A CRAFT BEVERAGE FEASIBILITY STUDY FOR THE FIVE COUNTY REGION AROUND CHARLESTON AND HUNTINGTON, WEST VIRGINIA

DSG Advisors
February 2020
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  Sarah Bostic, Unlimited Future
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  * Member of Steering Committee

This report was prepared by
DSG Advisors
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EXECUTIVE SUMMARY

A Craft Beverage Feasibility Study for the Five County Region Around Charleston And Huntington, West Virginia (February 2020)

PROJECT GOAL: Assess the feasibility of and develop a roadmap for growing the craft beverage sector and agritourism industry in central West Virginia.

DESIRED OUTCOMES:
1. Support startups and expansions of craft beverages to fill the craft brewing gap in West Virginia.
2. Expand tourism in the regional economy.
3. Strengthen the supply chain related to local food, beverage and hospitality sectors.

This initiative builds on the strong foundation laid by the Robert C. Byrd Institute (RCBI) including convening over a dozen industry and economic/tourism development partners and hosting two Farm-to-Bottle Summits in 2019 that attracted over 130 participants from throughout the five-county study area of Cabell, Jackson, Kanawha, Putnam and Roane. Successful development of a trail system has been identified as a significant priority for each of the counties involved.

Gap – Microbreweries represent the largest and fastest growing segment of the beer industry with a significant trend toward ‘localization.’ In terms of U.S. sales, craft beer has a 24% market share or $27.6B of $114.2B total. Presently, West Virginia is experiencing minimal economic uplift from craft brewing. National Brewers Association 2018 figures depict West Virginia as 4th from the bottom among all states.

EARLY FINDING: Substantial local interest in craft beer brewing, 2 established anchors and a sizeable gap in the microbrewery sector = initial trail focus on craft beer

Approach

The DSG Team’s project approach was both asset-based and market-focused, providing a clear picture of critical success factors and scalability of the potential trail development. Among the steps taken were:
- 4+ day site visit by the 3-member DSG team in November 2019 included a 5-county driving tour, visits to potential trail sites/assets, 5 focus groups, a community presentation and participatory charrette
- Gathering critical input from 17-member steering committee
- Case study research of successful craft brew trails
- Mapping regional assets in support of trail development
- Research on the craft beverage industry, local consumer market, resources and barriers for business startup/expansion, the visitor and hospitality sectors
- Over 25 individuals were interviewed who provided valuable local perspective

FINDING: Successful Trails Provide a Critical Mass (20+) of Quality Assets– leading with Food and Drink

Key Findings

Assets to Build on... Opportunities to Pursue

The region is bookended by the state’s two largest cities of Huntington and Charleston and has 12+ visitor marketing organizations that are eager and ready to collaborate on craft beverage development and marketing.
The Trail will leverage over 40 agritourism venues, 60 unique bars and restaurants, 40 major events, 65 attractions for the craft beverage target market (including nationally acclaimed Mountain Stage) and over 5,000 hotel rooms to expand craft beverage customer base.

Current market demand will support 2+ additional breweries and as the craft beverage brand recognition and visitor base increases, up to 8 additional breweries can successfully develop in the region over the next 5 years.

The Craft Beverage Trail Steering Committee, collaborators and entrepreneurs are eager and committed to success by building marketing campaigns, supporting startup and established beverage makers, addressing regulatory barriers and doing what it will take to expand the sector.

Recommendations

The DSG Team identified 4 priority initiatives to jump-start implementation which are highlighted below and detailed in Section V of this report. RCBI will be the Lead Implementation Champion with key organizational and business partners. A funding section points to resources that are a good fit for aspects of Trail build-out.

Recommended Initiatives (summarized on next page):

1. Brand Development
2. Product Development
3. Marketing and Promotion
4. Organizational Structure

Funding

In year one, implementation funding of between $70,000 and $100,000 will be needed to secure a dedicated staff person/Trail Coordinator and to develop a startup marketing toolkit that includes a Trail Brand, participating business training and engagement materials, and Trail promotions. The document concludes with sample funding sources from private foundations to public sector resources and assumes a significant contribution from the local business community.

With this feasibility study in hand, the Steering Committee can make a compelling funding proposal for: Organizational Development, Business and Micro-enterprise Development, Marketing, Community Economic Development, Workforce Training, Entrepreneurial Ecosystems and other aspects of trail development.
**SUMMARY OF KEY INITIATIVES**

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<td><strong>BRAND DEVELOPMENT</strong></td>
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<td><strong>MARKETING AND PROMOTION</strong></td>
<td><strong>ORGANIZATIONAL STRUCTURE</strong></td>
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<td>Define/package the brand vision and product scope</td>
<td>Expand the product offerings to fill in and support the brand</td>
<td>Market and promote the trail</td>
<td>Create and commit to organizational structure with champions for each of the priority initiatives</td>
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<td><strong>90 DAYS</strong> — Get programmed and focused</td>
<td><strong>90 DAYS</strong> — Product development</td>
<td><strong>90 DAYS</strong> — Organizational commitment</td>
<td><strong>90 DAYS</strong> — Create organizational structure</td>
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<td><strong>6 MONTHS</strong> — Establish trail brand theme and product offerings</td>
<td><strong>6 MONTHS</strong> — Establish leadership, supply chain, training, funding</td>
<td><strong>6 MONTHS</strong> — Build out trail marketing infrastructure</td>
<td><strong>6 MONTHS</strong> — Appoint specific champions/leaders</td>
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<td><strong>1 YEAR</strong> — Launch and manage trail</td>
<td><strong>1 YEAR</strong> — Annual meeting, supply chain implementation</td>
<td><strong>1 YEAR</strong> — Gain momentum, keep it fresh</td>
<td><strong>1 YEAR</strong> — Revisit organizational structure and make adjustments based on outcomes</td>
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**LEAD CHAMPION**
- RCBI

**PARTNERS OR COLLABORATORS**
- Trail businesses (anchors), Advantage Valley, CVBs (Kanawha, Putnam, Huntington), HADCO, Charleston Area Alliance, Chambers of Commerce, WV Tourism

**OUTCOMES**
- Clear trail brand and quality, qualified participants to launch (30-50)
- Launch game plan and sustainability strategy
- Volunteer action team, and increased business engagement and collaboration
- A unified theme that is used consistently by all regional tourism stakeholders in marketing messages to Trail visitors

**OUTCOMES**
- Education – 10 graduates/year from programs aimed at getting entrepreneurs ready for and participating in a functioning craft beverage supply chain
- Workforce – 15 employees per year working in the craft beverage/farm-to-table industry
- Microbreweries – 2 per year for next 5 years
- Wineries/distilleries/specialty beverages – 1 new operation each year over the next 5 years
- Farm-to-Table Restaurants – goal of 1 per year for next 5 years
- Unique Lodging options – 50 beds per year over the next 5 years of unique venues, Airbnbs, and bed & breakfast

**OUTCOMES**
- More visitors to the region, staying longer and receiving exceptional service that generates “word of mouth” advertising and “top of mind” awareness.
- Increased spending and local revenue.
- Strong, active partnership and collaboration among visitor marketing organizations
- Comprehensive information on all Trail attractions, venues, and amenities.

**OUTCOMES**
- A high-functioning, results-oriented, dynamic team leading and implementing the Trail strategies

**RESOURCES NEEDED**
- Min. ½ time position as Trail Manager + out of pocket expenses for travel and related costs.

**RESOURCES NEEDED**
- A full-time regional champion to organize, market, and implement growth strategies going forward.

**RESOURCES NEEDED**
- $60,000 – $100,000+ depending on purchased advertising.

**RESOURCES NEEDED**
- Staff time. Assess the need for additional funding to support RCBI in its role as central trail advocate and organizational leader.
I. INTRODUCTION

The goal of the Recreational Trail Feasibility Study is to develop a roadmap for growing the craft beverage gastro-tourism and agritourism industry in central West Virginia. The desired outcomes include supporting startups and expansions of craft beverages, expanding tourism in the regional economy and strengthening the supply chain related to local food, beverage and hospitality sectors.

The term craft beverage most often refers to small batch and independently produced beverages—both alcoholic and non-alcoholic—including beer, wine, hard ciders, kombucha, coffee and distilled beverages. These artisan drinks are at the heart of the locally sourced and created food movement ablaze across the U.S.

The craft trail initiative builds on the strong foundation laid by the Robert C. Byrd Institute (RCBI) including convening over a dozen industry and economic/visitor development partners and hosting two Farm-to-Bottle Summits in 2019 that attracted over 130 participants from the five-county region of Cabell, Jackson, Kanawha, Putnam and Roane. From these events, RCBI identified potential supply chain stakeholders. In addition, Advantage Valley has targeted and actively promotes Food and Beverage Manufacturing opportunities within the region and is helping raise awareness of this growing industry. Craft brewers, farmers, retailers and other possible supply chain stakeholders have been identified by RCBI through the April 8th Craft: A Farm to Bottle Summit. Successful development of a trail system has been identified as a significant priority for each of the counties involved.

The overall potential for the proposed regional trail is directly linked to the insatiable consumer demand for local food and drink and authentic experiences and unique settings. Market conditions favor dining out and consumers are eager to try unique food/drink options found locally. Even as U.S. consumers are drinking less alcohol as a whole, sales of craft beverages themselves are up. Craft/premium drinks are seeing growth across beverage types (including beer, wine, cider, spirits, and kombucha, among others). What’s more, experiential drinking places offer what younger consumers want: a place with local stories and meaningful community connections; event-like experience with “Instagrammable” scenery, and perceived (or true) higher quality and transparency in ingredients.

Specific to beer the U.S. brewery industry has had explosive growth over the last decade with the total number increasing from 3,869 in 2014 to 7,450 in 2018. At 60% of the total, microbreweries represent the largest and fastest growing segment with a significant trend toward ‘localization’ of this sector. In terms of U.S. sales, craft beer has a 24% market share or $27.6B of $114.2B total. Presently, West Virginia is experiencing minimal economic uplift from craft brewing. National Brewers Association 2018 figures depict West Virginia as 4th from the bottom among all states in terms of craft brewing economic impact and 6th lowest for employment. Further impetus for craft brew expansion in the five-county study area is that there are only two craft breweries presently operating with conceivably large pent up demand for many more. A history of the craft brewing industry in the U.S. completed by project team leader, Don Schjeldahl, appears in Appendix A.
APPROACH

The DSG Team’s approach for achieving desired outcomes from the Recreational Trail Feasibility Study is both asset-based and market-focused, providing a clear picture of success and scalability of the potential trail development market with a goal of long term sustainability. Underpinning DSG’s work has been critical input from the 17-member Steering Committee and bi-weekly telephone meetings with a core team.

- Team leader, Don Schjeldahl participated in the October 2019 Farm-to-Bottle Summit in Fairmont, WV.
- A 4+ day site visit by the 3-member DSG team in early November included a 5-county driving tour, visits to potential trail sites/assets and 5 focus groups and culminated in a community presentation and charrette (see Appendix B)
- Throughout the project, the team conducted significant research on the craft beverage industry, resources for business startup/expansion, the visitor and hospitality sectors, local and regional markets, successful craft beverage and food trails and potential regulatory barriers to craft beverage development in West Virginia.
- Over 25 individuals were interviewed who provided significant local perspective and understanding.

Our three-phase project approach is outlined below.

PHASE 1: Inventory Assets Appropriate to Trail Development – The team prepared a multi-dimensional inventory of existing assets that can support or be brought to support, growth of the gastro-tourism and agritourism industry related to craft beverage industries in central West Virginia.

PHASE 2: Identify Potential Market Opportunity and Asset Gaps – The team estimated the size and makeup of the central West Virginia resident and tourism market and agritourism industry as indicated through study of proven best practices for taking existing assets along with added visitor infrastructure to achieve maximum market size.

PHASE 3: Develop Roadmap for Implementation – In the concluding phase, the consultants outlined an action roadmap guiding stakeholders through steps in support of four initiatives focused on achieving the trail model defined in Phase 2 and with an understanding of the local organizational capacity.

A project presentation to unveil the final report is planned for March 2020. The presentation will occur for all interested community stakeholders. This document is the culmination of all aspects of work noted above and is the result of the collaborative endeavor with the RCBI Steering Committee. Each strategic initiative contains actions to be undertaken toward the creation of a Craft Beverage (and larger Food) Trail and a recommendation on the group that is best positioned to champion the implementation with support of additional volunteers and organizations. The pathway to economic revitalization through trail development is dependent on a collaborative approach and shared resources.

“West Virginia has assets that could make for a successful craft beverage trail. The challenge has always been bringing these assets together in a logical fashion and marketing effectively.”

Charles Brockway, Brilliant Stream
II. TRAIL CASE STUDIES

To better understand craft beverage trail models and guide trail development for the 5-county region, the DSG team examined established trails to identify common characteristics, keys to success and best practices. While winery trails and a few cidery and distillery trails also exist, DSG focused on brew trails as the “best bet” for the project region to leverage existing assets and quickly establish name recognition. Across the U.S. craft brew trails number in excess of 130. They range in geographic focus (local, regional, state) and scale (from hubs of 6+ breweries in urban areas to several dozen across a state). Organized trails are notably effective tools for promoting the craft beverage and visitor industry and connecting to a wide range of tourists. So successful are trails in raising awareness and growing the customer base of craft brewers, in August 2018, the Craft Beverage Tour Operators Association (CBTOA) launched. Its mission is to support tour operators and grow their business opportunities.

INDUSTRY INSIGHTS

Beverage Industry magazine reports that people are willing to travel to experience drinking a beer at the place of production because craft breweries conspicuously promote traditional, wholesome brewing styles, highlight their use of local ingredients, make connections to clean, local water sources, and name their beers in relation to local folklore and cultural events. The most successful craft breweries clearly match their identities with local culture and brands.

Undeniably, tourism agencies aggressively advertise local breweries as an experiential activity. In most cases, beer trails are as widely promoted as local parks, museums, historic buildings, festivals, and other prominent tourist attractions. Of important note for the study area trail during the startup phase is the augment that travel to breweries and consumption of craft beverages is part of a much larger farm-to-table movement. With so few craft brewers in the 5-county region, cross-marketing with agritourism assets and farm-to-table dining will be imperative.

Successful breweries fully embrace their connections with the local history and geography and engage in sustainable practices that support other local farmers and businesses. Experiential tourism and craft beverages are both witnessing an economic resurgence.

CASE STUDIES

To provide practical and relevant guidance for project area trail organizers, DSG sought to identify several craft beverage trails blending rural and city settings, with a critical mass of breweries or some scale of product, marketed with complementary products (food, ciders, distilleries, etc.), cross-promoted with recreation adventures and managed by a centralized, funded marketing organization. Proximity to market is of course important. What follows are summary case studies of select trails, and a topline best practices/insights overview. The trails include: Central New York Craft Brew Trail (part of a larger Food and Beverage Trail); Laurel Highlands Pour Tour (beer, wine, spirits)/SW Pennsylvania; North Coast Food and Drink Trail, Oregon; and the Maine Beer Trail.

Table 1 that follows compares the key features and elements of the case studies above as well as three other trails of interest: Route 33 OH, Shenandoah Valley, VA and Finger Lakes, NY.
## Central New York Food and Beverage Trail

| Overview | Part of a larger Central NY Food and Beverage Trail – 27 farm-sourcing restaurants, craft beverages (9), and other snack and dessert vendors |
| Location | Madison County, New York |
| Size | 5 beer, 1 wine, 2 spirits, 1 cider |
| Target Audience | Foodies, drinkers |
| Features & Marketing | Passport program, Brewer stories and videos are prominent on marketing sites, Lodging promotions, Historic attractions, Local farms/producers, Recreational attractions |
| Site | www.madisontourism.com/restaurants/central-new-york-food-and-beverage-trail/ |

## Laurel Highlands Pour Tour

| Overview | Drinking trail through scenic Southwestern Pennsylvania |
| Location | Laurel Highlands, Pennsylvania |
| Size | 17+ beer, 14 wine, 6 spirits, 1 cider |
| Target Audience | Drinkers of all ages, though heavy Instagram focus leans younger, adventure-seekers, photography buffs |
| Features & Marketing | Passport program, Lodging promotions, Historic attractions, Local farms/producers, Recreation attractions,普izes for tiers of visits are beer-focused, and completing passport you are entered to win a 2 night getaway in the Laurel Highlands |
| Site | www.laurelhighlands.org/plan/pour-tour/ |
### North Coast Food Trail

| Overview | Trail of over 50 eating and drinking places along the Oregon Coast |
| Location | Oregon Coast, Oregon |
| Size | 3 beer, 2 wine, 1 spirits |
| Target Audience | Foodies, drinkers |
| Features & Marketing |  
- No passport program, map trips online  
- Lodging promotions: B&B, RV, Campgrounds  
- Local farms/producers: Farms, Farmers Markets (8+)  
- 15 local fish, dairy farm-to-table restaurants  
- Recreation attractions: charter boat tours, forestry centers, oyster digging, cooking schools  
- Travel Oregon is the lead marketer  
- Local, fresh unique food is lead asset |
| Site | [https://northcoastfoodtrail.com/](https://northcoastfoodtrail.com/) |

### Maine Beer Trail

| Overview | State wide beer trail broken into 8 regions |
| Location | Maine |
| Size | 80 beer destinations |
| Target Audience | Foodies, drinkers |
| Features & Marketing |  
- Beer Bus and tours, with several themed option like Beerunch, Friday Night Flights, or regional tours. Bus is listed as the #1 Trip Advisor activity in Portland. In 7 years since established, 30K+ guests  
- Download PDF map or pick up passport at breweries  
- Prizes are awarded based on number of visits  
- Map includes listing of participating lodging options  
- Diverse regional setting for beer trail: cities, restored mills, rural, main streets  
- Sponsored by the Maine Brewer's Guild and promoted by Visit Maine and MainTourism.com |
<p>| Site | <a href="mainebrewersguild.org/visit-breweries/brewery-trail-challenge/">mainebrewersguild.org/visit-breweries/brewery-trail-challenge/</a> | <a href="themainebrewbus.com">themainebrewbus.com</a> |</p>
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<th>Trail Name &amp; Description</th>
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<th>Wine</th>
<th>Spirits</th>
<th>Cider</th>
<th>App and/or Mobile Passport Program</th>
<th>Promotion (Maps, Events, Marketing)</th>
<th>Lodging Promotion</th>
<th>Local Farm/Producer Promotion</th>
<th>Farm to Table Restaurants</th>
<th>Historic Attractions</th>
<th>Recreation Attractions</th>
<th>Lodging Assets for Trail</th>
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**Table 1. Craft Beverage Trails and Features**

- **Laurel Highlands Pour Tour**: Laurel Highlands, PA. [www.laurelhighlands.org/plan/pour-tour](http://www.laurelhighlands.org/plan/pour-tour)
- **Route 33, Ohio**: Supported by Visit Fairfield, Ohio. [route33brewtrail.com](http://route33brewtrail.com)
- **Shenandoah Valley**: Spanning 6 counties and 2 cities. Approx 60 miles. [www.shenandoahspiritstrail.com](http://www.shenandoahspiritstrail.com)
- **Finger Lakes, New York**: Extensive brew trail covering 210 miles. [fingerlakesbeertrail.com](http://fingerlakesbeertrail.com)
- **North Coast, Oregon Food Trail**: Spanning 3 counties and 11 cities and 108 mi (not including 8 breweries in Astoria area). [northcoastfoodtrail.com](http://northcoastfoodtrail.com)
- **Maine Beer Trail**: Statewide beer trail broken into 8 regions. [mainebrewersguild.org/brewers-brewery-trail-statewide](http://mainebrewersguild.org/brewers-brewery-trail-statewide)

**Comments**
- Solely focused on brew trail. No additional info on lodging, other tourism assets.
- Website notes shopping, dining, farmers markets, etc but no links on website.
- Specific itineraries and beer trail packages offered through participating hotels.
- Travel Oregon is lead marketer.

**Additional Information**
- Diverse, regional settings for beer trail.
- Cities, restored mills, rural, main streets.
- Travel Oregon is lead marketer.
- Sponsored by the Maine Brewer’s Guild and promoted by Visit Maine and MaineTourism.com.
- The Maine Brew Bus hosts numerous themed tours. 5,300 guests in 2016.
BEST PRACTICES

The craft beverage trail case study research revealed several themes and best practice insights that will be useful in the development of a successful study area trail and that are summarized below. Most identified themes are applicable to any craft food and beverage trail's success.

1. Focus on Key Target Customers – active, adventurous, with disposable income

According to Nielsen, a weekly craft drinker is predominantly male, ages 21-34, and makes between $75,000 and $99,000 annually. They typically have higher disposable income and prefer to spend it on food and drinks (See #4 below). Additionally, common links between brew trails and this target demographic include sporting events, adventure outdoor sports (from kayaking to rock climbing), hunting and music/brew festivals. However, opportunities to attract more female drinkers (31% of the market) are strong particularly if breweries and food/beverage trails cross-promote with music/artisan/ craft events/activities, outdoor recreation, local culture and other place-based features of a trail's geography (See #4 below).

2. Seek Partnership and Collaboration

By their nature, beer and food/beverage trails are highly collaborative wherein the participants must agree on the geographic breadth, the product focus and critical marketing tools. The most successful trails are ones actively partnering with and promoted by local/regional visitor marketing organizations, like the state tourism agencies and convention and visitor bureaus (CVBs) that are dominant in West Virginia. Other examples of collaboration include linking to other locally crafted goods and services through connection with restaurant and lodging associations, for example, craft beverage groups such as wineries and distilleries and farm experiences. As noted, linking recreation/park attractions to local craft beverages can be a highly productive collaboration. One West Virginia example is that of Greenbrier Valley Brewing Company that partnered with Pipestem Resort State Park in collaboration with West Virginia State Parks. The brewery released 35 Parks Pale Ale and a portion of proceeds are donated to the Nature Conservancy’s work in West Virginia. Perhaps one of the most important but understated collaborations stems from the spark and inspiration of entrepreneurs working together and added creativity, ingenuity and value to the craft beverage sector at the local level. Local economies are the winners when entrepreneurial success attracts more of the same.

3. Provide Critical Mass (20+) of Quality Assets– leading with Food and Drink

Easily imagined is the need for and benefit of a craft beverage or food and drink trail of at least 20 participants to become a true visitor magnet. Yet visitor industry professionals also agree that a trail can quickly become saturated with too many destinations—often of uneven quality and an over-abundance of choices for visitors. The visitor development organization, Travel Oregon has successfully branded the state as a national and international culinary (food and beverage) destination for travelers. In so doing, it has helped local communities and regions with the creation of over eight culinary trails that are carefully curated with significant locally-generated products and services. These include breweries and wineries, farm-to-table restaurants, farms and ranches, farmers markets and retail, cafes and bakeries, and unique lodging.

4. Lean in to Community and Placemaking

Brew trails and breweries themselves are frequently noted as significant contributors to a community and region's sense of place, identity and authentic, sustainable local economies. Often breweries locate in historic, underutilized or quaint buildings that may be rough around the edges but are aesthetically appealing, adaptable and affordable – and lend a sense of authenticity. Many breweries have been known to help catalyze downtown or neighborhood district development—especially as they activate blocks during evening hours. In the right location, breweries connect with and impact the community in multiple ways – shopping, services, entertainment, history and culture —reinforcing to local residents and visitors all things ‘local and distinctive’ that American consumers now crave. The second and third level of impact of brewery trail development is often that they directly or indirectly encourage visiting additional experiential activities that contribute to a regional sense of place and brand with potential benefits to multiple travel destinations.
5. Creative Marketing and Promotions from maps, events, cooperative marketing

There are a handful of consistently used marketing tools and promotions across case trails.

- **Maps provide a framework for marketing a sense of place.** Mass-produced beer companies have engaged in overt forms of advertising for decades; tourism agencies should seek assistance from cartographers to advertise craft beverage companies as well. A well-designed, effective map could promote not only the lure of craft beverages, but also persuade visitors to travel to a region, enjoy the local environs, explore back roads, engage in a range of experiential activities, and in short, influence the success of a region. (In the age of mobile maps, it’s less about the wayfinding and more about providing a cohesive trip-planning tool).

Overall, there are 3 key purposes for a brewery trail map: Wayfinding, Trip Planning, or Marketing. Effectively linking to other travel destinations is key for brewery maps, in particular, connecting to wineries and distilleries.

**Why include more than other drinking spots?** If most people using the internet to view a tourism website are in the initial stages of gathering ideas and planning a trip, designing a map that effectively promotes the general locations of breweries and assists in discovering additional off-the-beaten path activities may potentially *generate regional development*. A good illustration of a trail map that links craft breweries with food and other destinations is the East Gorge Food Trail Guide promoting a rural region of Oregon. See Appendix C. In an era of readily available in-car navigation systems and smart phones, communicating *what else a visitor can do*, eat, or see in an area may be much more important than knowing how to get there.

- **Passport Programs (Mobile and Paper).** Nielsen’s research on the typical craft beer drinker shows that this group enjoys the prestige factor and feeling like an ‘insider,’ likely a driver behind the success of passport programs and tiered rewards, another marketing tool found to be common and encourage repeat visits.

- **Apps and Mobile Capabilities reach your target audience where they already are – on their phone!** Just like websites were marketing staples 10 years ago, mobile apps have emerged as substitutes, especially for consumer-oriented products and services. Beer trail participants use creative ways to get and keep users on the app including maps, mobile passports, special promotions, events and ‘deals’ of the day.

- **Itinerary plans – one, two and three day are most popular.** Making trip planning easier for users are the pre-made itineraries. Some trails offered plans by day count, others by personality or trip goals (outdoors vs. history buffs). See Charleston, WV CVB’s very good itineraries on the Hip, Historic, Almost Heaven site.

- **Social media, especially Instagram where photos do the talking.** The target demographic will already be taking and sharing pictures and tagging locations. Trails that leverage social media with a #hashtag, or a “place” to check in gain free name recognition and marketing.

- **Craft Beverage Producer Stories, Videos and Media coverage offer a more authentic connection to place.** Insider access and insight to the people behind the beer, wine and distilled spirits lends prestige and helps to forge a connection.
When focusing on craft beverage producers in the 5-county region, there are limited producers for a region and population this large. As listed below, there are only two existing breweries in the study area, three existing (legal) distilleries, and three wineries that are currently in operation. The two breweries are in the two larger population centers, Huntington and Charleston, while two of the distilleries are found in rural Jackson and Roane Counties to the north. It should be noted that Mountain State Distillery is in downtown Charleston, with an additional distillery, Bullock Distillery, soon to open in Elk City, West Charleston. The wineries are all located in the north portion of the study area.

The five-county study area features the following craft beverage providers:

**Breweries**
- Bad Shepherd Brewery (Charleston)
- The Peddler (Huntington)

**Distilleries**
- Mountain State (Charleston)
- Appalachian Distillery (Ripley)
- Bullock Distillery (West Charleston)
- The Sweeter Side of the Feud (Spencer)

**Wine & Distillery Trail**
- Chestnut Ridge (Spencer)
- The Sweeter Side of the Feud (Spencer)
- Fisher Ridge (Kenna)

When taking more of a regional perspective and looking to areas outside the study area, there are several more breweries, particularly to the east and north (Figure 1). Wineries are less represented, as several of the wineries shown on the map are only open seasonally or have undergone changes in ownership. There is a Country Roads Wine and Distillery Trail in Jackson and Roane Counties, focused on five wineries in the
area as well as multiple distilleries. However, as of the date of this report, the West Virginia Uncorked webpage (www.wvuncorked.com) that sponsors the wine and distillery trail is no longer accessible. As of this date, Chestnut Ridge Winery appears to be the only tasting room open and producing wines. And Chestnut Ridge is a regional and statewide asset, with wine production focusing on grapes grown in traditional wine regions before being processed and aged at the Chestnut Ridge winery in Spencer.

An assessment of existing craft beverage producers shows well-established locales for the two breweries and distilleries, with only Chestnut Ridge Winery as a strong presence in the wine sphere. It should be noted that The Sweeter Side of the Feud has both spirits and sweet wines in production, although their viability in the visitor market is limited primarily due to the isolated, rural location of the tasting room.

The two breweries are in highly visible and well-trafficked downtown buildings, with on-site production and food offerings to support the brewpub model. Beer production is visible to visitors, although all production facilities are behind glass and/or partitioned from the taproom and restaurant, limiting the ability of a visitor to interact with the production side of the beermaking process. Neither of the brewery establishments can or bottle their beers for outside sale and distribution is limited to self-distribution to local retail establishments. The Peddler appears to have more branding and brand recognition with their beers, while The Bad Shepherd is co-located with Black Sheep Burritos, which could lead to confusion around the beers and Bad Shepherd brand recognition.

Spirits within the 5-county region are defined by legal and illegal moonshine producers. The legal producers — Mountain State, Appalachian Distillery, and Sweeter Side of the Feud — offer different experiences. Mountain State Distillery, located in downtown Charleston, is a newer distillery offering retail sales but no on-site tasting. Appalachian Distillery in Ripley, West Virginia, is both a tasting room and retail storefront that has received recent funding to support expansion of bottling and production facilities. And Sweeter Side of the Feud, as noted above, is in rural and remote Roane County. However, visitors get to experience more of a traditional country spirits tasting in addition to the winery and sweet wine offerings.

FIGURE 1: Existing Craft Beverage Assets in 5-County Region (map)
The primary population bases in Charleston and Huntington and the residential areas along the Highway 64 corridor support five (5) farmers markets and more than 50 farms within the region. There are also farmers markets in Jackson and Roane Counties providing fresh produce and resources for residents to the north. Particular farms of regional importance are Gritt’s Farm and Midway Greenhouse, as well as Hudson Farm and its community supported agriculture (CSA) program. Typically, most farmers markets operate April to October.

The farms shown on this map are contributing producers associated with The Wild Ramp, Coalfield Development’s Refresh Appalachia partnership (coalfield-development.org/refresh-appalachia) or the Turnrow Appalachian Farm Collective (www.turnrowfarms.org). Producers located in Ohio and Kentucky contribute to The Wild Ramp’s consignment/co-op model, while many of the producers located southeast of the study area in Fayette and Greenbrier Counties are a part of the Turnrow Collective.
There are more than 60 unique bars or restaurants contributing to the local craft beverage economy and the farm-to-table movement. While primarily located along the Huntington to Charleston corridor, each of these venues promotes West Virginia craft beverages, locally raised produce acquired from farmers markets, farms, or regional aggregators like The Wild Ramp or Capitol Market. These locales were gathered through stakeholder interviews, listings in CVB visitor guides and site visits by the project team. Several restaurants and bars on this map should be actively engaged in establishing the craft beverage trail. Those key sites are further highlighted on the Craft Beverage Trail corridor under Figure 5.

FIGURE 3: Bars and Restaurants (map)
Visitor attractions for the study area range from outdoor recreation opportunities (Coal River, Kanawha State Forest, Paul Ambrose Trail for Health) to performance venues (Mountain Stage, V Club, Albee Theater) to historic streets and antique shops. These attractions should be emphasized as they support the craft beverage and farm-to-table experience. For instance, the traditional craft beverage drinking demographic is also a recreation enthusiast looking for passive or active recreation opportunities. Rivers, mountains, parks, hiking, road and mountain biking, seasonal leaf viewing, kayaking and more are all opportunities to promote and engage the craft beverage consumer. Live music venues and farm-to-table restaurants and events are also great avenues to connect to the craft beverage consumer.
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<tr>
<th>DATE</th>
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<td>OktoberWest</td>
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<td>Boomtown Days</td>
<td>Nitro</td>
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<td>Charleston Rod Run and Doo Wop</td>
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<td>Hops &amp; Heat Craft Beer and Chili Fest</td>
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<td>Spencer</td>
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<td>Yeager Airport</td>
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<tr>
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<td>Capital City Art &amp; Craft Show</td>
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<tr>
<td>December</td>
<td>Christmas Parade</td>
<td>South Charleston</td>
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SUMMARY OF VISITOR ASSETS

The 5-county study area has very strong visitor assets to leverage, promote and grow in support of a collaborative marketing campaign to successfully expand the attraction of this target market to a craft beverage/culinary trail. A synopsis of the chief attractors follows, with a broader assessment including challenges and opportunities in the Roadmap section.

- >40 Agritourism venues: 5 Farmer’s Markets and 50 Farms.
- 61 unique Bars and Restaurants
- Nearly 40 events throughout the region that attract thousands of visitors year-round
- 65 Attractions of interest to beer drinkers from national/state parks and theatres to unique retailers
- Performance destinations: e.g., Culture Center Theatre, Charleston, WV with over 50 performances/year, anchored by Mountain Stage weekly PBS broadcast and the Keith Albee Performing Arts Center, Huntington
- Charleston Convention Center- recently completed a $100M remodel and is rapidly growing the convention/meeting market, stimulating potential for extended stays or repeat visitation.
- Excellent supply of hotels/lodging venues, including over 100 AirBnB rentals in the region. Cabell County is home to 1500 rooms with >60% occupancy in 2018 and in Kanawha County/Charleston, 3500 rooms and >65% occupancy.
- 12+Visitor Marketing orgs– CVBs, Campaigns, Trails. The Charleston brand of Hip, Historic, Almost Heaven marketing campaign is an excellent example of how to package and cross-promote local/regional assets toward the visitor market.

Setting Up The Craft Beverage Trail Framework (Opportunities For Trail Development)

Following the mapping of the existing craft beverage assets across the study area and surrounding counties, as well as the project team site visit in early November, 2019, it is evident that the concept of a craft beverage trail must be refined to focus on a feasible geography that takes advantage of existing assets and the population density in the region.

As illustrated in Figure 5, a craft beverage trail along the Huntington to Charleston corridor is a good starting point to focus all effort and trail development at this stage of the project. There are key anchors in both Huntington (The Wild Ramp, Summit Beer, The Peddler) and Charleston (Bad Shepherd Brewing, Capitol Market, Bluegrass Kitchen, Bricks & Barrels, the Elk City revival), with supporting assets along the corridor (Bridge Café & Bistro, The Pallet, Gritt’s Farm, Hudson Farm, Saint Albans). These elements are critical so that the craft beverage trail can leverage existing assets to achieve a future “critical mass” that is necessary to create a truly sustainable and marketable craft beverage trail.

In order to develop a truly sustainable craft beverage trail, placemaking at the local level must occur. Placemaking should include a craft beverage purveyor to serve as the anchor for the community, but with support from retailers (farm-to-table restaurants, craft beverage shops, recreation outfitters, boutique lodging, etc.) to create a desirable destination. The placemaking framework and elements to consider are included as a template document under Appendix D.
HISTORIC ELK CITY
NEIGHBORHOOD
Charleston's West Side aka "Elk City" is experiencing a renaissance with new businesses and beautification projects popping up throughout the district. Recent investment has created a hip, artistic vibe for the corridor. The Bullock Distillery is set to open the first quarter 2020, providing further energy and visitor attraction to the area. The annual OktoberWest craft beer and music festival in the fall is a huge draw for Elk City. There are several vacant, historic buildings with the potential to support a vibrant local economy and community. The Wild Ramp works with regional producers on a consignment model, offering top value to support farmers and artisans. The market is a prime anchor for Central City and a key player in the regional craft beverage and farm-to-table movement.

THE WILD RAMP/ CENTRAL CITY
Located in Huntington's Historic Central City, The Wild Ramp is a year-round, non-profit farmers market with a mission to support a vibrant local economy and community. The Wild Ramp works with regional producers on a consignment model, offering top value to support farmers and artisans. The market is a prime anchor for Central City and a key player in the regional craft beverage and farm-to-table movement.

http://wildramp.org/

BAD SHEPHERD BREWING
Housed at the Black Sheep Burrito restaurant in the heart of downtown Huntington, Bad Shepherd is a microbrewery/restaurant. Owners Drew & Megan Hetzer are experienced entrepreneurs that have teamed up with Head Brewer Jay Fox to create a brewery and restaurant that is both a community and regional draw. Jay is also on the Rails & Ale Beer Festival committee. Now in its second year, The Peddler is ready to expand distribution into the Charleston and Huntington markets.

http://www.facebook.com/The-Peddler-389530144867352/

SUMMIT BEER STATION
Located at 835 3rd Avenue, The Peddler is a microbrewery/restaurant in the heart of downtown Huntington. Owners Drew & Megan Hetzer are experienced entrepreneurs that have teamed with Head Brewer Jay Fox to create a brewery and restaurant that is both a community and regional draw. Jay is also on the Rails & Ale Beer Festival committee. Now in its second year, The Peddler is ready to expand distribution into the Charleston and Huntington markets.

http://www.facebook.com/summitbeerstation

BRIDGE CAFE & BISTRO
Head Brewer Jay Fox to create a brewery and restaurant that is both a community and regional draw. The Peddler is a microbrewery/restaurant in the heart of downtown Huntington. Owners Drew & Megan Hetzer are experienced entrepreneurs that have teamed with Head Brewer Jay Fox to create a brewery and restaurant that is both a community and regional draw. Jay is also on the Rails & Ale Beer Festival committee. Now in its second year, The Peddler is ready to expand distribution into the Charleston and Huntington markets.

http://www.facebook.com/bridgecafebistro

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http://www.facebook.com/bridgecafebistro

THE PALLET
A craft beer bar in Teays Valley serving unique and sought after West Virginia beers. This bar attracts both locals and regional visitors with creative game nights, holiday celebrations, and a strong presence on social media.

http://www.facebook.com/thepalletbarwv

BRICKS & BARRELS
Located in a former train depot at the edge of downtown Charleston, the Capitol Market is a year-round indoor/outdoor market promoting local farms and seasonal produce. Within the indoor market there is fresh seafood and meat, a coffee bar, cheese and wine bar, fresh produce, artisan chocolates and Soho's Italian restaurant. The Capitol Market has been a staple in the Charleston area for 20 plus years. The market supports more than 40 West Virginia farmers and artisans through both the indoor and outdoor market.

http://www.bricksnbarrels.com/

BLUEGRASS KITCHEN
Located near the West Virginia State Capitol, Bluegrass Kitchen is a longstanding institution focused on farm-to-table comfort food made from ingredients sourced within West Virginia and the Appalachians. The beer menu at the restaurant features West Virginia beers and ciders. Bluegrass Kitchen serves as the perfect example for a restaurant supporting the craft beverage and local farm-to-table economy!

http://bluegrassave.com/

HUDSON FARM
Over the course of the last 20 years, Hudson Farms has been providing local, organically-produced vegetables and farm products for consumers in the Charleston area. Located just 20 minutes north of Charleston, Hudson Farms features a CSA program, several farm-to-table events per year and ongoing workshops and mentorships for young farmers throughout West Virginia. Terry Hudson, the farm founder, is a biodynamic farmer deeply invested in promoting the local farm economy.

http://www.hudsonfarmswv.com/
IV. GROWTH POTENTIAL
HOW BIG CAN IT BE?

To begin, craft beverage consumer segments are highlighted below followed by details on the consumer market for the 5-county trail.

CRAFT BEVERAGE MARKET OVERVIEW

While there is strong interest among project Trail champions in developing and promoting a wide range of craft beverages, it is important to note that industry trend watchers observe that crossover among drink types is relatively low, with just 27% of drinkers saying they drink wine, beer and spirits. The exhibits below illustrate the unique consumer groups affiliated with leading craft beverages.

Additional details on market trends for craft beverage segments may be found in Appendix E.

“We believe we can do great things in West Virginia, but we must take chances to make it happen.”

Melissa Stewart, Patriot Guardens Program, WV National Guard

FIGURE 6: Beer, Wine, & Spirits Consumers

TABLE 3: Overview of Craft Beverage Market Consumers

<table>
<thead>
<tr>
<th>Beverage</th>
<th>Market Overview</th>
<th>Consumer Overview (as available)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer</td>
<td>Growing – with microbreweries representing the fastest growing beer segment</td>
<td>Younger, more males, high affinity for outdoor activities, upper incomes</td>
</tr>
<tr>
<td>Wine</td>
<td>Overall sales stalling but direct-to-consumer sales (including tasting rooms) seeing high growth</td>
<td>Older, more females, upper incomes</td>
</tr>
<tr>
<td>Spirits</td>
<td>High growth</td>
<td>Younger, more males</td>
</tr>
<tr>
<td>Cider</td>
<td>Local brands showing growth</td>
<td>Younger, gender-split equally, health and wellness interests</td>
</tr>
<tr>
<td>Kombucha</td>
<td>Growing interest linked to healthy eating</td>
<td>Younger, health and wellness interests</td>
</tr>
</tbody>
</table>

Source: Marketek

THE CONSUMER MARKET PROFILE

The success of a craft beverage and food trail is directly linked to the size and characteristics of the customer market. The DSG team identifies and defines the target market groups as:

1. Local— residents and employees
2. Visitors—recreation and business
3. Region—A larger base of potential day and overnight visitors.

This section profiles each of these market sectors followed by an overview of their expected spending on craft brews or beverages. The demand discussion sets the stage for identification of the potential for additional craft breweries

1. Local Residents and Employees of the 5-County Market Area

Currently, over half of the region's households are at or above the median income, with 45% at or above average income. Over one-third of the population is between the ages of 25 and 54 – a group who typically eats and drinks out more than their younger or older neighbors. However, forecasts show an anticipated negative population growth of -0.44% over the next 5 years. The region's employment base and population are on a slow but steady decline and incomes are modest—making visitor market expansion imperative to the craft brew trail's success. Table 4 is a snapshot of the local marketplace. Note however that 58% of the population is at or above the median income, a defining characteristic of craft beverage drinkers.

Employees working in the 5-county region are an important captive market for a variety of retail, service and entertainment businesses and have been estimated to spend about 15% of their expendable income close to their work location.

The potential growth and impact of employee retail spending is directly linked to the Advantage Valley's effort to expand the region's employment particularly in 20 key business opportunities in agriculture, manufacturing, services and healthcare. Business and job diversification and growth will help stimulate opportunities in and enhance the area's restaurant, retail and entertainment base.

At present, within the 5-county region, there are 13,100 businesses employing about 205,400 people. Many of these employees reside outside the market area but have the potential to contribute to sales re: beverage, food and entertainment services provided within the area. Area businesses also generate overnight guests who spend on retail and restaurants and are a large share of the hotel and craft beverage customer base.

Table 5 provides a breakdown of business and employees by type. The largest share of business type and employees are considered White Collar (66% of all businesses and employees in the area). White Collar includes Office, clerical, administrative, sales, professional, and technical employees.

The unemployment rate is about 5%, 0.3% higher than the West Virginia state's unemployment. Over the last decade, the civilian workforce has steadily declined in the 5-county area and both the Huntington and Charleston MSAs (Source: Workforce West Virginia).
2. Visitor Market

The visitor market is strong from various perspectives, including the state, and the local 5-county area.

State of WV - 2018

- Visitors to state welcome centers increased 37% year over year.
- State social channels are active and growing, with 40K Instagram followers and over 264K Facebook likes.
- “Almost Heaven” campaign activated and has helped increase visitor traffic and awareness on social, with 42% of overnight stays influenced by marketing efforts and over 50K uses of #AlmostHeaven across social platforms.
- 25% of visitor stays are overnight, primarily couples (66%) and families with children (38%).
- 55% of overnight visits take place from April to September; top activities include shopping, nature and parks, and historic or cultural attractions.
- As expected, overnight visitor spending is largely focused on lodging, followed by restaurant food and beverage (average of $37 per person per trip, $106 per party per trip) (Figure 7).
- In terms of top activities and experiences for overnight visitors, shopping (30%) and historic places (24%) top the list, while unique culinary experiences and wineries/tasting range from 6%-5% of visitors (Figure 8).
Local Visitor Market – 5 county area

- Visitor spending in the study area is steady the last 5 years, though Kanawha County generates the most total direct spending among the 5 counties driving nearly 3x the overnight stays as the next (Cabell County) (Figure 9).
- Also of note, Putnam County’s growth in visitor spending hit double digits (10.3%) year-over-year in 2018, 2x+ than the growth rate of the other 4 counties (Figure 10).

<table>
<thead>
<tr>
<th>Year</th>
<th>Cabell</th>
<th>Putnam</th>
<th>Jackson</th>
<th>Kanawha</th>
<th>Roane</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$136.2</td>
<td>$70.5</td>
<td>$44.4</td>
<td>$561.9</td>
<td>$13.7</td>
<td>$4,505.0</td>
</tr>
<tr>
<td>2015</td>
<td>$125.6</td>
<td>$57.7</td>
<td>$36.9</td>
<td>$571.7</td>
<td>$11.9</td>
<td>$4,258.0</td>
</tr>
<tr>
<td>2016</td>
<td>$119.8</td>
<td>$54.8</td>
<td>$37.3</td>
<td>$565.5</td>
<td>$11.4</td>
<td>$4,142.0</td>
</tr>
<tr>
<td>2017</td>
<td>$115.2</td>
<td>$58.2</td>
<td>$39.7</td>
<td>$571.2</td>
<td>$11.8</td>
<td>$4,277.0</td>
</tr>
<tr>
<td>2018</td>
<td>$117.7</td>
<td>$64.2</td>
<td>$41.1</td>
<td>$580.2</td>
<td>$12.1</td>
<td>$4,554.0</td>
</tr>
</tbody>
</table>

FIGURE 9: Total Direct Spending ($M)
Business Visitors

- Of the 15.7M overnight person-trips to WV in 2017, 10% (1.6M) were driven by business as the main purpose, and another 3% (0.5M) were business-leisure. While the percentage driven by conference/conventions has not changed since 2015, they are expected to with aggressive marketing by the Charleston CVB of the newly remodeled convention center. "Other" business trips have increased by 2%, possibly stimulated by other draws in the WV area.
- Similarly, of the 47.5M day person-trips to WV in 2017, 8% (3.8M) were driven by business, and 3% (1.4M) were by business-leisure.
- Longwoods International's research (2017) shows that the origin of overnight business visitors is: 21%, WV; 13%, OH; 12%, VA; and 10%, PA.

3. Region (up to 2.5 hours’ drive time)

The 2 and 2.5-hour drive time radius (from the center of the 5-county area) mapped in Figure 11 is the primary market targeted for convenient day and overnight trips. Crossing West Virginia into Ohio and Kentucky, the areas indicate bright spots in both target age groups and median household incomes (Table 6).

**TABLE 6: Regional Snapshot**

<table>
<thead>
<tr>
<th></th>
<th>2-Hour Drive Time</th>
<th>2.5 Hour Drive Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary</strong></td>
<td>2019</td>
<td>2024</td>
</tr>
<tr>
<td>Population</td>
<td>1,661,548</td>
<td>1,646,486</td>
</tr>
<tr>
<td>2019-2024 Annual Growth</td>
<td>-1.8%</td>
<td>.10%</td>
</tr>
<tr>
<td>Median Age</td>
<td>42.4</td>
<td>43.7</td>
</tr>
<tr>
<td>Target Age Range (25-54)</td>
<td>37.6%</td>
<td>36.0%</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$41,643</td>
<td>$46,436</td>
</tr>
</tbody>
</table>

Source: ©2019 Esri.
MARKET DEMAND AND SUPPLY

In determining the potential for additional craft brewers and brewpubs, DSG considered a range of variables related to market supply and consumer demand within the 5-county study area.

1. Nationwide

As noted in the report introduction, Brewers’ Association data shows that overall U.S. beer volume sales were down 1% in 2018, whereas craft brewer sales continued to grow at a rate of 4% by volume, reaching 13.2% of the U.S. beer market by volume. Retail dollar sales of craft increased 7%, up to $27.6B, which now accounts for more than 24% of the $114.2B U.S. beer market. It should be noted that craft production grew the most for microbreweries.

Of the nearly 8,000 breweries in the U.S. at the end of 2019, 5,000 were microbreweries. Microbreweries are those that produce less than 15,000 barrels per year. While microbreweries represent the largest market segment (60.7% of all craft breweries), they produced only 22.5% of all craft beer. There are lots of microbreweries, but they are small and serve a local market. The average production for a microbrewery is around 1,000 barrels per year.

2. The Region (adjacent states)

From a regional perspective including West Virginia, Ohio, Kentucky, and Virginia, craft production for this region is varied (Table 7). Ohio and Virginia are generally in the top 50% for most sale and production categories, while West Virginia and Kentucky fall in the lower tier across all metrics. West Virginia produces the lowest volume of craft beer per drinking age adult in the entire nation, while also checking in at 49th for economic impact per capita.

3. Assessing the State and Local Supply

Craft beer production within the state of West Virginia is 18,951 barrels produced in 2018. Table 8 depicts production by brewery and share of the total. Production numbers show that three breweries—Big Timber, Greenbrier and Mountain State provide more than 54% of craft beer volume for the entire state.

The 5-county study area has only two breweries—Bad Shepherd and The Peddler. They account for a total of 1,028 barrels produced in 2018, representing 5% of the state craft brewing market share.

<table>
<thead>
<tr>
<th>TABLE 7: Craft Beer Sales &amp; Production – Nearby States (State Ranking in Parentheses)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL CRAFT BREWERIES</strong></td>
</tr>
<tr>
<td><strong>WEST VIRGINIA</strong></td>
</tr>
<tr>
<td><strong>OHIO</strong></td>
</tr>
<tr>
<td><strong>KENTUCKY</strong></td>
</tr>
<tr>
<td><strong>VIRGINIA</strong></td>
</tr>
</tbody>
</table>
### TABLE 8: Craft Beer Sales & Production (West Virginia)

<table>
<thead>
<tr>
<th>Craft Brewer</th>
<th>Brewery Production (2018 Barrels)</th>
<th>% Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abolitionist Ale Works</td>
<td>300</td>
<td>1.58%</td>
</tr>
<tr>
<td>Bad Shepherd Beer Company</td>
<td>750</td>
<td>3.96%</td>
</tr>
<tr>
<td>Banning’s Inc</td>
<td>30</td>
<td>0.16%</td>
</tr>
<tr>
<td>Berkeley Springs Brewing Co</td>
<td>50</td>
<td>0.26%</td>
</tr>
<tr>
<td>Big Timber Brewing</td>
<td>3,668</td>
<td>19.35%</td>
</tr>
<tr>
<td>Blackwater Brewing Co</td>
<td>25</td>
<td>0.13%</td>
</tr>
<tr>
<td>Brew Keepers</td>
<td>600</td>
<td>3.17%</td>
</tr>
<tr>
<td>Brewstel</td>
<td>60</td>
<td>0.32%</td>
</tr>
<tr>
<td>Bridge Brew Works</td>
<td>900</td>
<td>4.75%</td>
</tr>
<tr>
<td>Chestnut Brew Works</td>
<td>900</td>
<td>4.75%</td>
</tr>
<tr>
<td>Dobra Zupas</td>
<td>150</td>
<td>0.79%</td>
</tr>
<tr>
<td>Greenbrier Valley Brewing Co</td>
<td>2,320</td>
<td>12.24%</td>
</tr>
<tr>
<td>Lost River Brewing Co</td>
<td>40</td>
<td>0.21%</td>
</tr>
<tr>
<td>Morgantown Brewing Company</td>
<td>900</td>
<td>4.75%</td>
</tr>
<tr>
<td>Mountain State Brewing Co</td>
<td>4,400</td>
<td>23.22%</td>
</tr>
<tr>
<td>North End Tavern &amp; Brewery</td>
<td>275</td>
<td>1.45%</td>
</tr>
<tr>
<td>Parkersburg Brewing Co</td>
<td>500</td>
<td>2.64%</td>
</tr>
<tr>
<td>Screech Owl Brewing</td>
<td>Unpublished</td>
<td>--</td>
</tr>
<tr>
<td>Short Story Brewing</td>
<td>500</td>
<td>2.64%</td>
</tr>
<tr>
<td>Sophisticated Hound Brewing Co</td>
<td>150</td>
<td>0.79%</td>
</tr>
<tr>
<td>Stumptown Ales</td>
<td>1,000</td>
<td>5.28%</td>
</tr>
<tr>
<td>The Peddler</td>
<td>278</td>
<td>1.47%</td>
</tr>
<tr>
<td>The Rambling Root</td>
<td>5</td>
<td>0.02%</td>
</tr>
<tr>
<td>Walton Mountain Brewing Company</td>
<td>160</td>
<td>0.84%</td>
</tr>
<tr>
<td>Weathered Ground Brewery</td>
<td>600</td>
<td>3.17%</td>
</tr>
<tr>
<td>Wheeling Brewing Co</td>
<td>136</td>
<td>0.72%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>18,696</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ACTUAL TOTAL</strong></td>
<td><strong>18,951</strong></td>
<td></td>
</tr>
</tbody>
</table>

### 4. What Can the 5-County Region Support?

Success of a regional West Virginia Trail will be built in large part on the local movement of customers from traditional light lager beers to craft brews, a trend that continues nationally at a steady pace. This shift is happening fastest in microbreweries.¹ According to Bart Watson, chief economist, Brewers Association, “Market growth of craft brewers highlights the ongoing localization of beer production in the United States. More and more, people are enjoying the products from America’s small and independent brewers, making this country a true destination for beer.”² In a 2015 Craft Brewing Business article, the author notes, “…the beer industry continues its trajectory toward hyper-localization of beer production and retail consumption.”³ These statements hold true for the success of virtually all craft beverages.

There is precedence for West Virginia to transition in this direction. From the earliest days of the emergence of craft beverages market development has been uneven. The craft movement started on the West Coast in the 1980s and slowly spread eastward. Market penetration is now strong in the Northeast, Atlantic coast, Southwest, upper Midwest, and now growing rapidly in the South and Southeast. Once consumers began to recognize the value of craft product, demand profiles show steady growth over time.

While West Virginia lags the nation on metrics associated with the craft beer movement, there is no reason to think craft beverages can’t take hold in the state (see Table 7). A common thread in market expansion has been robust advocacy in support of nascent elements. This typically starts with people who are passionate about producing craft beverages and who invest unlimited amounts of energy in promoting the cause. The 5-County region, and West Virginia as a whole, has a cadre of individuals enthusiastically engaged in market development, many of whom the DSG team encountered during the project site visit.

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¹ Micros Driving Craft Growth, THE NEW BREWER, May/June 2017
² Brewers Association reports 18% production growth for U.S. craft brewers in first half, Brewers Association Press Release, July 28, 2014
³ Your comprehensive guide to craft beer mergers, acquisitions, ESOPs and liquidity transactions the last 12 months, Craft Brewing Business, August 20, 2015
Southeast Ohio Example

A barometer for predicting the craft beverage sector the 5-County region might be able to support can be found nearby in Ohio. According to a study commissioned by the Ohio Craft Brewers Association entitled “2018 Impact Study” the 11 county Southeast Ohio region supports 34 breweries and $52 million in economic output. Ohio’s southeast craft brewers also supported an estimated 734 jobs in the State of Ohio.

Because the southeast Ohio region has characteristics similar to the 5-County study area the possible growth outcomes for West Virginia may mirror the Ohio experience. The regions share these characteristics:

- Mostly rural and mountainous
- Handful of larger communities (Marietta, Cambridge, Athens)
- Large university (Ohio U) and assorted colleges and technical schools
- Similar age and income demographics
- Declining natural resource economic sector

When comparing the number of breweries per capita in southeast and Ohio and the 5-County study area it is obvious that Ohio is much further along the path of adopting craft beer (see Table 9 and Figure 12). Southeast Ohio has 5.15 breweries per 100,000 population versus 0.51 for the study area. If adoption with the study region achieves just half of the Ohio figure, the area can easily support 10 breweries.

---

**Table 9: Benchmark for 5-County Area Brewery Target**

<table>
<thead>
<tr>
<th>Geography</th>
<th>Breweries per Capita*</th>
<th>Breweries in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE Ohio</td>
<td>5.15</td>
<td>34</td>
</tr>
<tr>
<td>5-County Area</td>
<td>0.51</td>
<td>2</td>
</tr>
<tr>
<td>5-County Area Breweries at 1/2 SE Ohio per capita (2.57)</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

* per 100,000 population

---


FIGURE 12: SE Ohio Region

1. Portsmouth Brewing Co. 224 2nd St. Portsmouth
2. Sixth Sense Brewing & Taproom 1701 E Main St. Jackson
3. Elbridge & Foley Brewing Company 9 E Columbus St. Lithopolis
4. Rockmill Brewery 5305 Lithopolis Rd NW. Lancaster
5. Outerbelt Brewing & Taproom 3560 Dolson Ct. Carroll
6. Double Edge Brewing Company 158 W Chestnut St. Lancaster
7. Brewery 33 Hocking Hills 13884 College Prospects Dr. Logan
8. Granville Brewing Company 5371 Columbus Rd. Granville
9. Three Tigers Brewing Company 140 N Prospect St. Granville
10. Homestead Beer Company 811 Irving Wick Dr W. Heath
11. Buckeye Lake Brewery 5176 Walnut Rd SE. Buckeye Lake
12. Tree Brewing Company 1466 Granville Rd. Newark
13. Buck’s Brewing Co. 993 Mount Vernon Rd. Newark
14. Darkhorse Brewing Co. 161 Ferry St. Newark
15. Y-Bridge Brewing Company 1417 Linden Ave #2913. Zanesville
16. Wessel Boy Brewing Company 126 Musing Ave. Zanesville
17. Devil’s Kettle Brewing 97 Columbus Rd. Athens
18. Jacke D’s Taproom & Production Brewery 25 Campbell St. Athens
19. Little Fish Brewing Co. 8076 Armbrugge Ave. Athens
20. Varsity Pig Farm Brewery 23631 Township Rd 167. Fresno
21. Marietta Brewing Company 167 Front St. Marietta
22. Dungeon Hollow Brewing Company 572 Co Rd 22A. Bloomingdale

SOUTHEAST REGION OF OHIO
5. Local Consumer Demand

Consumer demand for beer can be estimated specifically for local area/resident populations and estimated generally for visitor populations.

Resident Demand

Retail sales leakage or surplus is a measure of supply and demand variables that provides a snapshot of retail opportunity. Supply (retail sales) estimates sales to consumers by establishments. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments in current dollars based on factors including households, incomes and the U.S. Consumer Expenditure Survey.

Retail marketplace data (2019) for the 5-county study area provided by ESRI analytics depicts solid retail leakage or a sales gap in two key categories affecting craft beverage consumption:

- Drinking Places – drinking alcohol away from home: $1.3M
- Grocery Stores – $47M – of which $14.1M or 30% is estimated as beer and wine sales

Note: Grocery stores typically target 30% of their revenue from alcohol beverage sales. Within the grocery retail category nationwide, 2011-2018 sales have increased by 30 percent, averaging an increase of roughly 4.3 percent per year.

Another demand beer consumption indicator is the Market Potential Index (MPI) which measures the relative likelihood of the adults or households in the specified trade area to possess certain consumer behavior or purchasing patterns. Within the 5-county study area, 39% of adults or over 120,000 specifically drank beer or ale in the last 6 months (MPI) at nearly the national average.

Visitor Demand

State of West Virginia. The 2018 annual report of the West Virginia Tourism Office notes that the state is in a growth trajectory in part stemming from its 26 craft breweries and 20 wineries and distilleries. Also prominently promoted is the state’s significant recreation assets including 45 state parks and forests, over 5 major ski resorts and 164,000 acres of scenic public land. Overall, the state experienced a 36.5% increase in 2018 visitors over 2017. The Tourism Office rightly touts that tourism spending helps more than just tourism. Research shows tourism advertising improves West Virginia’s image as a place to live, start a business, go to college, and retire. As such, the state is actively investing in tourism marketing, branding and product development. This work will enable immediate links to and leverage for a new craft beverage trail.

Overnight Visitor Population. As identified in the Consumer Market Profile section, the target craft beverage-drinking population within a 2 to 2.5-hour drive time is significant.

- 2 hour – 1,661,548 population; 670,450 households; $41,643 median hh income; 25% have $75k median hh income or higher
- 2.5 hour – 3,011,647 population; 1,208,019 households; med hh income $44,606 median hh income and >28% have $75k median hh income or higher

The prime age group (25-54) identified as regular craft beverage drinkers totals 624,742 people within 2 hours and an additional $22,257 (or total of 1.15 million) people within 2.5 hours. Conservatively, the developing Craft Brew Trail could expect that 6% of this population group (68,820) would be willing to travel to the Metro Valley region for a unique craft food and beverage experience. This figure is based on state visitor data indicating that 6% of visitors are enjoying brewery visits and beer tasting.

In all likelihood, these will be overnight visitors spending an average of $37/person/trip on food and beverages, as earlier noted. While only a portion of this spending is on craft brews (40% est’d or $15), using this spending figure and the 2.5-hour target population figure (68.8k), the total annual potential food/drink spending from this target visitor group is $1.02M in with 2019 as basis.

Study Area Visitors. Dean Runyan Associates’ annual WV travel report indicates that in 2018, the 5-county study area generated $2.83B in direct travel spending or 62% of all travel spending ($4.5B) in West Virginia. With $580M in 2018 travel spending, Kanawha County dominates the region’s impact and exhibits the fastest growth among the counties (Table 10).

### TABLE 10: 2018 Travel Spending (millions) County 2018

<table>
<thead>
<tr>
<th>County</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabell</td>
<td>117.7</td>
</tr>
<tr>
<td>Putnam</td>
<td>64.2</td>
</tr>
<tr>
<td>Jackson</td>
<td>41.1</td>
</tr>
<tr>
<td>Kanawha</td>
<td>580.2</td>
</tr>
<tr>
<td>Roane</td>
<td>12.1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,833</strong></td>
</tr>
</tbody>
</table>
Further analysis indicates that 21% of that travel spending or $594.9M is linked to Food Service (dining/drinking out); 11% or $396.6M is from Lodging; 7% or $198.3M is tied to Recreation/Entertainment; 10% or $283.3M is from Retail sales (Figures 13 and 14). A key goal of the craft brew trail is to increase visitor spending across the board but especially in these four categories which directly support craft beverage sales.

![Figure 13: Spending by Category](image)

To help convert those annual sales to the number of potential breweries supported, DSG estimated gross brewery sales. Gross revenues for a microbrewery are based on two things - number of barrels produced and the ratio of taproom sales to wholesale sales. The average microbrewery produces 1,000 barrels per year. That would be 12,000 barrels per year.

Gross revenue per retail barrel is $1000 after taking in waste and promotion. Wholesale is roughly $600 per barrel (60%). While the sales mix varies, a reasonable sales range is 50/50 taproom and wholesale or 6,000 each. That totals $9.6M per brewery stemming from $6M in retail sales from the taproom and $3.6M in wholesale sales. With $22.3M/year in potential craft brew sales (see Figure 11), that translates to potential demand for at least 2 additional breweries at this time. This figure will increase with the continued conversion of traditional beer drinkers to craft brew drinkers and the attraction of more visitors to the area.

<table>
<thead>
<tr>
<th>Target Market</th>
<th>Estimated Craft Beverage $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Residents:</strong></td>
<td></td>
</tr>
<tr>
<td>- Existing Alcoholic Bev Retail Gap</td>
<td>$1.3M</td>
</tr>
<tr>
<td>- Grocery Store Bev &amp; Wine Sales Gap</td>
<td>$14.1M</td>
</tr>
<tr>
<td><strong>Recreation Visitors (2.5 hr drivetime)</strong></td>
<td>$1.02M</td>
</tr>
<tr>
<td><strong>Visitors to 5-county region</strong></td>
<td>$5.9M</td>
</tr>
</tbody>
</table>

Visitors to 5-county region spent $595M (or 21% of all spending) on Food Service or dining/drinking out. Conservatively, 5% of the total figure is linked to beer drinking or $29.7M. Over time as local craft beverage options increase, it is estimated that 20% of that demand could be shifted to craft beer purchases or $5.9M

**TOTAL**                                          $22.3M
V. ROADMAP

KEY INITIATIVES FOR ACTION

In preparation for this plan, research was completed to document substantial assets, challenges and opportunities for development of the Craft Brew Trail and implementation of the following roadmap.

With the assets, challenges and opportunities as a foundation, 4 key initiatives emerged to bring the Trail to fruition. These initiatives reflect the collaborative thinking of the DSG consultant team and local project committee. Efforts, results and priorities should be evaluated and refreshed annually.

Key Initiatives for Craft Brew Trail Development

1. Define and Package the Brand Vision and Product Scope
2. Expand the Product Offerings to Fill in and Support the Brand
3. Market and Promote the Trail: establish, coordinate and implement a phased Trail Marketing Strategy at the local, regional and state levels
4. Create and Commit to a coordinated organizational structure with champions for each of the priority initiatives.

The following tables present action steps to implement these key initiatives to ensure trail development with an organization chart at the conclusion. Note that Robert C. Byrd Institute (RCBI) will continue to champion and lead the Trail project as it moves to implementation. In addition to RCBI, the project management team charged with project development includes Advantage Valley, Putnam County CVB, HADCo, Charleston Area Alliance and the WV Army National Guard. It’s a given that these organizations are actively engaged with each initiative below and for this reason, they are not included as partners.

ASSETS TO BUILD ON

☑ Large region with the State’s major cities of Huntington and Charleston as bookends
☑ State and regional visitor and industry marketing efforts emphasize and reinforce similar goals as the Advantage Valley region for visitor and craft beverage development
☑ Brewing Technology and Entrepreneurship Curriculum expanding at Bridge Valley Community College
☑ The 5-county study area has very strong visitor assets to leverage, promote and grow in support of a collaborative marketing campaign to successfully attract visitors to this target market to a craft beverage/culinary trail. Among these are:
  >40 Agritourism venues: 7 Farmer’s Markets and 35 Farms; 61 unique Bars and Restaurants; nearly 40 events throughout the region that attract thousands of visitors year-round; 65 Attractions of interest to beer drinkers from national/state parks and theatres to unique retailers; Performance destinations: e.g., Culture Center Theatre, Charleston, WV with over 50 performances/year, anchored by Mountain Stage weekly PBS broadcast and the Keith Albee Performing Arts Center, Huntington; renovated/expanded Charleston Convention Center; Excellent supply of hotels/lodging venues
☑ 12+Visitor Marketing orgs—CVBs, Campaigns, Trails. The Charleston brand of Hip, Historic, Almost Heaven marketing campaign is an excellent example of how to package and cross-promote local/regional assets toward the visitor market.
☑ Energetic, eager and passionate entrepreneurs and organizations within the region ready to enhance/expand the visitor product and capture more visitors

CHALLENGES TO WORK THROUGH

☑ The region’s employment and population base is on a slow but steady decline and incomes are modest—making visitor market expansion imperative to the craft beverage trail’s success
☑ The region lacks name recognition or a brand identity tied to craft food and drink and will need to come out of the gate hard and fast to get a foothold in this competitive sector
The absence of a professionally managed craft beverage organization to coordinate sector participants, amass resources to promote the industry and advocate for fair regulation affects the growth of the sector both statewide and within the region. The existing WV Craft Brewers Guild appears to be inactive and unable to add value to the industry.

Regulatory barriers to craft beverage expansion in WV persist and are linked to manufacturing, retail sales, licensing and other facets of business expansion. A recent industry roundtable through the WV Beer Roads podcast resulted in a Legislative wish list to improve the state’s alcohol beverage laws.

The temptation “to be all things to all people” in establishing the region as an artisan/craft food and drink destination is a marketing challenge and potential barrier to success. The craft beverage market is not homogenous and target customers like craft brew drinkers want product authenticity, have niche interests and enjoy feeling like insiders. Yet, with just a few breweries, a craft trail lift-off will most likely require promoting multiple craft products (food and drink).

Limited capital for business startup and expansion is a chronic barrier in West Virginia that demands external resources be tapped and innovative investment funds be encouraged.

**KEY OPPORTUNITIES TO PURSUE**

- Visitor demand is on the rise as measured by overall spending and lodging occupancies
- The Craft Beverage Trail Steering Committee, collaborators and entrepreneurs are hungry to organize, build marketing campaigns and develop/expand the sector, i.e., excellent timing for implementing the project strategy.
- Despite the many barriers within the ABCA laws of WV, the recent passage of the Growler and Sunday Brunch bills in the legislature demonstrates the state is moving a positive direction and is an opportunity for industry growth. This success is the result of many organizations working in unison and should be actively promoted to regional businesses to capitalize on expanded sales.
1. **DEFINE/PACKAGE THE BRAND VISION AND PRODUCT SCOPE**

**Why Important?**

The case study research emphasized the importance of defining the trail experience and perceptions, organizing the businesses around the ‘promise’ to the marketplace and consistently communicating and delivering on the promise. Successful launch of a new trail depends on bringing key trail stakeholders together to identify the defining attribute or central theme of the trail around which products/services and the ‘experience’ you are selling will be organized.

As noted throughout this research, the limited number of craft breweries and beverages necessitates that the trail include a broader spectrum of offerings—e.g., agritourism, locally-sourced food. Sample themes or brands from the case studies include: Craft Food and Beverage; a focus on Local Bounty (promoting products grown, raised, created in a given region), Creative Economy and Entrepreneurs, Culinary Craftsmanship– unique food experiences.

Related to gaining clarity on the ‘brand promise’ of the trail is the need to promote a common name for the region. State tourism uses Metro Valley; Rivers-Valleys region is another term identified at the charrette; and Advantage Valley is used for economic development. While it is not imperative the trail have a strong geographic reference, it would certainly aid in creating a unique and refreshed identity.

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**Action Steps**

**90 DAYS • Get Organized and Focused**

1. Identify partner organizations, form a core steering committee and determine roles and responsibilities. Appoint a “trail champion.” Launch with an organizing meeting and create/commit to action plan with key steps and task leaders.

2. In preparation for the launch meeting, review case study best practices, asset maps, key conclusions and recommendations including narrowing the geographic scope from 5 counties to 3 counties at the outset.


**6 MONTHS • Establish the Trail Brand/Theme and Product Offerings**

1. Identify and evaluate top 3 brand themes based on existing unique assets and passions and interests of key stakeholders and select/define brand: overall name, theme, key attributes of participating businesses, key messages to consumer. The obvious emphasis is on ‘Craft Food and Beverage’, but other approaches may be ‘Handmade and Homegrown,’ ‘Local Music, Food and Artisan Goods,’ and related concepts. See Appendix F for an example of criteria used by Polk County, Oregon to define ‘local and locally-sourced.’

2. Assuming a broad framework, identify at least 30 existing businesses in the 3-counties (Cabell, Putnam and Kanawha) that are a potential ‘fit’/anchors for the trail: craft beverages, farm-to-table eateries, farms and ranches, farmer’s markets, local retail, unique lodging. Begin mapping the Trail contents.
3. Host a Trail Development Workshop inviting the target businesses and anyone who may be candidates for participation. See sample agenda for this workshop (Appendix G) which is part-educational about the visitor marketplace/hospitality, the trail brand and culinary/agritourism sector and part-recruitment of trail participants. Encourage understanding of and participation in trail. Recruit action team (6-8 or more) to work with Brand Steering Committee on moving forward.

4. Following this workshop, invite all interested businesses to complete an application for participation, with built-in criteria around customer service and marketing to ensure a fit with and commitment to the brand, and to providing the consumer an authentic experience consistent with themes and messages. (See sample application in Appendix F)

1 YEAR+ • Launch and Manage the Trail

1. Conduct visits to trail participants for screening and final acceptance.

2. Identify, develop and implement assistance to individual Trail participants and the group overall, e.g., Hospitality/Customer Service training, business operations, regulatory requirements.

3. Map out other actions to ensure an excellent Trail experience and maximize sustainability.

4. Meet 2x/year to bring focus to continuous Trail improvements, marketing initiatives, product development and impact evaluation.

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**Lead Champion**

Robert C. Byrd Institute (RCBI)

**Partners or Collaborators**

Trail businesses (anchors), Advantage Valley, CVBs (Kanawha, Putnam, Huntington), HADCO, Charleston Area Alliance, Chambers of Commerce, WV Tourism

**Outcomes**

Clear trail brand and quality, qualified participants to launch (30-50), launch game plan and sustainability strategy, volunteer action team, and increased business engagement and collaboration. A unified theme that is used consistently by all regional tourism stakeholders in marketing messages to Trail visitors.

**Resources Needed**

Minimum ½ time position as Trail Manager + out of pocket expenses for travel and related costs
2. EXPAND THE PRODUCT OFFERINGS TO FILL IN AND SUPPORT THE BRAND

Why Important?

As noted, a critical mass of craft beverage and food options are essential to creating a destination draw for both locals and visitors. Product expansion and development of new product is needed in the 5-county region to reach that critical mass threshold. Specific needs include:

- Fill gaps in the craft brewing sector by expanding the number of craft breweries
- Build elements of a functioning supply chain from sustainable farmers to:
  - Craft beverage production facilities
  - Distribution channels that serve beverage producers, restaurants and retail sales
  - Service of visitor infrastructure such as Airbnb/bed & breakfasts, festivals, and tourist destinations

A support structure is key to generating a sustainable craft beverage program. Needed development and investment range from technical assistance and regulatory advocacy to exploration of new resources to expand and strengthen trail assets. A priority should be given to strengthening organized support from a craft beverage guild as this is proven to be to everyone’s advantage. Appendix H summarizes the functions and benefits of a typical guild.

Action Steps

Product Development

1. Develop alliances and partnerships with craft beverage industry members and trade associations to promote the interests of craft beverage/farm-to-table participants. Among those identified are: the WV Craft Brewers Guild, WV Grape Growers Association, WV Beer and Wine Association, WV Distillers Guild and the WV Spirits Council. With a goal to strengthen the craft beverage sector, there may be many shared interests and the possibility of merging to be ‘stronger together.’

2. Learn from craft beverage guild programs and models found in other states to create a properly scaled version that can apply to WV's unique assets. Because WV is starting from a relatively small base, a hybrid model that supports craft brewing, distilleries, wineries, and other niche players would likely help grow the market for many. See Appendix I for more information on starting a guild.

3. Either through a merged craft beverage association or another new alliance, identify common challenges and advocate for changes in state laws and regulations that will help expand production and distribution of craft beverages in the state.

4. Identify and help secure new grant funding for WV craft beverage industry trade group(s) that would further mutual interests (steps 1-3 above).

5. Work with Spriggs Distributors to create a craft beer education program that will transition small craft brewing operators to the 3-tier model through staged adoption.
6. Partner with education and workforce training organizations that are actively promoting craft beverage, farm-to-table, and tourism sectors:
   a. Bridge Valley Community College Brewing Tech Program
   b. RCBI – entrepreneurial programs
   c. West Virginia National Guard—Patriot Gardens

7. Assist with development of a formal regional marketplace (electronic to start) for West Virginia raised crops that align with the craft/farm-to-table movement. Focus on existing supply chain and identify gaps in the marketplace and entrepreneurial and technical support needed to advance successful participation in the craft beverage/food movement.

8. Model program after successful low population density programs (e.g. Central Oregon Food Hub and the High Desert Farm and Food Alliance: see Appendix J). They focus on the following key support functions:
   - Convene, facilitate, coordinate and collaborate with partners
   - Identify gaps or needs and prioritize actions
   - Develop private and public startup/expansion funding and leverage local, state and federal resources
   - Provide technical support and assistance to producers, processors, wholesale and retail distributors
   - Provide research, data collection, and strategic planning

(Outcomes and Resources on next page)
KEY INITIATIVES

INITIATIVE 2 (CONTINUED)

Outcomes

- **Education** – 10 graduates per year from programs aimed at getting entrepreneurs ready for the market and participating in a functioning craft beverage supply chain. These can include workshops and credited course work (50 total over 5 years)
- **Workforce** – 15 employees per year working in the craft beverage/farm-to-table industry with employment multipliers realized in the hospitality industry (75 total over next 5 years)
- **Microbreweries** – 2 per year for next 5 years (10 total)
- **Wineries/distilleries/specialty beverages** – 1 new operation each year over the next 5 years (5 total)
- **Farm-to-Table Restaurants** – goal of 1 per year for next 5 years (5 total)
- **Unique Lodging options** – bring on line 50 beds per year over the next 5 years of boutique/unique venues, Airbnbs, and bed & breakfast (250 beds total)

Resources Needed

A full-time regional champion to organize, market, and implement growth strategies going forward.

INITIATIVE 2 (ACTION STEPS CONTINUED)

90 DAY

- Convene WV Craft Beverage Guild roundtable meeting and steering committee
- Establish goals and objectives
- Outline action item priorities
- Development management approach
- Secure seed funding
- **RCBI**
  - Create a strategic plan for Wild Ramp/Turn Row to solidify supply chain connections, funding
  - Identify entrepreneur training opportunities around craft beverage/farm-to-table initiatives

6 MONTHS

- Establish Guild leadership team
- Create organizational plan
- Outline near term action steps
- Secure commitments to implement programs
- Secure funding
- **RCBI and partners**
  - Secure funding for training programs
  - Roll out training programs
  - Finalize supply chain strategy
INITIATIVE 2 (CONTINUED)

1 YEAR

- Hold WV Craft Beverage Guild annual meeting
- Begin implementation supply chain initiatives
3. MARKET AND PROMOTE THE TRAIL

Why Important?
Actively marketing the Trail/assets is critical to the Trail’s growth and success as a truly regional attraction that fuels visitor trips and provides economic stimulus. Further, any quality promotion campaign will go beyond economic gain to Trail businesses and inspire visitors to explore businesses that they might not find on their own – lifting up the whole visitor sector/economy. Aggressive Trail marketing can have the added benefit of encouraging longer visitor stays and visiting in shoulder seasons when retail and lodging businesses have lower sales.

A comprehensive Trail marketing program will have a balanced mix of promotional and sales campaigns through both independent marketing and direct links to and cross-promotions with key organizations and attractions at local, regional and state levels. Many of these actions dovetail with or follow the Trail Branding initiative.

Action Steps

90 DAYS • Organizational Commitment
1. Create a Trail Marketing Team. Convene key local, regional and state partners (RCBI, CVBs, City/County, WV Tourism) to gain buy-in, participation and financial or in-kind support for the Trail and to create a single Trail marketing organization/coordinator and implementation plan. Advantage Valley (AV) is well positioned to play the role of Trail champion. AV is the regional economic development marketing organization already actively promoting Food and Beverage industry development and tourism infrastructure projects. Develop clear expectations of and agreements with all involved.
2. Consolidate all Trail marketing strategies and activities into one game plan. Build out timeline incorporating reasonable expectations.
3. Secure resources to implement key tactics and support ongoing Trail success.
4. Finalize the Trail map with logo, business listings and info access channels.
5. Develop and implement consistent signage/window decals marking Trail businesses.
6. Outline steps to roll out the Trail and enlist partner and business community commitment to marketing and promotion. Incorporate tactics to develop positivity and pride among key local business and civic leaders for Trail success.
7. Initiate one cross-marketing activity/campaign to get the promotions going and to engage the wider business community. As a fast out-of-the-gate one, engage restaurants and craft beverage/brew venues in a Burger & Beer Week or a Craft Food & Drink Month featuring as many participating venues throughout the region. See Appendix K for other ideas.

6 MONTHS • Build Out the Trail Marketing Infrastructure
1. Establish Trail itineraries connected to regional recreation and cultural assets
2. Develop website and social media platforms (FB, Instagram, Twitter, YouTube)
3. Link and actively cross promote with other established trails like the Country Roads Wine & Distillery Trail, Rivers-Valley Trail, Hatfield-McCoy Trails, WV Beer & Barrel Trail
4. Establish Trail welcome/info centers  
   - Capitol Market – Charleston  
   - Heritage Station – Huntington  

5. Produce a calendar of marketing/promotion events including activities along the Trail, sponsored by Trail businesses  

6. Prepare a schedule of PR story ideas – individual entrepreneurs, family businesses, etc.  

7. Develop a media list and press packet  

8. Organize a Trail Launch Event bringing all the businesses and partners together for a celebration  

1 YEAR + • Gain Momentum; Keep it Fresh!  

1. Link and actively cross promote the Trail with regional visitor draws like Mountain Stage, Clay Center, State Parks/national recreation areas and established beer/other festivals and events  

2. Build the Marketing Communications contact database of complementary organizations, event, tour and meeting planners, hotels/motels, etc.  

3. Develop performance metrics to measure the results. Hotel occupancy tax revenues  
   - Website and social media visits  
   - Media coverage  
   - Tour bus stops  
   - Event/destination attraction attendance  
   - Numbers of visitors at key attractions  

4. Provide marketing and technical assistance to Trail participants and training on e-platforms for regular customer contact like GoogleMyBusiness  

5. Encourage Trail expansion and Trail business success by helping develop new events like a series of Farm-to-Table events, beer & music festivals, bikes & brews, to name a few.  

6. Actively engage with the WV Brewers Association/Guild.  

7. Join the national Craft Beverage Tour Operators Association (CBTOA) to stay abreast of trends and cutting edge in marketing  

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**Lead Champion**  
Advantage Valley  

**Partners or Collaborators**  
Trail businesses, CVBs, HADCO, Charleston Area Alliance, WV Tourism Office, WV Brewer’s Guild, WV Hospitality & Travel Association (WVHTA)  

**Outcomes**  
- More visitors to the region, staying longer and receiving exceptional service that generates “word of mouth” advertising and “top of mind” awareness.  
- Increased spending and local revenue.  
- Strong, active partnership and collaboration among visitor marketing organizations  
- Comprehensive information on all Trail attractions, venues, and amenities.  

**Resources Needed**  
$60,000 - $100,000+ depending on purchased advertising  

Note: Grants from WV Tourism Promotion Fund can be leveraged for marketing programs.
4. CREATE AND COMMIT TO ORGANIZATIONAL STRUCTURE WITH CHAMPIONS FOR EACH OF THE PRIORITY INITIATIVES

Why Important?
Developing a successful trail requires a sustained effort of commitment from both partner organizations and participating businesses. Understanding the roles and responsibilities of each is crucial to ensure the viability and continued success of a craft beverage trail. See organization (Figure 15).

Action Steps

90 DAYS • Organizational Structure
- Create a collaborative organizational structure with a specific champion for each of the priority initiatives, as suggested in preceding outline.

6 MONTHS • Specific Champion
- Commit to that organizational structure and ensure that the specific champion for each of the priority initiatives is willing to commit to lead that initiative. Clarify responsibilities in that regard.

1 YEAR • Adjustments
- Establish a regular meeting schedule, work teams, project milestones and accountabilities to keep momentum behind Trail development.
Lead Champion
RCBI

Management Team
- RCBI
- Putnam County CVB
- HADCO
- Advantage Valley
- Charleston Area Alliance
- WV Army National Guard

Outcomes
A high-functioning, results-oriented, dynamic team leading and implementing the Trail strategies.

Resources Needed
Staff time. Assess the need for additional funding to support RCBI in its role as central trail advocate and organizational leader.
POTENTIAL FUNDING SOURCES

Funding Resources

A breadth of funding resources exists in the public and private realms to propel the Craft Beverage Trail’s implementation success. With this feasibility study in hand, the Steering Committee can make a compelling funding proposal for: Organizational Development, Business and Micro-enterprise Development, Marketing, Community Economic Development, Workforce Training, Entrepreneurial Ecosystems and other aspects of trail development.

The list below provides a solid start for putting together a funding plan starting from the general and moving to the local and specific. Most of these funding organizations have guidelines and criteria posted on their websites and allow for online applications. Of note is that successful grant applications often require matching resources. Local and regional businesses are critical beneficiaries of the trail initiative and should be tapped for funding assistance.

Funding Databases

Grants.gov — The U.S. Department of Health and Human Services is the managing partner for this extensive database of federal grants. Free registration will enable you to search and apply for federal grants from many different agencies.

GSP Grant Works — A web-based tool to monitor grant-related news and current Federal and State funding opportunities in a variety of areas. You can subscribe to the RSS feed to get daily notices of funding opportunities and other grant-related news. You can also keyword search for opportunities and news on specific topics or areas of interest.

Grant Station — An online subscription-based database of funding resources including federal, state, and private grants, loans, and charitable giving organizations. Membership is approximately $700/year with discounts for multiple year subscriptions. At times membership sales or discounts are offered.

Foundation Center — Subscription-based database that tracks all major foundations and maintains a fairly comprehensive database of U.S. (and some global) grant offers.

Center for Nonprofit Excellence (CNE) — Variety of resources to support nonprofits and communities.

Wells Fargo Philanthropic Services — Funding resources database searchable by program area, state, foundation name.

Council on Foundations — Database searchable by program and location (state or city).

Foundations

Project for Public Spaces — Funding ideas and resources for public art projects.

The Ford Foundation — Supported activities are charitable, educational and/or scientific. Program areas focus on challenging inequality: civic engagement and government, creativity, future of work, justice, internet freedom, just cities and regions, natural resources and climate change. Past grants are available on the website for review.

Bill and Melinda Gates Foundation — While not a typical economic development resource, the Gates Foundation does fund: community projects, public policy advocacy, agricultural development, general operating support for community-based organizations, libraries, etc.

Surdna Foundation — Grants to nonprofit organizations for three priority areas: sustainable environments, strong local economies, and thriving cultures.

The Foundation for Enhancing Communities — The Foundation works with individuals, nonprofits, and businesses to improve communities and create positive change through collective philanthropy.

Community Reinvestment Fund — National nonprofit organization supporting mission-driven organizations by increasing the flow of capital to underserved communities.
Banks

Bank of America Charitable Foundation — Priorities are economic health and sustainability, workforce development, education, community development; grants are provided to 501c3 nonprofits.

Chase Bank Foundation — Priority funding to collaborative projects with community support and sustainability. Focus is on education, substance abuse, domestic violence, community enhancement, charity infrastructure, youth programs, emergency and human services. Grants are made to tax exempt charitable organizations on an ongoing basis.

Citi Foundation — Promotes economic progress and improving the lives of people in low-income communities; economic development; innovation; affordable housing; environmental sustainability; financial inclusion, job opportunities and career guidance for youth (ages 16-24).

US Bank — Grants are focused on funding economic development issues: workforce education and economic prosperity, neighborhood stability and revitalization, artistic and cultural enrichment, learning through play.

Corporate

Walmart Foundation — For projects that benefit the community at large; low income; hunger relief; healthy eating; supporting military families; medical screening or treatment; social services; shelters; access to recreation, arts, culture; after school programs; community and economic development; public safety; recycling. Eligible applicants are government and non-government agencies and organizations operating within the Walmart facility service area.

PepsiCo Foundation — Funding opportunities (grants, product, and volunteers) for nonprofit organizations. Support for sustainable partnerships, health, environment, and education, positive nutrition, water safety, reduce and eliminate waste, and spur prosperity.

AT&T Foundation — Funding for education, climate sustainability, community development.

Sprint Foundation — Funding priorities: K-12 education and character development; arts and culture; youth development (mentoring, leadership, social skills, business and economic education); community development; disaster relief.

The Kresge Foundation — Funding to support community and economic development, knowledge exchange, seeding and scaling community development. Previous grants awarded are available for viewing online.

Other

Additional information and resources are available at Funding Entrepreneurial Ecosystems Building from Energizing Entrepreneurs.

Local Funding Opportunities

Table 12 outlines a working list of potential funding resources for a Craft Beverage project in the 5-county area. Most source are locally specialized and primarily supporting Business Development or Marketing activities.
<table>
<thead>
<tr>
<th>Funder/Website &amp; Mission</th>
<th>Program or Grant Name*</th>
<th>What is Funded**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantage Valley</strong></td>
<td>Faster WV Initiative</td>
<td>Business Development, Marketing</td>
</tr>
<tr>
<td>Build economic vibrancy through attracting new investment, retaining existing industries, and growing entrepreneurs.</td>
<td></td>
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</tr>
<tr>
<td><strong>Appalachian Regional Commission (ARC)</strong></td>
<td>Program Coordination, Marketing, Business Development</td>
<td>Innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia.</td>
</tr>
<tr>
<td><strong>Charleston Main Street</strong></td>
<td>CWVenture – Small Business Microloans</td>
<td>Business Development</td>
</tr>
<tr>
<td>Grow vibrant commercial districts, serving as the main vessel through the city’s urban core, that fosters an environment for economic growth and the strongest business districts in West Virginia.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Chemical Alliance Zone (CAZ)</strong></td>
<td>WV ChemAssist</td>
<td>Business Development</td>
</tr>
<tr>
<td>Providing support to early stage companies and technologies in the chemicals and materials sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>City of Charleston – Tentative</strong></td>
<td>Economic Impact Fund</td>
<td>Business Development</td>
</tr>
<tr>
<td><strong>Coalfield Development</strong></td>
<td>Strong Mountain Communities Investments, Social Enterprise Investment Partnerships</td>
<td>Business Development</td>
</tr>
<tr>
<td>We believe in developing the potential of Appalachian places and people as they experience challenging moments of economic transition by unlocking people’s creative power to transform perceived problems into opportunities in the communities we call home.</td>
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</tbody>
</table>

* If applicable  
** Program Coordination, Marketing, Business Development, Advocacy

### TABLE 12: Potential Funding Resources for Craft Beverage Project

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<thead>
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<th>Funder/Website &amp; Mission</th>
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</thead>
<tbody>
<tr>
<td><strong>Ewing Marion Kauffman Foundation</strong></td>
<td></td>
<td>Business Development</td>
</tr>
<tr>
<td>Works in partnership with organizations that share our vision and passion for education, entrepreneurship and the Kansas City community. We look for ways to advance programs and to leverage additional funding and resources in these areas.</td>
<td></td>
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</tr>
<tr>
<td><strong>Greater Kanawha Valley Foundation</strong></td>
<td>Grants and Special Initiatives available</td>
<td>Business Development</td>
</tr>
<tr>
<td>Make thoughtful and proactive investments that grow the multiple forms of wealth necessary for our community to thrive.</td>
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<tr>
<td><strong>Kanawha Institute for Social Research &amp; Action (KISRA)</strong></td>
<td>Microloans</td>
<td>Business Development</td>
</tr>
<tr>
<td>Through the program areas of HEAL: Health, Employment, Asset Development, and Learning, KISRA works to heal and strengthen families.</td>
<td></td>
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</tr>
<tr>
<td><strong>Local CVB Funds – Multiple</strong></td>
<td>NCIFunds, Southern West Virginia Tourism Initiative, Food Systems Initiative</td>
<td>Marketing, Advocacy</td>
</tr>
<tr>
<td><strong>Natural Capital Investment Fund</strong></td>
<td>NCIFunds</td>
<td>Business Development, Marketing</td>
</tr>
<tr>
<td>NCIFund lends to small to mid-sized businesses, agricultural enterprises and nonprofits that have positive community, economic and environmental impacts, but can't access traditional financing because of perceived risks.</td>
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</tr>
<tr>
<td>Funder/Website &amp; Mission</td>
<td>Program or Grant Name*</td>
<td>What is Funded**</td>
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</tr>
<tr>
<td>Parkersburg Area Community Foundation &amp; Regional Affiliates</td>
<td></td>
<td>Business Development</td>
</tr>
<tr>
<td>The Parkersburg Area Community Foundation and Regional Affiliates (PACF) works with individuals, families, businesses, and civic or nonprofit organizations to make a positive and permanent commitment for the future of our community (including Jackson County)</td>
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<td></td>
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<tr>
<td>The Progress Fund</td>
<td></td>
<td>Business Development</td>
</tr>
<tr>
<td>Restore old buildings, finance a tourism or hospitality business</td>
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<td></td>
</tr>
<tr>
<td>U.S. Department of Agriculture</td>
<td></td>
<td>Program Coordination, Marketing, Business Development, Advocacy</td>
</tr>
<tr>
<td></td>
<td>• USDA Rural Business Development Grants</td>
<td></td>
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<tr>
<td></td>
<td>• Strategic Economic and Community Development</td>
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<tr>
<td></td>
<td>• Rural Economic Development Loan &amp; Grant Program</td>
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<tr>
<td></td>
<td>• Note: Partial list</td>
<td></td>
</tr>
<tr>
<td>Unlimited Future, Huntington</td>
<td></td>
<td>Business Development</td>
</tr>
<tr>
<td>A not-for-profit micro-enterprise development center and business incubator whose vision is to see a thriving economy supported by successful, locally owned businesses.</td>
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<td></td>
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<tr>
<td>West Virginia Department of Agriculture</td>
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<td>Business Development</td>
</tr>
<tr>
<td>West Virginia Economic Development Authority (WVEDA)</td>
<td></td>
<td>Business Development</td>
</tr>
<tr>
<td>Developing and advancing the business prosperity and economic welfare of the State of West Virginia.</td>
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</tbody>
</table>

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<thead>
<tr>
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<th>What is Funded**</th>
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</thead>
<tbody>
<tr>
<td>West Virginia SBA Microloan</td>
<td></td>
<td>Business Development</td>
</tr>
<tr>
<td>West Virginia Small Business Development Center (WV SBDC)</td>
<td></td>
<td>Technical assistance only</td>
</tr>
<tr>
<td>Be a resource to existing businesses that need information or assistance to become more innovative and competitive, but we also have resources and tools for those starting a new business.</td>
<td></td>
<td>Business Development</td>
</tr>
<tr>
<td>West Virginia Tourism</td>
<td></td>
<td>Matching Advertising Partnership Program (MAPP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marketing</td>
</tr>
</tbody>
</table>

Note: Partial list