

The reviews are already in: Rocky Mount's innovative Harvester Performance Center is the epicenter of an economic and cultural earthquake shaking Virginia's Blue Ridge region.

As it brings a world of music to Rocky Mount, the Harvester is revolutionizing Rocky Mount's traditional central business district on the back of music tourism, boosting the economy by attracting economic activity from music lovers with disposable income.

The Harvester aggressively schedules music, comedy and stage performances, putting on upward of 170 shows annually. World-renowned acts visit the Harvester, sometimes as many as nine per week on the venue's two stages.

Music tourists are coming from a wide region of Virginia and North Carolina, mostly within a two-hour driving radius of Rocky Mount which takes in Charlottesville, Blacksburg, Roanoke & Salem in Virginia along with Raleigh, Greensboro and Winston-Salem in North Carolina.

Gregg Allman leads a strong Spring 2016 lineup, which includes other Rock & Roll Hall of Famers Leon Russell and Traffic's Dave Mason along with Grammy winners like bluegrass supergroup The Earls of Leicester, country stars Kathy Mattea and The Oak Ridge Boys, and pop legends Pure Prairie League and Firefall. Movie stars Kevin Bacon and Billy Bob Thornton have played the main stage with their bands.

Outside the venue, investors are banking on Rocky Mount's status as a music destination to attract paying customers with discretionary income and time on their hands to Rocky Mount from a wide swath of Virginia and North Carolina, revitalizing the historic downtown.

### **The First Notes**

Rocky Mount's town council first envisioned building a performance center in 2004 after Virginia's General Assembly named the Town the eastern gateway of the Crooked Road: Virginia's Heritage Music Trail. The council and its administration worked five years to develop a music venue larger than the 94-person capacity of the Town's historic freight depot. Council and staff first worked with Hill Studio architects to design an indoor-outdoor amphitheatre in a large, centrally-located town park; when neighborhood opposition killed that project in 2010, the Town continued looking for answers.

"We needed a way to keep jobs here," said Mayor – and music fan – Steve Angle. "We've watched furniture and textile companies export jobs and watched our traditional downtown decline as a result. Our two commercial district revitalizations made the area prettier, but didn't add much business. We, as a council and as a town, craved vibrancy, foot traffic, spending, out-of-town visitors and reasons for people to stop and visit Rocky Mount for more than an hour."

Answers came in October 2011, when Woltz & Associates Realtors posted the historic Lynch Hardware Building for auction. Centrally located between the Uptown and Downtown revitalization projects, the hardware building's two-story brick-and-steel shell was designed by Raymond Loewy, the father of industrial design, as an International Harvester tractor dealership, hardware and dry goods store. The Lynch family built the store in 1945-46, operating it 50 years until closing it for good and selling the building. The subsequent owner divided the store into a mini-mall housing short-lived businesses like a pizza parlor, hair salons, pet store, martial arts studio and garage. As recession hit in 2008, the few tenants and little income disappeared, forcing the owner into auction to stop foreclosure.

With the building up for bids, Assistant Town Manager Matthew Hankins and Town Manager James Ervin theorized that the 8,000 square feet per floor could hold a music venue large enough to serve as the foundation for the Town's music tourism. The town staff engaged Hill

Studio of Roanoke to provide a preliminary architectural report, confirming that a main auditorium would hold over 325 people with additional meeting, entertainment and support spaces, at a renovation cost of about \$900,000.

Armed with that information, staff asked Town Council in an executive session whether it wished to pursue purchasing the property to design and refit as a live performance venue. Council set a purchase price limit and instructed Hankins to go to the auction to bid for the property on the Town's behalf. Council members Bobby Cundiff and Bobby Moyer accompanied Hankins to the sale, authorized to increase the limit if necessary.

On November 21, 2011, the trio attended the auction and secured the property for \$246,500, less than the Town's spending cap and less than half of its taxable value.

The day after the auction, Council and staff held a press conference to announce the plans for a music venue, using the building as a backdrop from the adjacent Farmers Market. The town closed the transaction in December 2011 while advertising for requests for proposals for architectural services. The Town engaged Hill Studio to design, bid and administer the project's construction. Throughout the spring and summer of 2012, Hill Studio met with the public and stakeholders to take input on what the community needed. Over 100 residents, musicians and interested parties engaged in the design process, offering many differing ideas for the uses of the space. As resident needs and expectations grew, so did the price, rising to an expected \$2.6 million to renovate the building into a state-of-the-art, world-class performance center.

To address the costs, the Town staff turned to two directions: historic property tax credits and private, non-governmental foundational & donor funding. The Town engaged the Roanoke law firm of Gentry Locke Rakes & Moore to lead its tax credit effort, led by attorneys Bruce Stockburger and Christen Church. Tax credit efforts included creating a seven-member Rocky Mount Economic Development Authority to serve as the primary vehicle for converting the tax credits to investor funding. Tax credits will repay approximately \$1 million in capital costs over the next five years.

The Tobacco Indemnification Commission repurposed \$500,000 in past grants to Rocky Mount for the Harvester project. That award reduced taxpayer responsibility to \$1.2 million, roughly 45 percent of the total costs. The Town partnered with development staff at Roanoke's Center In The Square to get fundraising advice and help with potential donors, expecting to further reduce taxpayers funding.

From a policy standpoint, the Town Council formed a performance center committee made up of Angle, Vice-Mayor Greg Walker and Council Member Ann Love to review, advise and recommend action related to the development of the center.

### **Construction**

The town bid the project in February 2013, with an award in March and construction starting in June. The March 20, 2013, council meeting on whether to proceed with the project required difficult choices and leadership. Council tied on a 3-3 vote on all major questions related to development, forcing Mayor Angle to cast the tie-breaking vote in favor, causing the project to move forward and front-funding the project out of Town reserve funds. The Town awarded the \$2.198 million construction bid to Price Buildings, the low bidder and a local general contractor, which in turn used local subcontractors for 75 percent of the contract value. Separately, the Town bid out a sound-and-light contract, which added another \$275,000 to the project costs.

Site conditions created additional expenses. The initial design called for spraying the ceiling with thermal and acoustic foam. The building's historic tongue-and-groove knotty pine ceiling planks turned out to be remarkably well preserved, though, and the town elected to save it. Saving the ceiling required changes to roofing adhesive methods, building insulation and acoustic engineering, all at a cost of about \$100,000. That ceiling is now a principal architectural focus for visitors.

Poor soils, hidden drains and unknown utility connections added costs, as did other necessary change orders for electric, mechanical, plumbing and finishes, along with moving adjacent overhead utility lines underground. Demolition work began in June 2013, with construction starting in July and wrapping up in May 2014. The building reached substantial completion on April 11, 2014, just in time to start the scheduled slate of artist performances.

### **Operation**

In early 2013, Hankins developed a business case demonstrating revenue and expense potential, determining that the venue could break even with conservative attendance estimates of 24,500 audience members per year at an average ticket price of \$16.50 in the first year for 175 shows, an ambitious schedule for an organization of any size.

No community can have a world-class venue without world-class talent, and the booking responsibilities were covered when the Town hired Gary Jackson, the booking talent behind Kirk Avenue Music Hall and formerly the Birchmere in Alexandria. Jackson came on board in May 2013 and immediately started booking great acts to lead the roll-out of the venue, attending such events as the Americana Music Awards and meeting with agents and talent managers in New York and Nashville.

Ticket prices are driven by the profitability needed to pay the band and provide the space, with a minimal \$1 service charge to cover credit processing expenses. Average ticket prices to date are in the low \$40s, with a low ticket price of \$5 for local and new bands and a high of \$125 for Gregg Allman.

Ticket buyers are responding. To date, 90 percent of online ticket buyers are from outside of Rocky Mount and Franklin County. Hankins' business case called the project a success if it reached 80 percent out-of-town attendees.

"That's all new money," Hankins said of the out-of-town spending. "Those people had no reason to ever come to Rocky Mount and spend their money once, let alone multiple times every year."

Since opening in April 2014, the Harvester has attracted ticket buyers from 39 states and two territories and from nine foreign countries, including multiple buyers from Great Britain, Germany and Australia.

"The support of the artists makes this venue continue to grow," said venue manager Jackson. "There is cachet about playing the Harvester, a badge of honor for touring musicians and artists, somewhere where they know music fans appreciate what they do."

### **Impact**

The impact on the economy was immediate, particularly in the hospitality and retail sectors, and the Town expects more growth as new entrepreneurs compete for tourism dollars.

"We had a record-setting weekend," said JoDee Jeans, a co-owner and manager of Ippy's, a table-service restaurant and bar, after the Harvester's first full weekend of shows. Jeans and

her partners quickly signed on as a co-sponsor for the Harvester and modified their table service to determine whether dinner patrons were in a hurry to get to shows at the Harvester.

"(The Harvester) is helping us become a destination versus a curve in the road," said Shellie Leete, the co-owner of Claiborne House Bed & Breakfast, located two blocks from the venue.

"We've had a bump with occupancy, and I think that's even going to get better as the region starts to hear about the Harvester," said Jerry Robertson, manager of Comfort Inn-Smith Mountain Lake, one of two hotels located within the town. "We think it's going to thrive and bring us business."

Other restaurants have seen major increases in their business, particularly table-service restaurants near the venue, as out-of-town visitors find and explore new places to dine while visiting Rocky Mount.

Hospitality and retail entrepreneurs are embracing the Harvester as the key to tourism growth. New businesses opening or relocating to town as a result of the Harvester have increased employment by 82 jobs, including The Early Inn Bed & Breakfast, Bootleggers Café, Wood Grains Furniture, Bloomin' Deals, Old's Cool Antiques and the Kupkakery.

### **Outcomes & Expectations**

For a locality like Rocky Mount, building a civic center-sized venue is impractical and unlikely to create a workable business model. Rocky Mount lacked a surviving theatre or opera house to repurpose. The Harvester model of repurposing a commercial building to attract new commercial development has other communities taking notice. The model is scalable, replicable and cost effective. Marion has asked to partner with the Harvester for the Lincoln Theatre. A citizen's group in Fredericksburg has urged the city to follow the Harvester model. Rocky Mount fields frequent inquiries from other towns about how to make the model work.

The larger operational question is whether the venue can support itself, or whether continued operations will require taxpayer subsidies to balance deficits. The Town's business model predicts the venue's volume and ancillary income, such as from renting meeting space, will lead to operating in the black without additional taxpayer support by the end of its third full year, and the business case calls for the venue to generate enough direct revenue to repay the Town's net \$1.2 million investment within seven years. That figure does not include anticipated benefits like increased employment, increased quality of life to attract new industrial tenants, and increased tax revenues from meals, sales and lodging.

The building's dedication plaque reads "So that people may, on their doorsteps, come to know the world through music." The economic, community development, civic and social aims of this unique community project lie at the heart of that dedication; Rocky Mount can expand opportunity, minds, expectations and outcomes without breaking the bank.

Every aspect of this project – conceptualization, development, funding, political discourse, construction, operation – is innovative, unique and tailored to the market, not just for Rocky Mount, but scalable for many communities which need a new basis for attracting people to their downtowns.

"If we wanted people to come to Rocky Mount, we had to give them a reason to come to Rocky Mount," Hankins often says while discussing the project with other localities and agencies. "We've given them a reason, and the community will continue to reap the benefits for many years to come."