consistently ranks high across all four years of the Chamber data. Interest in lodging as well as outdoor activities also ranked highly.

Figure 11: Breakdown of Inquiries at Visitors Center



Source: Bath County Chamber of Commerce

3.3 Travel Impacts

County and chamber leaders expressed a great interest in learning how Bath County compared to West Virginia's nearby resort areas.

Figure 12: Impact of Travel Spending in Three County Region (\$, millions)

Travel Impacts	2004	2005	2006	2007	2008	% change 2007-2008
<u>Bath</u>						
Expenditures	177.9	190.6	203.4	214.1	225.7	5.4%
Payroll	24.8	24.9	25.7	25.9	27.2	5.0%
Employment	1,590	1,582	1,590	1,595	1,638	2.7%
State Tax Receipts	6.0	6.1	6.4	6.6	6.8	2.9%
Local Tax Receipts	2.3	2.4	2.6	2.7	2.9	6.4%
<u>Pocahontas</u>						
Expenditures	92.1	99.2	85.4	90.0	100.9	12.1%
Payroll	25.1	25.0	23.6	25.6	28.3	10.5%
Employment	1,330	1,330	1,190	1,220	1,340	9.8%
State Tax Receipts	5.9	6.3	5.4	5.8	6.4	10.8%
Local Tax Receipts	.812	.882	.730	.958	1.7	83.3%
<u>Greenbrier</u>						
Expenditures	220.1	218.1	221.7	224.9	214.4	-4.7%
Payroll	85.1	91.6	92.7	95.9	87.0	-9.3%
Employment	2,690	2,700	2,620	2,490	2,460	-1.2%
State Tax Receipts	14.8	14.7	14.8	15.2	14.2	-7.0%
Local Tax Receipts	1.71	1.74	1.81	1.88	1.80	-4.0%

Source: Virginia Tourism Corporation, Dean Runyan Associated

As shown in Figure 12, Bath County currently enjoys a leading position on travel expenditures as compared to Pocahontas or Greenbrier counties. Pocahontas experienced a significant increase in local tax receipts (83.3%) from 2007-08, mainly due to an increase in the local occupancy tax. As Figure 10 indicates for Bath County, 2007 was a particularly strong year for tourism in general, as the state and national economy was still quite strong. On the other hand, Greenbrier County saw its tax revenue decline during that same period, having experienced significant fallout from labor and other problems at the hotel.

Bath County has seen steady and predictable growth, and the county has maintained command of the tourism market in the three county region. Tracking Pocahontas County's growth and sustainability during the economic downturn will provide important insights for Bath County. Efforts to create a year round outdoor experience will be somewhat easier for Pocahontas County as

it has made significant capital investment in developing a nationally-ranked ski resort. Efforts to grow its summer-fall seasonal business are less costly simply due to the nature of outdoor activities which do not require as much infrastructure investments.

To continue to maximize Bath County’s advantage, additional thought needs to be given to leveraging public/private partnerships as a way to take full advantage of the county’s assets. With 57% of the county land controlled as either national or state park land, unique legal structures may be needed to allow the county to fully realize the lands potential.

3.4 Tourism Based Employment

Figure 13: Tourism Based Employment, 2008

	Total Employed	Tourism Industry Employment	% Total Employed in Tourism
Bath	2541	1638	64.5%
Alleghany*	8328	413	5.0%
Highland	545	176	32.3%
Greenbrier	13397	2460	18.4%
Pocahontas	3268	1340	41.0%

Source: Virginia Tourism Commission, U.S. Census Bureau

Bath County has a rich history as a destination point for travelers, so it is not surprising that tourism is the leading industry in the county. The fact that almost 65 percent of the county’s workforce is employed in the tourism industry highlights the need for concerted efforts to promote the variety of tourism assets in the county.

4.0 Bath County Assets

Assessing a community's tourism assets is not as simple as an inventory of infrastructure or businesses. Many intangible assets give value to a community or region, such as natural beauty or cultural heritage. Bath County has many of those assets in abundance and it separates the county as a special place to live, work or visit.

In addition, Bath County has many hard assets that contribute to the community being a sought-after destination for visitors. The Homestead stands not only as a symbol of genteel luxury, but as a modern resort that provides an enormous number of offerings for its guests.

4.1 Lodgings

Bath County has an abundance of lodging options for visitors. Including rooms at the Homestead and at the state and national parks, Bath County has over 800 lodging rooms available.

Figure 14: Number of Lodging Rooms in Bath County

Room Type	Number
Resort Rooms	501
B & B / Inn Room	120
Motel Rooms	26
Cabin Bedroom	155
Total Lodging Rooms	802

Source: VT Asset Survey

4.2 Dining

Bath County has a number of unique dining experiences for the traveling public. However, the opportunities in the county are rather divided between fine (and more expensive) dining experiences, and much more inexpensive establishments. There are few options in the middle, which can be a drawback when the traveling public may be looking for these mid-range dining experiences when they come to small town communities.

The high number of inquiries at the Visitor Center illustrates the interest in dining establishments by visitors, and represents an important market opportunity for the county, especially given the VTC data indicating that tourist enthusiasm for motoring experiences still remains quite high. Accessing all of the dining options in the county remains a challenge for the first time visitors unfamiliar with navigating the area.

4.3 Assets / Activities

Few communities of a similar size to Bath County possess so many attractive assets and have demonstrated significant appeal to the traveling public. A complete inventory of these assets is listed in the Index of this report, but the authors feel it is important to highlight a few of those here. These assets figure prominently in the Strategies Section of the report, and are critical to the future success of the Tourism Plan.

• Garth Newel Music Center	• Douthat State Park
• Jefferson Baths	• The Homestead
• George Washington National Forest	• Lake Moomaw/ Gathright Dam
• Warm Springs Mountain Preserve	• Jackson River
• Back Creek	• Golf
• Mountain Valley Players	• Local artisans
• Scenic drives	• Apple Butter Festival
• Dominion Power Recreational Area	• Cowpasture River
• Fishing	• Trails

5.0 Research on Virginia Tourism

The Virginia Tourism Corporation is the state agency responsible for promoting the Commonwealth of Virginia as a tourist destination. Its vision statement is as follows:

“To foster a spirit of partnership within Virginia’s tourism and motion picture industries to develop and implement innovative and effective programs and initiatives that will grow the industry and increase economic impact and jobs, resulting in a greater tax base for localities and the state.”

During spring and summer of 2009, the VTC conducted two extensive studies on the traveling public. One was a quantitative study that catalogued trip visits and interests across Virginia. An additional qualitative study held extensive focus group interviews to better understand behavior behind travel decisions. Both studies offer significant insights into the interests of the traveling public and will help the county as moves toward the development of its marketing plan.

5.1 VTC Top Outdoor Activities

Figure 15: VTC Outdoor Activity Profile Related to Bath County Assets

Activity	Percentage
Beach	11%
Mountains	8%
Scenic drives	18%
State/National Parks	13%
Rivers	5%
Hiking/Backpacking	5%
Camping	3%
Bird watching	3%

Source: Virginia Tourism Corporation Traveler Profile

Figure 16: Top 25 Virginia Attractions

Location	Cited by Visitors	Ranking
Blue Ridge Parkway	10%	1st
Colonial Williamsburg	7%	2 nd
Skyline Drive	4%	5th
Appalachian Trail	4%	6th

Source: Virginia Tourism Corporation Traveler Profile

Figure 17: Top 25 Most Frequently Visited Cities in Virginia

City	Rank
Roanoke	5th
Charlottesville	9th
Harrisonburg	16th
Staunton	21st

Source: Virginia Tourism Corporation Traveler Profile

Figures 15, 16 and 17 indicate strong consumer interest in the key attributes of Bath County. While Bath County does not have a seaside beach, it does have many other assets that consumers have strong interest in, such as mountains, hiking, rivers, and scenic drives.

Bath County is in close proximity to other major attractions like the Blue Ridge Parkway and Skyline Drive, as well as other communities of interest such as Roanoke, Charlottesville, Harrisonburg and Staunton.

Figure 18: Virginia's Top Tier Vacation Attributes

Qualities	Rank
Good place to relax	1st
Warm, friendly people	3rd
Great for scenic drives	4th
Great for walking / strolling	5th
Interesting small towns	7th
Interesting festivals and fairs	10th
Provides a unique experience	11th

Source: Virginia Tourism Corporation Traveler Profile

Figure 18 also shows that regardless of age or generation, visitors to Virginia bear in mind several core attributes of what makes for a good vacation. A good place to relax was the number one attribute sought by vacationers, followed by friendly people, scenic drives, and interesting small towns. Bath County offers these key qualities important to prospective vacationers and more.

5.2 Key Qualitative Findings, 2007-2008 Profile of the Traveling Public:

- Women are predominately in charge of planning
- Two-thirds of inquiries for VA brochures are made by females
- Travel spending by couples with children increased 8 percent during the 2006-08 fiscal years while spending by VA couples without children rose only 3 percent.
- Couples without children under 18 years represent 70 percent of U.S. households, yet households with children represent 60 percent of travel spending; households without children represent only 40 percent.
- Half of all travelers take one big trip and one or more small trips.
- Research revealed most people don't want Virginia to be too exciting. In fact, Virginia's tranquility was something visitors sought as a means to restore themselves.

6.0 Bath County Community Meeting

A community meeting on tourism was held on November 19, 2009, at the Bath County Courthouse in Warm Springs, with approximately 30 people in attendance. The meeting was designed to give all of the citizens of Bath County a voice in the development of the county tourism plan. The meeting opened with a brief presentation on Bath County demographic and economic data, and the results of tourism research conducted by OED.

The next phase of the meeting gave the public an opportunity to provide input with regards to five tourism categories of emphasis identified by OED.

Discussion on each category included an inventory of key assets, and suggestions for how the assets could be leveraged and enhanced.

At the conclusion of the meeting, participants were given an opportunity to select and rank the strategies and ideas generated during the meeting. The tabulation of the results of those rankings can be found in the Index. Below is a narrative summary of the public comments on the five categories.

Outdoor Strategies:

Promoting the natural amenities of the George Washington National Forest and Douthat State Park was among the most popular ideas discussed. Nearly all participants agreed that an easily accessible, consolidated information source for trails, camping, and other outdoor activities was the most effective strategy to leverage the asset represented by the existing network of trails and campgrounds in the county. Creating an internet resource for tourists to thoroughly plan outdoor activities in advance, along with the provision of ample informational materials at locations within the county, were also considered important priorities. Suggestions to incorporate GPS coordinates into all materials were supported, and the development of a field guide for local flora and fauna was also popular. The lack of an outdoor retailer or outfitter was identified as a possible shortfall in the county, and several residents agreed that the attraction of such a retailer could be beneficial. Expanding promotion and organizational capacity for the successful Moomaw Madness Triathlon was a popular idea. Providing more information for tourists on fishing regulations, public fishing access locations, and tips for successful fishing in the county was also mentioned.

Cultural Heritage Strategies:

Participants discussed the existing cultural amenities within the county and evaluated the factors that determine success or failure for cultural tourism initiatives. The most popular strategy discussed was the creation of an easily accessible, consolidated events calendar where local businesses and event coordinators could post information about upcoming events or programs. A lack of communication between residents, businesses, and cultural groups was cited as a cause of concern. Many agreed that connecting events and increasing internal communication between residents in the county was an important strategy for strengthening cultural tourism. An over-dependence on limited volunteer resources and a lack of promotional funding for events were also cited as deficiencies. Providing funding to encourage cultural events or entrepreneurs through micro-grants or tax incentives is one possible strategy. Efforts to better promote local artisans drew mixed support, as concerns were expressed about the cost and time to prepare products for a sustained sales program. Also suggested were ideas to create a history trail tour, a new annual festival as successful as the Highland Maple Festival, and new outlets for hobby craftspeople to sell their products.

Music Heritage Strategies:

Similar to cultural assets, residents agreed that better communication, coordination, and promotion were essential strategies to leverage the music heritage in Bath County. The Garth Newel Music Center is a valuable resource, but lacks strong support from within the county. Both Garth Newel and other music promoters cite the heavy investment in time and money necessary for the promotion of special programs as an issue. Participants reported that recent initiatives have started strong but failed over time due to limited promotional funding and manpower. Many participants suggested a unified coordinating body responsible for organizing and allocating funding assistance as a means to overcome these difficulties.

It was proposed that a new structure, like an amphitheatre, be constructed to create a better platform to showcase local musical talents. Another suggestion was that it would be better to grow this sector utilizing existing resources in the short term, before undertaking capital expenditures for such a structure. Also mentioned was enhancement of a county-wide strategy to capitalize on the success of the Garth Newel Jazz and Blues Festival. Instead of an occasional isolated event here and there, businesses in the county should coordinate promotions and events in conjunction with existing events to improve the entire experience for tourists.

Motoring Strategies:

Getting around the county can be difficult or even intimidating for many tourists who are not used to rural communities. Many participants agreed that the promotion of scenic and outdoor amenities is the best foundation for a tourism strategy. Installing aesthetically appropriate signage on county roads and providing maps and driving routes with detailed information were suggested as one strategy to make navigating back roads easier and more inviting. Information outlets on both sides of the mountain would be useful for tourists entering Bath on Highway 39 from Augusta County. The development of a travel tour CD to guide motorists around the county was mentioned. One popular idea was creating promotions to attract specialty car and motorcycle clubs to the challenging mountain roads in the county. These clubs often travel in large groups and typically require accommodations and meals. The county's continued participation in the Appalachian Waters Scenic Byway offers Bath a unique opportunity to leverage an additional resource. Another suggestion was the promotion and enhancement of U.S. Forest Service access roads for mountain biking and horseback riding, as many are open year-round and connect to an extensive network of loops and trails. It was noted that equestrian camping facilities are under construction at Douthat State Park. While there are good riding trails in the National Forest, no facilities exist for tourists to rent horses for recreational use.

Agri-Tourism Strategies:

This portion of the discussion was dominated largely by farmer's markets and local growers. A lack of awareness and information about locally grown food was posited as the primary impediment to increased success of local farmers markets. Linking the products and location of such markets to customers through promotional materials is the preferred strategy, including information and displays at local stores and welcome centers. The current arrangement of two markets- one on either side of the mountain- was considered by many to be an opportunity as opposed to competition. The location of the markets could be included as part of an overall map or listing of cultural sites and amenities. "Buy Fresh Buy Local" and "Rockbridge Grown" were cited as two examples of successful marketing publications that could be emulated in Bath County. A system to label local food (grown within 100 miles) was discussed, as well as programs to promote locally grown foods in local restaurants.

Another problem for farmer's markets is the lack of a certified incubator kitchen for use by producers or residents wishing to sell processed foods at the market. According to market operators, the establishment of such a kitchen would enable an expansion of food products available at the markets. Another opportunity for producers is expanding educational opportunities on farms so consumers can get a glimpse into the agricultural process. Finally, the concept of subscription farming was evaluated and determined to be a potential avenue for local producers to pursue legitimate economic benefits from small-scale farming.

7.0 Strategies

1. GOAL: Enhance coordination and communication between various tourism stakeholders in the county.

- 1.) Bath County should hire a full-time tourism coordinator to give leadership and direction to county tourism efforts.
- 2.) Revamp the county's tourism website to create a more dynamic and visitor friendly window to the county. The site will have active links to the Bath County Chamber of Commerce website, as well as the Virginia's Western Highland Tourism site.
- 3.) Establish an on-line monthly calendar of events on the web site. The site will include a system that allows for select group of organizations or individuals to post information to the site. However, no information should go "live" until the Tourism Director has approved the posting. Effective tourism promotion is a community effort, and both public and private entities will have to take responsibility for keeping the site up to date.
- 4.) Tourism director will work closely with the chamber of commerce and other community and civic groups to bring all the tourism interests together to implement the plan and reach out to all corners of the county.
- 5.) Tourism director will encourage public participation including workshops, regular community meetings, and ad hoc committees to implement specific goals such as trail development, website coordination, marketing and implementation of a mini-grant program.

2. GOAL: Promote Bath County's many outdoor activities in a way that makes it easier for visitors to access and enjoy.

- 1.) Develop a map that depicts all of the numerous trails in the county in one document that visitors can access easily. The map would be available as a printed document, or downloadable via the county web site.
- 2.) Develop a fishing map that would highlight public fishing spots, denote private waterfronts, and clarify state catch regulations.
- 3.) All outdoor maps or web materials will include GPS coordinates so that visitors can easily enter coordinate locations into navigation devices.
- 4.) Develop capital improvement plan for trail heads, fishing sites and other outdoor destinations to improve ease of visitor access and safety.
- 5.) Develop signage denoting routes to major tourist assets.
- 6.) Explore with The Homestead opportunities to establish a spring golf package that could be marketed as part of a comprehensive county package.

3. GOAL: Promote existing events and festivals

- 1.) Work with existing organizations to demonstrate community commitment to the event.
- 2.) Develop a signature publication that brings together major county attractions, including recurring events and activity timelines.
- 3.) Develop a 'point of purchase' display casing for promotional and informational materials that could be mass produced and placed at every business in the county.
- 4.) Establish a mini-grant program that organizations could apply for in order to help defray costs and expand program offerings.
- 5.) Cross-promote with other organizations to enhance the overall impact of each event.
- 6.) Work with villages to promote all events in Bath County.
- 7.) Establish a goal of developing or building upon a major festival or event in each of the four seasons of the year. Work with civic organizations to achieve this goal.

4. GOAL: Promote the music and cultural heritage of Bath County

- 1.) Work with Garth Newel Music Center to explore performances that include a variety of musical genres. Explore with GNMC possibility of a mid-week concert of local and regional artists of note.
- 2.) Develop a Bath County history trail with digital audio narration.
- 3.) Promote the music and cultural heritage of Bath County at all festivals and community events.
- 4.) Highlight local musicians during festivals and fairs.
- 5.) Establish a long-term goal to develop a dedicated venue where local artisans can showcase and sell their works.
- 6.) Seek the renovation and improvement of the Jefferson Pools.

5. GOAL: Enhance tourist based industries in Bath County

- 1.) Establish a goal to recruit one restaurant and one retail store to the county within the next two years.
- 2.) Explore interest for designating parts of the community as historic districts to allow potential developers to qualify for tax credits to rehabilitate critical structures.
- 3.) Establish local tourism zone(s) that offer tax incentives and regulatory flexibility to attract tourist based businesses to the county. See index for statutory authority.
- 4.) Working with Department of Business Assistance, Extension Service, and VTC, develop how-to workshops for local residents on starting tourism-based businesses. For example, VTC/ DBA is hosting an Adventure Tourism Entrepreneur Workshop in Dickenson County in April 2010.

- 5.) Working with VTC, sponsor hospitality training workshops to promote a strong brand image reaffirming Bath County as a welcoming community for all visitors.
- 6.) Encourage relationships between local food producers and local restaurants.

6. GOAL: Enhance opportunities for motoring visitors

- 1.) Develop a CD on Bath's history. Translate the same material into a downloadable WAV-file to be available on the tourism website. Motoring visitors could then have their own traveling tour guide. Use of limited sponsorships could help underwrite the project.
- 2.) Post information about motorcycle tour routes on motorcycle websites and explore promotional weekends.
http://www.motorcycleroads.com/routes/SouthEast/VA/VA_index.htm and <http://www.motorcycleva.com> .
- 3.) Explore connections to car clubs like Blue Ridge Porsche Club. www.brr-pca.org or the Virginia Corvette Club in Lynchburg. <http://www.virginiacorvetteclub.com>
- 4.) As mentioned in Goal 2, signage is important activity to achieve this objective.
- 5.) Develop agreements with Douthat and George Washington park authorities on opening back roads to mountain biking, horseback riding and ATVs.

8.0 Recommendations

Based on research into conditions within Bath County and successful tourism initiatives elsewhere, OED offers several specific recommendations for the county on how to proceed with the tourism initiative made possible through the increased lodging tax revenues. While the county could pursue a variety of strategies to increase the impact of tourism on the local economy, several priority measures are identified which could have immediate consequences.

Year One

A common theme across each of the tourism categories discussed in Section 6 is a general lack of consistent, unified communication and promotion for tourism initiatives. To coordinate and facilitate improvements in each of these categories, the authors recommend Bath County move quickly to hire a full-time Tourism Director.

The tourism director should have extensive experience in working with a diverse group of stakeholders, as well as working independently to generate program results. The director would be responsible for immediate improvements to the website, including the creation of the events calendar, and the consolidation of information on outdoor tourism activities into a detailed, comprehensive information package and map for print and internet. This individual would build relationships with civic groups within the county to maximize public participation in festivals and events, and would serve as liaison with regional and state tourism efforts. The director would establish criteria, implement, and manage a micro-grant program to help community groups and organizations promote and grow their events. The director would identify ways to leverage existing events in a manner that maximizes their impact on the community as a whole.

The tourism director is one person. That person can and must be a catalyst for creating ideas and connections among all of the stakeholders in the community, but this person cannot take on the responsibility of running every event. Civic groups, churches and other community based organizations will have to contribute day-to-day manpower to make these programs a success.

The linkages formed by the tourism director within the community would include businesses, national and state parks, Chamber of Commerce and all tourism-related groups. This community of interest provides a wealth of resources to assist the tourism director in planning and developing an overall yearly program. As the tourism program evolves through an open public process of discussion, review, and approval, community and Board of Supervisors support are joined for implementation of the plan.

Working with other county officials, the tourism director would inventory and develop a capital improvement plan designed to make Bath County a more

welcoming place for visitors. These improvements would include signage, parking, lighting or other safety improvements at outdoor recreational access points, like trail heads, public fishing and or watercraft access points.

The tourism director will solicit community ideas through a public process, and develop a proposed budget which will be considered by the County Administrator and the Board of Supervisors in the development of the county budget.

Year Two

The tourism director will assist county economic development efforts to bring a more diversified retail mix to the county in support of the tourism plan. Working with the County Administrator, the director will identify ways to utilize the development of a Tourism District as a way to attract new businesses. Possible designation of certain portions of the county as historic district should be reviewed in order to leverage the historic tax credits available to assist developers.

Working with community organizations, measurable goals should be established to raise the success of existing festivals and programs to a new level. A comprehensive marketing and branding plan should be developed by the beginning of spring of year two, which includes significant funding to market Bath County.

A regular concert series will be established that highlights local musicians, and regular venues will promote local crafts. Entrepreneur workshops will be held to encourage and assist residents to start small tourism-related businesses.

Discussion should begin on hosting a motoring event in the county through various motorcycle and or automobile clubs.

Discussions should begin about hosting a major golf or bicycle event in the county.

Years Three – Five

The county will establish a goal to attract at least one restaurant and retail store under the provision of the tourism district.

It will be a goal to establish a signature cultural festival.

It will be a goal to attract five new businesses around the county's music and cultural heritage activities.

It will be a goal for Bath County to host a major golf, bicycle or car club event.

9.0 Index

9.1 Following the November 19, 2009 community meeting, participants were asked to rank the importance of the suggested strategies. Each participant was given a group of five color coded stickers and each sticker was assigned between one and four points. The chart below shows the votes received as participants rated the various strategies.

Outdoor Strategies	Votes Received
Promotional Material	41
Print list of trails	38
Consolidated source of information	28
Attract outdoor retailer	17
Expand Moomaw Madness	17
Enhance fishing	15
Dedicated webpage to trails	15
Camping information source	5

Cultural Heritage	Votes Received
Consolidated events calendar	31
Connect events, improve communication	22
Help entrepreneurs	17
Incentives for crafts people	13
Promote or expand existing events	12
Bath County art show	11
Contact list or online schedule	10
Regional Highlands approach	10
Micro-grant program	9
Off-season events	8
History trail tour	8
Improve relationship/improve perception	8
Attract artists from outside	7
Staff to coordinate festivals	6
Community festival day	5
New annual festival	4
More quilting	4
Open house/block party	2

Music Heritage	Votes Received
Coordinating body for events	29
Funding for festivals	25
Increase use of underutilized venues	14
Reduce burden on volunteers	11
Library events calendar	10
New music facility	7
Off-season live music events	1

Motoring Strategies	Votes Received
Promote beauty	24
Aesthetic signage	21
Attract car and motorcycle clubs	17
Promote mountain biking on USFS service roads	11
Driving brochure / CD	9
Information center in central location	6
Birding locations	5
Horse rental	4
ATM / Gas locator map	3
Practical hints to urban travelers	2
Horse trail info / access signage	1

Agri-Tourism Strategies	Votes Received
Link local produce to customers	32
Map with location of producers	20
Local grown label	13
Ads for individual farms at welcome centers and stores	12
Buy fresh / buy local	8
Incubator kitchen	7
Promote local foods to restaurants	7
Alpaca farm	4

9.2 Virginia Code Establishing Tourism District

§ 58.1-3851. Creation of local tourism zones.

A. Any city, county, or town may establish, by ordinance, one or more tourism zones. Each locality may grant tax incentives and provide certain regulatory flexibility in a tourism zone.

B. The tax incentives may be provided for up to 20 years and may include, but not be limited to (i) reduction of permit fees, (ii) reduction of user fees, and (iii) reduction of any type of gross receipts tax. The extent and duration of such incentive proposals shall conform to the requirements of the Constitutions of Virginia and of the United States.

C. The governing body may also provide for regulatory flexibility in such zone that may include, but not be limited to (i) special zoning for the district, (ii) permit process reform, (iii) exemption from ordinances, excluding ordinances or provisions of ordinances adopted pursuant to the requirements of the Chesapeake Bay Preservation Act (§ [10.1-2100](#) et seq.), the Erosion and Sediment Control Law (§ [10.1-560](#) et seq.), or the Virginia Stormwater Management Act (§ [10.1-603.1](#) et seq.), and (iv) any other incentive adopted by ordinance, which shall be binding upon the locality for a period of up to 10 years.

9.3 SAMPLE Spotsylvania County Ordinance Establishing Tourism District

Tourism Zones

Sec. 24-21. Definitions.

For purposes of this Article, the following words and phrases shall have the meanings subscribed below, unless clearly indicated to the contrary:

Base Year defined as the calendar year preceding the calendar year in which the applicant submits the Tourism Zone Program Qualification Application to DED.

Business means any corporation, partnership, electing small business (subchapter S) corporation, limited-liability company or sole proprietorship authorized to conduct business in the Commonwealth of Virginia.

The term "Business" does not include organizations that are exempt from state income tax on all income except unrelated business taxable income as defined in the Internal Revenue Code, Section 512; nor does it include homeowners associations as defined in the Internal Revenue Code, Section 528.

Capital Investments means moneys used by a Tourism Business to purchase Fixed Assets and not moneys used for day-to-day operating expenses. Fixed Assets owned by the Tourism Business that are moved into the Tourism Zone from another location within the County shall not be included in the calculation of Capital Investments.

County Code means the Code of the County of Spotsylvania, Virginia, as amended.

DED means the County's Department of Economic Development.

Existing Tourism Business means a Tourism Business that was actively engaged in the conduct of trade or business in the County prior to an area being designated as a Tourism Zone pursuant to this Article.

Fixed Asset means long-lived tangible property owned by a Tourism Business that is used by the Tourism Business in the production of its income including real estate, plant, machinery and equipment.

Incentive Period means a five (5) year period during which a Qualified Tourism Business receives the benefit of Tourism Zone incentives.

Internal Revenue Code means the Internal Revenue Code of 1986, as amended, Title 26 of the United States Code.

New Tourism Business means a Tourism Business not already existing within the County prior to an area being designated as a Tourism Zone pursuant to this Article.

Qualified Tourism Business means a Tourism Business that has met the qualifications set forth in Section 24-27 and continues to meet such qualifications as required by this Article.

Tourism Business means a Business whose primary purpose is to establish a desirable destination to attract tourists from outside of the community and create an environment for those visitors that will deliver a memorable experience or promote educational opportunities while increasing travel-related revenue.

Tourism Products, Processes or Related Services means engaging in activities which promote and provide an experience for visitors including but not limited to: cultural or historical sites; recreation or athletic facilities; areas of scenic beauty or distinctive natural phenomena; family oriented destinations; tours; events on location; museums; wineries or related activities; and lodging if:

- a) It involves restoration or rehabilitation of a historic structure;
- b) It contains meeting space with a minimum of 250 person capacity and supporting hotel rooms and food and beverage capabilities.

Tourism Zone means a specific geographic area or areas created pursuant to Chapter 38, Title 58.1 of the Code of Virginia of 1950, as amended, to foster the development and expansion of Tourism Businesses in the County.

Tourism Zone Program Annual Review Application means an application to be completed annually, available from the DED to renew and submit data in order to continue receiving incentive rebates.

Tourism Zone Program Qualification Application means an application available from the DED to qualify to receive Tourism Zone incentives established by this Article.

Year 1 means the calendar year in which the Tourism Business submits a Tourism Zone Program Annual Review Application to the Commissioner of Revenue on or before March 1st of that year and is qualified as a Qualified Tourism Business in such year pursuant to the Certification Procedure described in this Article.

Sec. 24-22. Establishment of Tourism Zone.

A Tourism Zone is hereby established in the County in accordance with Chapter 38, Title 58.1 of the Code of Virginia of 1950, as amended.

Sec. 24-23. Boundaries.

The Boundaries of the Tourism Zone shall be within the areas described in Appendix B of this Chapter.

Sec. 24-24. Administration.

An applicant seeking to obtain the benefits of the Tourism Zone will hold preliminary discussions with the DED, prior to any investment, resulting in a letter from the applicant describing the planned project and submittal of a completed Tourism Zone Program Qualification Application. The DED will perform the initial review of the project to determine if the project meets the required criteria for a Qualified Tourism Business and is consistent with the County's policy for the consideration of Tourism Zone incentives. If the initial review indicates that the project has merit, DED will forward the request and recommendation to the County Administrator for consideration by the Board. The Board will review the proposed project and accompanying request. The Board will evaluate the request and make a decision based upon the project's positive impact on the County. The Board has the sole authority to designate incentives for the implementation of economic development projects.

Sec. 24-25. Eligibility.

A Business seeking the benefit of Tourism Zone incentives must be a Tourism Business. In those areas that include both a Tourism Zone and a Technology Zone, a Business will only be eligible to receive incentives from one zone or the other, not both.

Sec. 24-26. Incentive Period.

Qualified Tourism Businesses shall receive the benefits of the Tourism Zone incentives for a five (5) year Incentive Period. A Qualified Tourism Business may apply to qualify to receive the benefit of Tourism Zone incentives for three (3) additional Incentive Periods, each five (5) years.

Sec. 24-27. Qualifications.

For a Tourism Business to be a Qualified Tourism Business eligible to receive

the benefit of Tourism Zone incentives, it must be located within the boundaries of the Tourism Zone and meet the following qualifications:

(a) An Existing Tourism Business must meet the following criteria:

(i) Provide additional Capital Investments of at least two hundred fifty thousand dollars \$250,000 over the Base Year

(b) A New Tourism Business must meet the following criteria:

(i) Provide Capital Investments of at least five hundred thousand dollars \$500,000 within the boundaries of the Tourism Zone;

(c) The following conditions apply to both Existing Tourism Businesses and New Tourism Businesses:

(i) Tourism Business must meet and maintain the minimum qualifying investment levels through year five (5) in order to qualify as a Qualified Tourism Business.

(d) Qualified Tourism Businesses that have completed one (1) five-year Incentive Period and are seeking qualification for additional Incentive Periods will be treated as an Existing Tourism Business for qualification purposes And Tourism Zone incentives for a second five (5) year period will be treated as an Existing Tourism Business for qualification purposes.

Sec. 24-28. Incentives.

Qualified Tourism Businesses located within the boundaries of the Tourism Zone are afforded the following incentives:

(a) Tax Rebates:

(i) Rebate on Business, Professional and Occupational License tax imposed by the County pursuant to Section 11.1-10 of the County Code; and

(ii) Rebate on Machinery and Tools tax imposed by the County pursuant to Section 21-1 of the County Code and Chapter 35, Title 58.1 of the Code of Virginia of 1950, as amended for those Qualified Tourism Businesses that are Existing Tourism Businesses, rebates shall only be applicable to taxes assessed on the portion of gross receipts or acquired machinery and tools directly attributable to the expansion of the business. The amount of each tax rebate shall be a percentage of that portion of taxes paid by the Qualified Tourism Business each year of the Incentive Period that is directly attributable to the expansion of the Business. The percentage rebated for a five-year Incentive Period shall be determined by the following schedule:

Year 1 One hundred percent (100%)
Year 2 One hundred percent (100%)
Year 3Fifty percent (50%)
Year 4....Fifty percent (50%)
Year 5....Fifty percent (50%)

b) Targeted Industry Status. Qualified Tourism Businesses shall be placed in the County's established Fast Track Development Review, Permitting and Inspections program. Nothing herein shall be construed as limiting the Board's power to grant additional incentives as may be permitted by law to Tourism Businesses on a case-by-case basis including, but not limited to, incentives granted pursuant to performance agreements and individualized arrangements with or without the involvement of the Spotsylvania County Economic Development Authority.

Sec. 24-29. Certification Procedure.

The following certification procedure applies to Tourism Businesses seeking to obtain the benefits of the Tourism Zone:

(a) A Tourism Business must submit a Tourism Zone Program Qualification Application to the DED for certification as a Qualified Tourism Business.

(b) The DED will review and verify that each applicant is in compliance with the Tourism Zone qualifications and follow the administration procedures outlined in Section 24-24 above.

(c) After a Tourism Business has been certified as a Qualified Tourism Business, it must annually submit a Tourism Zone Program Annual Review Application to the Commissioner of Revenue on or before March First (1st) of each year of the Incentive Period, indicating the number of Full Time Employees employed by the Qualified Tourism Business, the amount of business license tax, real estate, business personal property, and/or machinery and tool taxes paid by the Qualified Tourism Business during the Incentive Period, and any other information as requested by the Commissioner of Revenue or the DED for purposes of administering the Tourism Zone. Applications must be signed by an official representative of the Qualified Tourism Business authorized to sign on its behalf. Applications received after March First (1st) will not be eligible to receive Tourism Zone incentives for that year.

(d) An Existing Tourism Business shall not qualify for Tourism Zone incentives by reorganizing or changing its form in a manner that does not alter the basis of the Tourism Business assets or result in a taxable event.

(e) If a Qualified Tourism Business fails to pay in full the taxes imposed by the County by the due date, this will result in the forfeiture of the Tourism Zone incentives for that year.

(f) If a Qualified Tourism Business files for bankruptcy during any five-year Incentive Period, this will result in disqualification and the business will be ineligible to receive Tourism Zone incentives for the remainder of the Incentive Period.

(g) In the event that the Tourism Business ceases to be a Qualified Tourism Business, ceases to meet the minimum capital investment criteria, or removes itself from operation from the County during any year within any five-year Incentive Period, it shall be required to repay the total amount of Tourism Zone incentives received. A Tourism Business must sign an agreement to this effect before receiving Tourism Zone incentives.

(h) If a Qualified Tourism Business leaves the County to conduct business in another location within five (5) years of completing any five-year Incentive Period, it will be required to repay the County the total amount of Tourism Zone incentives received.

Sec. 24-30. Special Service Districts Not Affected.

The establishment of the Tourism Zone shall not be construed to affect any provision or requirement of the County Code or state statute creating Special Service Districts, including but not limited to the collection of special taxes.

Sec. 24-31. Zoning Ordinance Not Affected.

This Article is an economic development incentive and is not a zoning change. Nothing herein shall be construed to affect any provision or requirement of any County zoning ordinance.

Sec. 24-32. Nonwaiver.

Nothing in this Article shall not be construed to waive the requirement of any ordinance, regulation or policy of the County including, but not limited to, those ordinances, regulations and policies that require permits and approvals for land use and construction. Additionally, unless stated otherwise herein, nothing in this Article shall be construed as waiving the right of the County to enforce its ordinances, regulations or policies to collect any taxes, fees, fines, penalties, or interest imposed by law on a Qualified Tourism Business or upon real or personal property owned or leased by a Qualified Tourism Business. The Board reserves the right to remove Qualified Tourism Business status from any Business that is not compliant with any Article, regulation, policy or other legal requirement.

Sec. 24-33. Confidentiality.

To the extent permitted under the Virginia Freedom of Information Act, confidential business records will be safeguarded from disclosure.

Sec. 24-34. Restrictions.

No Qualified Tourism Business may apply for or receive a tax or fee exemption

under this Article on the basis of a building permit issued or construction commenced prior to the establishment of the Tourism Zone in which the property lies.

Sec. 24-35. Education and Promotion.

The DED shall develop programs to educate the public and potential businesses of the benefits of the Tourism Zone.

9.4 SAMPLE Spotsylvania Tourism Zone Program Qualification Application

Definitions

Base Year defined as the calendar year preceding the calendar year in which the applicant submits the Tourism Zone Program Qualification Application to DED.

Business means any corporation, partnership, electing small business (subchapter S) corporation, limited-liability company or sole proprietorship authorized to conduct business in the Commonwealth of Virginia. The term "Business" does not include organizations that are exempt from state income tax on all income except unrelated business taxable income as defined in the Internal Revenue Code, Section 512; nor does it include homeowners associations as defined in the Internal Revenue Code, Section 528.

Capital Investments means moneys used by a Tourism Business to purchase Fixed Assets and not moneys used for day-to-day operating expenses. Fixed Assets owned by the Tourism Business that are moved into the Tourism Zone from another location within the County shall not be included in the calculation of Capital Investments.

County Code means the Code of the County of Spotsylvania, Virginia, as amended.

DED means the County's Department of Economic Development.

Existing Tourism Business means a Tourism Business that was actively engaged in the conduct of trade or business in the County prior to an area being designated as a Tourism Zone pursuant to this Article.

Fixed Asset means long-lived tangible property owned by a Tourism Business that is used by the Tourism Business in the production of its income including real estate, plant, machinery and equipment.

Incentive Period means a 5 year period commencing upon approval of the Board of Supervisors.

Internal Revenue Code means the Internal Revenue Code of 1986, as amended, Title 26 of the United States Code.

New Tourism Business means a Tourism Business not already existing within the County prior to an area being designated as a Tourism Zone pursuant to this Article.

Qualified Tourism Business means a Tourism Business that has met the qualifications set forth in Section 24-25 and continues to meet such qualifications as required by this Article.

Tourism Business means a Business whose primary purpose is to establish a desirable destination to attract tourists from outside of the community and create an environment for those visitors that will deliver a memorable experience or promote educational opportunities while increasing travel-related revenue.

Tourism Products, Processes or Related Services means engaging in activities which promote and provide an experience for visitors including but not limited to: cultural or historical sites; recreation or athletic facilities; areas of scenic beauty or distinctive natural phenomena; family oriented destinations; tours; events on location; museums; wineries or related activities; and lodging if:

- a) It involves restoration or rehabilitation of a historic structure;
- b) It contains meeting space with a minimum of 250 person capacity and supporting hotel rooms and food and beverage capabilities.

Tourism Zone means a specific geographic area or areas created pursuant to Chapter 38, Title 58.1 of the Code of Virginia of 1950, as amended, to foster the development and expansion of Tourism Businesses in the County.

Tourism Zone Program Annual Review Application means an application available from the DED to renew and submit data to receive incentive rebates.

Tourism Zone Program Qualification Application means an application available from the DED to qualify for Tourism Zone incentives offered by this Article.

Year 1 means the calendar year in which the Tourism Business submits a Tourism Zone Program Annual Review Application to the Commissioner of Revenue on or before March 1st of that year and is qualified as a Qualified Tourism Business in such year pursuant to the Certification Procedure described in this Article.

**COUNTY OF SPOTSYLVANIA
TOURISM ZONE PROGRAM
Qualification Application
PART I. BACKGROUND INFORMATION**

- 1. Tourism Zone Location
 Courthouse Area State Route 2 Corridor Lake Anna Area
- 2. Business Firm Identification
(BOTH NUMBERS ARE REQUIRED) _____
Federal Employee I.D. No. (FEIN)
- 3. Name of Business Firm _____

Legal Name Trading Name (If different from legal name) _____
4. Address (Indicate the physical address of the Zone establishment). _____

Street Address City State Zip Code _____
5. Principal Mailing Address (Only complete this item if information is different from line 4). _____

Street or Post Office Box City State Zip Code _____
6. Date the Business Firm began operation at the location in the Tourism Zone: _____
Month/Year
7. Business Firm Contact: _____
Name of Person Business Telephone Number
8. Business Firm Web address _____
9. Brief description of qualified business activity. _____
(attach additional pages if necessary)

10. Business/Professional/Occupational Licenses (BPOL) Tax Background
a. BPOL paid to the County for each year in business or up to 3 years.
(If the applicant is a new business place N/A on Line a, and b and skip to Line c). \$ _____ Year ____
\$ _____ Year ____
\$ _____ Year ____
b. Add lines above and divide by the number of years entered. This will be your Base Year BPOL figure. \$ _____

11. Machinery and Tools Tax Background
a. Machinery and Tools Tax paid to the County for each year in business or up to 3 years.
(If the applicant is a new business skip to Line c and place N/A on Line a and b). \$ _____ Year ____
\$ _____ Year ____
\$ _____ Year ____
b. Add lines above and divide by the number of years entered. This will be your Base Year Machinery and Tools Tax figure. \$ _____
c. Machinery and Tools Tax paid to the County in Year (1) \$ _____

PART II. QUALIFICATION INFORMATION

- 1. Type of business
New Existing What is the business firm's base calendar year used for qualification? _____
- 2. Total amount of Capital Investment projected in Year 1 _____ Year 2 _____ Year 3 _____ Year 4 _____
Year 5 _____
- 3. Total number of projected jobs to be created Year 1 _____ Year 2 _____ Year 3 _____ Year 4 _____
Year 5 _____

PART III. DECLARATION

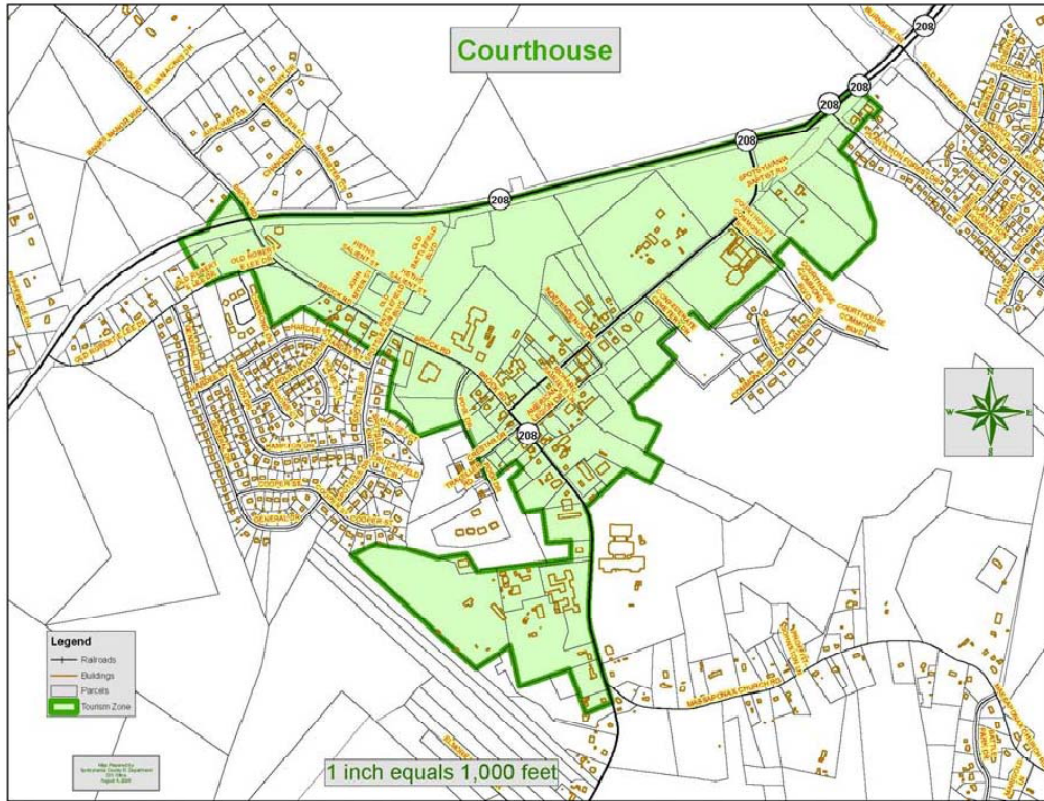
BUSINESS FIRM REPRESENTATIVE:
I, the undersigned am an authorized representative of the business firm for which the request is made. I declare under penalty of perjury that this request has been examined by me and is, to the best of my knowledge, an accurate statement.
I further affirm that the business firm has met the requirements for the Tourism Zone Program and understand the claw back provisions as set forth in County of Spotsylvania, Code of Virginia Chapter 38, Title 58.1. All records relevant to the information required by this form shall be made available to the Director of Economic Development/Tourism Zone Administrator.

Signature Typed or Printed Name _____

Title Date _____
This agreement was witnessed by me this day of _____
month/day/year _____

Notary Public
My commission expires: _____

SAMPLE Tourism Zone Map



9.5 Bath County Occupancy Tax Local Code Section

Amendment of Chapter 15, “Taxes and Fees,” Bath County Code, Article X.
Transient Occupancy Tax on Hotels, Motels, and Boarding Houses. Section 15-33, “Levy and Rate”

Sec. 15-33. Levy and rate.¹

a) In addition to all other taxes imposed by law, there is hereby imposed and levied on each and every Place of Lodging, a tax equivalent to two percent of the

¹ Section 15-33 (b), including the designation of Section 15-33 (a), was considered by the Board of Supervisors after a duly advertised public hearing held on June 9, 2009. On June 9, 2009, the passage of the amendment was moved by the Honorable Stuart L. Hall and passed 5-0 in favor, to be effective August 1, 2009, with 5% of the proceeds collected to be retained as a commission as stated in Section 15-35, “Collection and commissions”, of the Bath County Code.

total amount of charge by a Place of Lodging for room rental for the occupancy of any room or space by or for any such transient.

b) Effective August 1, 2009, in addition to the transient occupancy tax levied in Section 15-33 (a), there is hereby imposed an additional transient occupancy tax of two percent of the amount of the charge for the occupancy of any room or space occupied.

1) The revenues collected from the additional tax shall be designated and spent as follows:

i) One-half of such revenue shall be designated and spent solely for tourism and travel, marketing of tourism, or initiatives that, as determined after consultation with the local tourism industry organizations, attract travelers to the locality and generate tourism revenues in the locality. If there are no local tourism industry organizations in the locality, the governing body shall hold a public hearing prior to making any determination relating to how to attract travelers to the locality and generate tourism revenues in the locality.

ii) One-half of such revenue shall be designated and spent solely for the design, operation, construction, improvement, acquisition, and debt service for such expenses on debt incurred after July 31, 2009, of tourism facilities, historic sites, beautification projects, promotion of the arts, regional tourism marketing efforts, capital costs related to travel and transportation including air service, public parks and recreation, and information centers that attract travelers to the locality and generate tourism revenues in the locality.

2) All other provisions of Article X shall apply to the additional transient occupancy tax imposed under Section 15-33 (b) as they do to Section 15-33 (a).

3) All tax collections pursuant to Section 15-33 (a) and (b) shall be deemed to be held in trust for Bath County.

9.6 Bath County Tourism Inventory

Bath County Tourism Inventory			
	<u>Restaurants/Grocery</u>		<u>Spas</u>
1	Douthat Lakeview Restaurant	1	The Homestead Spa
2	Country Café	2	Jefferson Pools
3	Duck-In Deli and Market	3	Warm Spirit Spa
4	Lindsey's Roost Bar & Grill		
5	Pit Stop		<u>Retail- General</u>
6	Rubino's- Cascades Club	1	Laura's Boutique and Loft
7	Casino Club Restaurant	2	Milk House Market at Old Dairy
8	Sam Snead's Tavern	3	Mountain Laurel Creations
9	The Homestead Dining Room	4	Southernmost Maple Products
10	Fort Lewis Lodge	5	The 1776 Shop (Homestead)
11	Lickety Splits	6	The First Lady (Homestead)
12	Cucci's at The Varsity	7	The Wine Shop @ Hot Springs
13	Milk House Market at Old Dairy	8	Warm Springs Market
14	The Waterwheel Restaurant	9	The Hitching Post
15	Warm Springs Inn		
16	Jason's Pizza & Subs		<u>Retail- Art Galleries</u>
17	John's Steakhouse	1	The Bath County Art Association
18	McAllister's Store	2	The Gallery at Seven Oaks
		3	Old Ashwood School Antiques
		4	Jackson River Gallery
		5	Quilts Unlimited/ J. Fenton Gallery
		6	Warm Springs Gallery
	<u>Miscellaneous</u>	7	Cynthia's Interiors
1	Garth Newel Music Center	8	Mill Alley Art and Frame
2	Bath County Historical Society	9	Tender Heart Quilts
3	Homestead Golf (3 courses)	10	Hidden Cottage
4	Fort Dinwiddie historical site	11	Mustoe House Antiques and Gallery
5	Bath County Farmers Market		
6	Lake Moomaw Marina		<u>Transportation</u>
7	Skiing at the Homestead	1	US Route 220
8	Virginia Horse Center, Lexington (25 mi)	2	SR 39
		3	Ingalls Field (public airport)
		4	Amtrak (Clifton Forge)

	Festivals/Events
1	Apple Day (October)
2	VA Blues & Jazz Festival (Garth Newel, June)
3	Bath County Triathlon "Moomaw Madness" (June, 218 participants + family/friends)
4	Eden Apple Butter Festival (October)
5	Bath County C of C Golf Tournament (TBA)
6	Bath Co Wings & Wheels Festival at Ingalls Field (August, 1500 in attendance)
7	Millboro Firemen's Carnival (July/August)
8	Assorted seasonal weekend music events at Garth Newel

	Accommodation	Type	Rooms
1	The Homestead	Resort/Villa	483 (88 suites)
2	Meadow Villas at Warm Springs	Resort/Villa	5
3	Owners Club at the Homestead	Resort/Villa	3
4	The Villas at the Meadows	Resort/Villa	10
		TOTAL:	501
5	Anderson Cottage B&B	Inn/B&B	6
6	Fort Lewis Lodge	Inn/B&B	19
7	Garth Newel Music Center	Inn/B&B	
8	Hidden Valley B&B	Inn/B&B	3
9	King's Victorian Inn & Cottages	Inn/B&B	18
10	Meadow Lane- Lodge & Cottages	Inn/B&B	20
11	The Inn at Gristmill Square	Inn/B&B	17
12	Vine Cottage Inn	Inn/B&B	14
13	Warm Springs Inn	Inn/B&B	23
		TOTAL:	120
14	Hillcrest Motel	Motel	12
15	Roseloe Motel	Motel	14
		TOTAL:	26
16	Turtlebrook Farm	Cabins/Cottages	2 1br cabins
17	Alvey Cottage	Cabins/Cottages	3
18	Apple Horse Farm	Cabins/Cottages	2 (Alleghany Co)
19	Big Bend Farm	Cabins/Cottages	(11 persons)
20	Cabin by the Creek	Cabins/Cottages	2 (Highland Co)
21	Coffee Pot Lodge	Cabins/Cottages	3
22	Douthat State Park (cabins)	Cabins/Cottages	53 br in 32 cabins
	** open March - November		
23	Frisco Cottage Rentals	Cabins/Cottages	2
24	Garden Cottage and The Loft	Cabins/Cottages	2 properties

25	Grand View House	Cabins/Cottages	3
26	Hemlock Cottage	Cabins/Cottages	3
27	Hemlock Guest House	Cabins/Cottages	4
28	Hunters Paradise	Cabins/Cottages	
29	Meadow Cottage	Cabins/Cottages	2
30	Tuck-away Cabins	Cabins/Cottages	5
31	Warm Springs Cottages	Cabins/Cottages	52 rooms in 16 cottages
32	Wilderness Ranch	Cabins/Cottages	4 cabins w/ 1,2,3 br
		TOTAL:	155
33	Douthat State Park (camping)	Campsites	74
	*some campsites have electric/water for RV		
	** open March - November		
34	Lake Moomaw Campsites	Campsites*	138 single sites
			7 double sites
	*Amenities include hot showers, flush toilets, parking, tables, and grill		

	Outdoor Activities	Activity
1	Back Creek	Camping/Trout Fishing/Whitewater
2	Camp ACCOVAC	Youth camp
3	Camp Mont Shenandoah	Youth camp
4	Camp Nimrod Hall	Summer camp
5	Douthat riding trails	Horseback Riding
6	Douthat State Park	40 miles of hiking trails, mountain biking, fishing, boat ramp*, swimming, camping
7	Hidden Valley (USFS)	Camping, fishing, hiking
8	Lake Moomaw and Gathright Dam (43.5 miles of shoreline)	Boat launch**, marina slips, general store, picnic shelters, swimming beaches, fishing, hunting, hiking, camping
9	George Washington National Forest	Hiking, camping, biking, fishing, horseback riding
10	Nimrod Hall	Equestrian Facility
11	Shenandoah Mountain	Scenic Overlooks
12	Warm Springs Mountain Preserve	9000 protected acres, Hiking Trails, Scenic Vistas
13	Dominion Power Public Access Area	Recreational Area
14	US Forest Service Shooting Ranges	Shooting
	*Electric or manually powered boats only	** Gas powered boats allowed but under 26 ft. in length

1/26/10