OCTAGON HOUSE FOUNDATION, INC. EXECUTIVE FEASIBILITY STUDY

September 2025
Summary Report

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Introduction to the Study

The Octagon House Foundation contracted with Virginia Tech from June 1 – September 30, 2025, to conduct an executive feasibility study including a market scan, a SWOT analysis based on key findings from stakeholder and case study interviews, a projection of the economic impact of visitation and operations using IMPLAN, and recommendations. A key goal of the study is to position the Octagon House Foundation to apply for targeted grant opportunities to complete restoration of the house, finance program development, and achieve multiple proposed phases of development to include an event venue, visitors' center, lodging and dining services.

Precedent Reports

To inform this study, the Virginia Tech team reviewed several internal documents of the Octagon House Foundation, including the 2024 business plan, proposed lesson plans and educational tours, operational spending documents, estimates for initial construction repairs, and the 2025 strategic plan, as well as two reports outlining conceptual designs for the site conducted by the Community Design Assistance Center (CDAC) at Virginia Tech.

Marion, VA: Abijah Thomas House Conceptual Site Master Plan
https://vtechworks.lib.vt.edu/items/d9137e4b-09eb-49c3-a6a4-1fd68f43605f
Marion, VA: Octagon House Barn Complex Conceptual Design
https://vtechworks.lib.vt.edu/items/1e6f1cf4-95c7-4088-9cbc-c247360db47e

About the Octagon House

The Octagon House in Smyth County, built in 1856-1857, has been praised as one of the most intact octagonal houses still standing in Virginia. This 17-room brick octagonal structure was added to the National Register of Historic Places (NRHP) in 1980 and helps to tell the story of Abijah Thomas (1814-1875), a leading industrialist in Smyth County before the Civil War, who acquired thousands of acres for his homestead, iron furnaces and foundries, and woolen mills. The house was built in part by enslaved African-American laborers, some of them children, who handcrafted the bricks and left behind fingerprints in the clay. The house was listed as one of Virginia's most endangered places in 2015, emphasizing the urgency to preserve this unique architectural monument.

Vision for the Octagon House Cultural and Historical Preservation Center

The Octagon House was purchased by Derek Orr in 2003 and donated to the Octagon House Foundation, Inc. shortly after it formed as a nonprofit in 2014. The Octagon House Foundation is focused on serving the 13 counties and three cities of Southwest Virginia, including Buchanan, Dickenson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe, Bland, Carroll, and Grayson Counties, along with the cities of Bristol, Galax, and Norton. According to the Foundation's 2024 business plan, the vision for the site is "to safeguard the Octagon House as a timeless symbol of architectural and cultural significance, preserving it for future generations. We aim to transform the property into a vibrant center that celebrates history and serves as a catalyst for education, community events, and job creation. By becoming a hub of activity, the restored Octagon House will drive economic growth, support workforce development, and foster community engagement, establishing itself as a cornerstone of historical preservation and community vitality in Marion and the surrounding region."

The plan for the site includes a complete restoration of the historic house and grounds, in addition to development of a large event venue furnished with lodging, dining, and a visitor's center. These features will be added over several phases of development and fundraising efforts to garner support from

members, donors, public and private grants, as well as revenues earned from operations. Programming for the site will include general and specialized tours of the house and grounds, educational workshops, hands-on activities, fieldtrips and summer camps for local youth, wedding and conferences, music and cultural festivals, holiday events, and a variety of event rental options for graduations, baby showers, reunions, etc.

Limitations to the Study

The capital costs of construction and development to restore the original infrastructure and build new facilities on site have not been factored into the economic impact of this executive feasibility study due to lack of detailed budget data. Because the Octagon House is not yet operational, the economic impact estimate provided in this report is based on hypothetical visitation rates and employment and local business benefits assuming the phases of development are achieved as proposed. Many variables will impact the timeline and completion of the phases of development, including attaining funding, generating sufficient cash flow and revenues to sustain operations, and establishing the site as a regional tourism destination.

The Virginia Tech team interviewed several key stakeholders in the region as well as staff who work at peer case study historic sites that have been reimagined for cultural interpretation. Due to the relatively short timeframe of the study, the list of individuals interviewed is not exhaustive or completely representative of all possible perspectives. Nonetheless, the team endeavored to portray a variety of insights from stakeholders with expertise in multiple areas in order to generate feasible recommendations.

Regional Tourism Overview and Market Analysis

Tourism in the Southwest Virginia region serves as an essential driver of economic development, cultural preservation, and community vitality. From 2015 to 2025, tourism-related industries and occupations have experienced considerable shifts. This section contains an analysis of data sourced from Lightcast Q2 2025, and highlights key growth areas, occupational changes, and the significance of cultural assets in shaping the region's tourism economy. Over the past decade, several tourism-related industries in Southwest Virginia have expanded, particularly those supporting lifestyle and enrichment tourism with a shift toward service flexibility, enrichment experiences, and pet-inclusive travel. While some industries are rapidly expanding, others such as museums and restaurants face workforce and funding challenges that signal deeper structural shifts in how tourism is delivered and consumed. These changes align with broader regional labor patterns, where hospitality businesses increasingly rely on contracted staff and struggle to fill traditional service roles due to rising costs and worker shortages.

The regional tourism economy demonstrates strong economic performance indicators, with Southwest Virginia visitor spending reaching $1.2 billion in 2022, representing a 10% increase over the previous year.[1] Regional tourism supports 11,499 jobs and generates $59.5 million in taxes, underscoring its significant economic impact. However, the sector faces notable challenges despite spending increases, with tourism employment declining by 8.4% regionally, and regional tourism wages remain $2.85 below the national median.[2] The region benefits from strategic location assets including the Interstate 81 corridor with 26,635 average daily traffic and regional access through a 325-mile corridor spanning 13

[1] Virginia Tourism Corporation. (2023). Virginia tourism economic impact data for 2022. *Tourism Economics*.
[2] Lightcast. (2024). Tourism industry. Retrieved July 15, 2025, from https://lightcast.io

Virginia counties.[3] An influx of tourism traffic along I-81 is anticipated due to the opening of the Hard Rock Hotel and Casino Bristol. Additional strategic assets include a network of 30 colleges and universities along I-81, tourism connective infrastructure encompassing the Blue Ridge Parkway, Appalachian Trail, the Creeper Trail, and New River Trail, and numerous cultural, historical, and outdoor experiences and amenities. The region also benefits from an engaged network of outdoor and cultural economy professionals and organizations dedicated to growing the creative economy and connecting assets to one another to create quality experiences for travelers and locals alike.

Within this regional context, Smyth County presents a more focused market dynamic. Smyth County visitor spending reached $28.3 million in 2022, showing 3.7% growth,[4] demonstrating continued visitor interest. The county benefits from significant assets, particularly Hungry Mother State Park and the Marion, Wytheville, and Abingdon Main Streets offering a variety of cultural, historical, entertainment, and visitor services, all of which serve as a major draw within a 30-minute drive of the Octagon House (Table 1).

Table 1. Selection of Local Destinations with Proximity to the Octagon House

Co-opetition Partner	Driving Distance from the Octagon House	Annual Visitation	Top 3 Cross Visits (from Virginia Tourism Corporation Point of Interest Data, January 1, 2024 to December 31, 2024)
Lincoln Theater	12 minutes	17,832 (2024)	Marion Main Street, Abingdon Main Street, and Hungry Mother State Park
Smyth County Museum	12 minutes	2,000	n/a
Downtown Marion	15 minutes	n/a	Abingdon Main Street, Wytheville Main Street, and Hungry Mother State Park
Hungry Mother State Park	20 minutes	200,000 – 300,000	Marion Main Street, Abingdon Main Street, and Wytheville Main Street
Abingdon Muster Grounds	33 minutes	3,000	n/a
William King Museum of Art	34 minutes	5,000 (2024)	n/a
Downtown Wytheville	36 minutes	n/a	Hillsville Main Street, Marion Main Street, Abingdon Main Street

The demand analysis conducted by the Institute for Survey Research identified specific market gaps, with visitors' number one request being more restaurants, and their number two request being more lodging options. Notably, families with young children show the lowest satisfaction scores among visitors, indicating an opportunity for family-focused attractions and amenities, such as experiential history tours, hands-on workshops, children's theater and live performances, historical crafts and games, etc.

[3] AASHTO (American Association of State Highway and Transportation Officials). (n.d.). Interstate 81 (VA) case study. *AASHTO Planning Tools*. https://planningtools.transportation.org/290/view-case-study.html?case_id=25

[4] Magnini, V. (2023). Visitor Profiling and Nature of Demand Study for Smyth County, Virginia. Institute for Survey Research, Virginia Beach, VA.

As a historical draw, the Octagon House has several compelling competitive advantages. First, the unique octagonal architecture is a rare regional offering. The site's industrial heritage narrative can be linked to a larger network of tourism sites, especially the history of enslaved people and the ability to view their fingerprints in the bricks of the house. The National Register for Historic Places designation adds credibility and marketing value to the site. Its strategic location on 1-81 means it gets high traffic accessibility, attracting thru-travelers who might not otherwise stop. Finally, the development of the house and grounds into an interactive visitor experience has validated visitor demand among the existing market. In addition to the identified experiential interests among families with dependent children, the median age of frequent historic site visitors is 65 years of age and is 49 years for casual or sporadic visitors,[5] which aligns well with the older median ages found in southwest Virginia.

Virginia 250 Visitor Survey Results

The Virginia Tech team partnered with Octagon House volunteers to administer a paper survey among visitors attending the Virginia 250 event at the Octagon House on July 12, 2025, which included a series of speakers and an open window tour. The effort garnered about 50 responses (about two thirds local) and the results for all of the questions asked are provided below. The intention of the survey was to sample a group of visitors regarding their interests in the Octagon House and willingness to pay for various services.

Visitors were asked about what kinds of activities they would attend if offered at the Octagon House in the future. While respondents often selected several of the options, the most selected item was history-based tours, followed by arts/nature-based educational events and social events. Half of respondents noted that they would most realistically visit the Octagon House two to three times per year once the programming is up and running. More than half of respondents noted they have children or grandchildren who would visit the Octagon House with them, with slightly more families with children 11 years or older. A large majority of respondents who are local are very likely to bring visiting family and friends to the Octagon House.

In addition to the activities prioritized above, unique historic programming, special events and festivals, and interactive family exhibits are among the top items that respondents note would make the Octagon House a "must visit" destination. A large majority of respondents would pay $5-10 for a tour of the Octagon House. While some respondents are not interested in an annual membership, the most preferred price is $25. For those willing to pay $50-200, it may be possible to develop a tiered membership program where the higher membership fee provides more benefits.

Operational Feasibility and Economic Impact Assessment

For the purposes of estimating economic impact, the Virginia Tech team proposed relatively conservative visitation estimates based on the existing market data, stakeholder interviews, visitor surveys, case studies, and previous tourism studies. An operational Octagon House is projected to generate approximately 1,500 new visitors to the county by the completion of its second phase of development, and 3,750 new visitors by completion of its fourth phase of development (Table 2). It will do this by creating a more comprehensive historical tourism experience that fills current gaps in family-friendly educational attractions and cultural programming. Local residents will benefit from

[5] Wilkening, S. (2025, February 28). Breaking Down Visitation by Museum Type: A 2024 Annual Survey of Museum-Goers Data Story. *American Alliance of Museums*. https://www.aam-us.org/2025/02/28/breaking-down-visitation-by-museum-type-a-2024-annual-survey-of-museum-goers-data-story/

the expanded cultural programming, hands-on workshops, and community event opportunities, while hospitality vendors will see increased business through catering partnerships, wedding services, and visitor spending at complementary businesses.

Table 2. Proposed Phases of Development with Personnel and Visitation Estimates			
Phase	**Personnel**	**Total Annual Visitors**	**New, Non-Local Visitors***
Phase 1: Building Renovation & Furnishing	Executive Director, Program Manager, Grounds Manager, Grounds Assistants, Artisans, Photographers	2,500	
Phase 2: Outdoor Spaces & Outbuildings		4,500	1,500*
Phase 3: Lodging & Event Barns	Executive Director, Program Manager, Grounds Manager, Events Manager, Dining Manager, Grounds Assistants, Event Assistants, Dining Assistants, Artisans, Photographers, Wedding Planners, Caterers	6,500	
Phase 4: Dining & Permanent Visitors' Center		8,500	3,750*

* Used to calculate new money in the economy that would not exist without the Octagon House.

Based on these visitation and operational estimates, the analysis calculates the anticipated economic impact of the Octagon House on the regional economy. The regional economy is defined as the counties of Smyth, Wythe, Washington, Tazewell, Grayson, and Russell. Although the Octagon House is expected to have distributed benefits to at least all 13 localities in Southwest Virginia, these counties represent the current economic labor shed for the purposes of the economic impact calculation.[6] The two types of inputs are 1) visitor spending and 2) employment gains. Visitor spending is comprised of different categories of spending, including lodging, retail, etc. and are categorized as “industry output” events. Octagon House employees and independent artisans and photographers are categorized as “industry employee compensation.” These inputs were uploaded into an economic impact modeling software called IMPLAN to estimate the economic benefits to the regional economy. We used the 2023 economic input-output model (the latest available), with the model reporting the outcomes in 2025 dollars.

We use Virginia Tourism Corporation estimates for the average spending of a history-focused traveler ($939 per party, per trip) to calculate the anticipated per person spending on lodging, transportation, food and beverage, retail, and recreation and sightseeing.[7] IMPLAN was used to generate the indirect and induced effects of the employment and labor income added, as well as the Value Added and the Output. The Value Added can refer to the wealth created by the industry activity, equivalent to the

[6] U.S. Census Bureau. (n.d.). *OnTheMap*. https://onthemap.ces.census.gov
[7] Virginia Tourism Corporation. (n.d.). Travel data and profiles. https://vatc.org/research/travel-data-and-profiles/

Gross Domestic Product (GDP), comprised of Employee Compensation (EC), Proprietor Income (PI), Other Property Income (OPI), and Taxes on Production and Imports net of subsidies (TOPI).[8] The Output is comprised of the Value Added plus Intermediate Inputs, which are purchases of non-durable goods and services that are used to produce other goods and services rather than for final consumption.[9] Not all Intermediate Inputs can be fulfilled locally. More details on the assumptions and calculations of this economic impact are provided in the appendix.

Table 3. Estimated Annual Economic Impact of the Octagon House by Phase 2				
Impact	**Employment**	**Labor Income**	**Value Added**	**Output**
Direct	3.18	$209,939	$287,354	$472,861
Indirect	0.65	$25,567	$42,773	$104,188
Induced	0.60	$26,160	$58,462	$97,734
Total	**4.43**	**$261,666**	**$388,589**	**$674,784**

The combination of increased visitor spending at local restaurants, lodging establishments, and other regional tourist attractions, together with employee salaries and local business earnings, create a multiplier effect that extends well beyond the immediate Octagon House operations, resulting in an annual economic impact of $674,784 after the completion of Phase 2 (Table 3), and $1,585,603 after Phase 4 implementation (Table 4).

Table 4. Estimated Annual Economic Impact by Phase 4				
Impact	**Employment**	**Labor Income**	**Value Added**	**Output**
Direct	8.32	$482,902	$679,258	$1,119,939
Indirect	1.51	$59,947	$99,413	$239,935
Induced	1.39	$60,419	$135,026	$225,728
Total	**11.22**	**$603,267**	**$913,698**	**$1,585,603**

Key Stakeholder & Peer Case Study Interviews

Methods

The Virginia Tech team interviewed 10 key stakeholders in order to identify recommendations pertaining to the renovation and operation of the Octagon House for cultural, tourism, and educational purposes. The stakeholders worked in local and regional tourism, education, history and interpretation, economic and community development, local and state government, and wedding venue operations. The interviews were conducted virtually and lasted 45-60 minutes. Detailed notes and transcripts were collected and thematically analyzed to summarize the following information by topic.

The study also included interviews and research about five peer case study sites selected with several conditions in mind, including property size, ties to Antebellum and Appalachian history, current types of programming, interpretation about the enslaved people who lived and/or worked on the site, and

[8] Understanding Value Added (VA). (2019). IMPLAN. https://support.implan.com/hc/en-us/articles/360017144753-Understanding-Value-Added-VA

[9] Understanding Intermediate Inputs (II). (2020). IMPLAN. https://support.implan.com/hc/en-us/articles/360044116233-Intermediate-Inputs

whether the site features an octagonal house. Interviews were conducted virtually with different types of staff including site directors, program managers, and other senior staff members. Data collection was conducted through various methods in addition to the interviews, including review of interview transcripts, follow-up correspondences, and the analysis of supporting materials, some provided by the historic sites and others acquired by external search efforts. Information was organized into a standardized case study framework. This methodology was selected not only to ensure consistency across a variety of historical sites, but also to allow for nuances specific to these unique sites.

Key Recommendations

While the full report provides extensive findings from the stakeholder interview and case study research, the following recommendations provide a high-level overview of key takeaways from that process. The Octagon House Cultural and Historical Preservation Center should aim to explore the following recommendations pertaining to operations and logistics, programming and vision, and funding and finances.

Operations & Logistics

Planning

- Conduct thorough research about the site before architectural restoration begins to ensure the historical accuracy of the preservation efforts reflect the structure itself and the individuals who lived there.
    - Work with Smyth County Museum to peruse Mack Sturgill's extensive research notes to help inform restoration efforts regarding the site's furnishings, family history, and planting plan.
- Engage in a strategic and business planning process every three to five years, initiated by the board and facilitated by a third-party consultant, to regularly refine the organization's vision, mission, development goals, and budgeting projections.
    - These plans can clearly guide grant proposal development for opportunities with a short window to apply.
- Establish a volunteer retention and succession plan that clearly outlines volunteer roles, a recruitment process, and the benefits and perks of volunteering. A paid staff member can serve as a volunteer liaison to ensure volunteers receive the training and support they need to perform in their roles.
- Periodically conduct a preservation needs assessment for the property to ensure all maintenance needs are recorded and a plan is developed to address critical issues in a timely way.
- Begin navigating the conversation with adjacent neighbors regarding their concerns about increased visitation to the site.

Organizational Capacity

- Hire paid staff once the house is restored to operate the site with regular hours, reliable programming and regular maintenance. Salaries and wage rates should be attractive enough to retain qualified and passionate personnel.
- Hire an event planner who can oversee the many details involved in scheduling weddings and conferences. At least one event assistant will also be needed the day of to help with set-up, logistics, and clean-up.
    - Wedding venues need to have separate spaces for the bride and groom parties, multiple sets of seating for each activity (e.g., rehearsal dinner, wedding ceremony, etc.),

excellent aesthetics for photo opportunities, and ample bathrooms for large parties.

- Engage board members in ongoing training regarding financial management and oversight, volunteer recruitment, strategic and business planning, program design, and marketing and storytelling.
    - Resources such as the Center for Nonprofit Excellence (CNE) may partner with local foundations to offer courses throughout the year, such as the Strategic Planning Cohort.

Promotion

- Install Supplemental Guide Signs on I-81 and along the route to the Octagon House to encourage travelers to stop and to help them navigate to the site.
    - If just 0.1% of daily travelers on I-81 decided to visit the house after seeing the sign, that would represent an additional 800 monthly visitors.
- As the Octagon House is getting started with large events like weddings, host a styled photo shoot of a sample event, involving partners such as caterers, photographers, etc., to generate marketing materials.
- Keep thorough records of annual visitation rates, including type of visitor and basic demographic information for strategic planning and marketing purposes.
- Finalize the marketing and outreach plan to include branding, a formal process for event publicity, website development and maintenance, cross-site collaboration and partnership strategies.

Programming & Vision

Tourism

- Align with the regional tourism identity of outdoor recreation, Appalachian culture, affordable travel, and American history. The Octagon House needs to distinguish itself from other historic sites while also partnering with adjacent attractions to provide visitors with a "cluster" of activities, such as the main streets of Wytheville, Marion, and Abingdon, Hungry Mother State Park, and cultural attractions such as the Lincoln Theater, Smyth County Museum, the Town of Wytheville Museums, the Abingdon Muster Grounds, and the William King Museum of Art, to name a few.
- Work with Virginia tourism partners to include the Octagon House on local and state tourism websites and in trip "packages" focused on specific travelers, such as visitors interested in Black history.
    - These partners can also help estimate economic impact based on the Octagon House's visitation data.
- Connect with other octagonal houses throughout the country to cross-promote exhibits and strengthen visitor interest in this unique form of architecture.
- Adapt to include digital technology in exhibits and events, service flexibility such as low-barrier registrations, active and hands-on enrichment experiences, and pet-inclusive accommodations to meet emerging tourism and interpretation trends.
    - Develop a self-guided tour using QR codes so that visitors can receive information about the site and view living history videos even when there is no formal program or tour scheduled.

Historical Significance

- Continue to research the lineage of the enslaved individuals who lived on the property in order to engage descendants in the mission of the organization moving forward.

- Connect with other cultural and historical buildings in the area that have evidence of slave fingerprints in the handcrafted brick to create a special educational route and lift up the narratives of the enslaved.
    - Create an exhibit focused on the slaves' fingerprints in the brick that includes hands-on brickmaking or collects visitor reactions to the information.
    - Continue to research the genealogy of the enslaved who labored at Mountain View in an effort to identify descendants who can serve on the board and engage with the mission of the organization.
- Tell the full story of the history of the house, including its contributions to upholding the institution of slavery and Abijah Thomas's flaws like chronic credit debt. These details make the site more memorable and meaningful.

Types of Programs

- Include arts- and nature-based programming and social events, in addition to history-based offerings.
- Develop a series of signature holiday events, such as Halloween ghost tours or Christmas parties, that visitors look forward to each year.
    - Identify strategic anniversary dates to promote special programs at the Octagon House, such as Abijah Thomas' birthday, August 8 (08/08) to correspond to the eight sides of the house, etc.
- Display historic portraits throughout the house.
- Add a playground and outdoor picnic pavilion to the site to accommodate school groups, summer camps, and children attending events with their parents.
- Offer recreational activities such as ropes courses and outdoor skill-building to align with the region's outdoor recreation tourism strategy and to cater to school groups, summer camps, conference attendees, etc.
- Investigate the feasibility of becoming a "dark sky" destination for stargazing and astronomy education.

Engagement with the Community

- Train a cohort of volunteers and/or staff to provide historical reenactment services; it is important to have multiple people trained to ensure consistent delivery and redundancy in case someone is not available at any given time.
- Invite local community volunteers interested in history to give lectures, offer workshops, and work in the gardens, strengthening ties with community interests and generating in-kind programming.
- Host archeological digs to engage researchers and the community in the historical discovery process. Invite visitors to programs about the renovation and restoration process to educate the public on the steps involved, not just the finished product.
- Host a variety of community workshops and events on site that cater to local interests and needs, such as public health topics, art classes, organizational and small business development, extracurricular youth competitions, or afterschool youth programs.

Educational Partnerships

- Keep school fieldtrips rates affordable to ensure that all students can participate. Align the material with the Virginia Standards of Learning (SOLs) to make it easier for teachers to justify the time and expense of visiting.
    - Design fieldtrip packages and raise funding to cover all expenses.

- Meet with teachers and school leadership to explore educational opportunities that can be integrated into the curriculum across a variety of subjects.
- Offer internships or apprenticeships in a variety of vocational areas, including groundskeeping, historical interpretation and experiential education, or building trades, construction, and renovation, in order to engage more students in the mission and provide employment pathways.
- Partner with institutions of higher education to create work-study positions with students, semester projects, or connect with faculty expertise for nonprofit development, archeological research, interior design renovations, virtual reality historical recreations and reenactments, and a number of other opportunities.

Funding & Finances

Collaborations & Relationship Development

- Facilitate regular meetings with a coalition of regional museums and historic sites to leverage resources and information for exhibits, lend artifacts, brainstorm events, and partner on funding opportunities.
- Cultivate relationships with major private donors, such as foundations and individuals, to supplement operational revenues and grant funding for restoration efforts.
- Lobby local and state elected officials to raise awareness about the project and secure funding for key restoration needs.
    - Advocate for an annual line item within the local government budget to cover basic operational costs and/or maintenance needs.
- Work with larger and well-established partners, such as Virginia Tourism and regional museums, to help fund major annual events.

Types of Funding

- Create a tiered membership system with additional benefits for those paying higher dues, in order to accommodate a variety of income levels and levels of support.
- Consider contracting out services, such as the operations of the lodging or event venues, to a local business that specializes in hospitality management. This could allow the organization to focus more strategically on its educational and cultural mission.
- Organize an annual fundraiser and set fundraising targets to motivate attendees to meet a specific goal. Consider adding a silent auction and prizes to encourage attendance.
    - Work with community partners, including the library, local businesses and restaurants to offer items for the auction.
    - Coordinate the annual fundraiser with a biannual mailing campaign to collect donations twice a year, e.g., a Spring and Fall appeal.

Planning

- Create an emergency fund for repairs due to unexpected damage to the property.

Appendix. Economic Impact Methodology

Based on a sample size of 1,084 people from the Virginia Tourism Corporation (VTC) History Travel Profile, the average travel party size for a History traveler in Virginia is 3.1 people who stay for an average of 3.4 nights, with 68% of trips including a spouse/partner and 42% of trips including children. 93% of trips include leisure activities, with the most common activity (39% of travelers) involving visits with friends / family, followed by touring (22% of travelers). Two thirds of these travelers rely on a hotel or motel for accommodations and more than half (51%) include a historic landmark or site in their trip, with 80% overall including historic places as a special interest activity. The values below in Table A1 include percentages within each category as well as the mean for the traveling party.

Table A1. VTC History Travel Profile – Selected Data (CY 2023)[10]		
Average Per Party Expenditures in Virginia by Category of Spending	Lodging	38%
	Transportation within state	12%
	Food & Beverage	23%
	Retail Purchase	15%
	Recreation/sightseeing/ entertainment	12%
	Mean	**$959**
Number of Nights in the State	1 night	21%
	2 nights	27%
	3-4 nights	27%
	5-6 nights	13%
	7+ nights	11%
	Mean	**3.4**
Travel Party Size	**Mean**	**3.1**
	Adults Mean	**2.4**
	Children Mean	**0.7**

Based on these VTC estimates, per person expenditures in each major category are provided in Table A2 below. The means per party have been parsed out per person. There are three traveler types. Type A is the average traveler matching the VTC profile (3.4 nights). Type B is a day visitor. Type C is a special event visitor who will stay an average of 2 nights.

[10] Travel Data and Profiles. (2025). History Travel Profile. *Virginia Tourism Corporation.* https://vatc.org/research/travel-data-and-profiles/

Table A2. Estimated Visitor Expenditures Per Trip				
Type of expenditure	**Per party**	**A: Per person expenditures (3.4 nights trip)**	**B: Per person expenditures (per day)**	**C: Per person expenditure (2-day trip)**
Lodging	$364.42	$117.55	-	$78.37
Transportation within state	$115.08	$37.12	$10.92	$24.75
Food & Beverage	$220.57	$71.15	$20.93	$47.43
Retail Purchase	$143.85	$46.40	$13.65	$30.94
Recreation/sightseeing/ entertainment	$115.08	$37.12	$10.92	$24.75

Based on these visitor spending estimates and projected visitation numbers, Table A3 provides the total amount of direct expenses expected to be incurred in Smyth County due to the Octagon House by the completion of Phase 2, once the house and grounds are fully restored.

The two types of inputs are 1) visitor spending and 2) employment gains. Visitor spending is comprised of different categories of spending, including lodging, retail, etc. and are categorized as "industry output" events. Octagon House employees and independent artisans and photographers are categorized as "industry employee compensation."

These inputs were uploaded into an economic impact modeling software called IMPLAN to estimate the economic benefits to the regional economy, defined by commuting patterns across Smyth, Wythe, Washington, Tazewell, Grayson, and Russell Counties. We used the 2023 economic input-output model (the latest available), with the model reporting the outcomes in 2025 dollars.

Table A3. Economic Impact Model Inputs (Completion of Phases 1 & 2)	
Estimated Total New Visitor Spending (non-local) • General Visitors: 750 day-trip, 250 overnight • Event Visitors: 400 day-trip, 100 overnight	1,500 new visitors
Lodging	$41,144.19
Transportation within state	$25,549.07
Food & Beverage	$48,969.05
Retail Purchase	$31,936.34
Recreation/sightseeing/entertainment	$25,549.07
New employees - additional employee salaries	
Executive Director	$50,000.00
Program Manager	$40,000.00
Grounds Manager	$30,000.00
Grounds Assistants (multiple / part-time) • $20/hr. • 2,000 hours	$40,000.00
Artisan employment • $200 per class to artisan, $50 to Octagon House • 20 classes per year	$4,000.00

Table A3. Economic Impact Model Inputs (Completion of Phases 1 & 2)	
Photographer using grounds for photos (graduation, headshot, prom, etc.) • $150 per shoot to photographer, $50 to Octagon House • 20 photo shoots per year	$4,000.00

Table A4 shows the estimated economic effects of this activity.

Table A4. Estimated Annual Economic Impact of the Octagon House by Phase 2				
Impact	**Employment**	**Labor Income**	**Value Added**	**Output**
Direct	3.18	$209,939	$287,354	$472,861
Indirect	0.65	$25,567	$42,773	$104,188
Induced	0.60	$26,160	$58,462	$97,734
Total	**4.43**	**$261,666**	**$388,589**	**$674,784**

Description of Economic Measures:

- **Employment:** Represents full-time/part-time annual average jobs, where 1 job lasting 12 months equals 2 jobs lasting 6 months each. This counts positions, not necessarily individual people, as one person can hold multiple jobs.
- **Labor Income:** The sum of employee compensation (wages, salaries, benefits, payroll taxes) and proprietor income (payments to self-employed individuals and unincorporated businesses).
- **Value Added:** This measures the contribution to regional Gross Domestic Product (GDP). It represents the difference between total output and the cost of intermediate inputs, encompassing labor income, taxes on production and imports, and other property income.
- **Output:** The total value of production, which equals value added plus intermediate inputs. For most industries, this represents total revenue or sales value.

Economic Impact Interpretation:

- **Direct Effects** (3.18 jobs, $209,939 labor income, $287,354 value added, $472,861 output): Direct effects represent the immediate economic activity from an operational Octagon House including the jobs directly employed and the spending directly attributable to the Octagon House. Note that the output is higher than the direct expenditures, due to high margins in the retail and dining space and a good degree of regional economic connectivity.
- **Indirect Effects** (0.65 jobs, $25,567 labor income, $42,773 value added, $104,188 output): These capture the business-to-business transactions that occur when the direct business purchases goods and services from suppliers. This includes the economic activity generated by suppliers, and suppliers of suppliers, throughout the supply chain within the regional economy.
- **Induced Effects** (0.60 jobs, $26,160 labor income, $58,462 value added, $97,734 output): These represent the economic activity generated when workers (both direct and indirect) spend their wages on consumer goods and services in the local economy - things like groceries, housing, healthcare, and entertainment.

Key Points of Interpretation:

- **Economic Multiplier Effect:** The total impact (4.43 jobs) is about 39% larger than the direct impact (3.18 jobs), showing a multiplier effect of 1.39.
- **Ripple Effects:** For every direct job created, an additional 0.39 jobs are supported through indirect and induced effects combined.
- **GDP Contribution:** The $388,589 in total value added represents this activity's contribution to

regional GDP.

- **Income Distribution:** About 80% of total labor income ($209,939 of $261,666) goes directly to the primary workers, with the remaining 20% distributed among supply chain and induced workers.

The IMPLAN modelling for Phases 3 and 4 used the same method, based on extrapolated VTC visitor spending estimates, projected visitation numbers, and expected personnel and local business gains. Table A5 therefore provides the total amount of direct expenses expected to be incurred in Smyth County due to the Octagon house after the completion of Phase 4, including the addition of a special event venue for weddings and conferences, a dining facility, and a visitors' center.

Table A5. Economic Impact Model Inputs (Completion of Phases 3 & 4)	
Estimated Total New Visitor Spending (non-local) • General Visitors: 1,125 day-trip, 375 overnight • Event Visitors: 600 day-trip, 150 overnight • Conference or Wedding Visitors: 750 day-trip, 750 overnight	3,750 new visitors
Lodging	$120,493.71
Transportation within state	$65,073.70
Food & Beverage	$124,724.59
Retail Purchase	$81,342.13
Recreation/sightseeing/entertainment	$65,073.70
New employees - additional employee salaries	
Executive Director	$60,000.00
Program Manager	$50,000.00
Events Manager	$40,000.00
Event assistants (multiple / part-time) • $20/hr. • 2,000 hours	$40,000.00
Grounds Manager	$40,000.00
Grounds assistants (multiple / part-time) • $20/hr. • 2,050 hours	$41,000.00
Dining Manager (part-time)	$25,000.00
Dining assistants (multiple / part-time) • $20/hr. • 2000 hours	$40,000.00
Event partner employment	
Photographers (weddings) • 15 events • $2,000 per event	$30,000.00
Wedding planners • 15 events • $1,000 per event	$15,000.00
Caterers (conferences and weddings) • $40 per person	$120,000.00

Table A5. Economic Impact Model Inputs (Completion of Phases 3 & 4)	
• 30 events • 100 people per event	
Artisan/gardener/experience-based entrepreneur employment • $200 per class to artisan, $50 to Octagon House • 32 classes per year	$8,000.00
Photographer using grounds for photos (graduation, headshot, prom, etc.) • $150 per shoot to photographer, $50 to Octagon House • 40 photo shoots per year	$8,000.00

The resulting annual economic impact after Phase 4 is complete is projected to be $1,585,603 (Table A6).

Table A6. Estimated Annual Economic Impact by Phase 4				
Impact	**Employment**	**Labor Income**	**Value Added**	**Output**
Direct	8.32	$482,902	$679,258	$1,119,939
Indirect	1.51	$59,947	$99,413	$239,935
Induced	1.39	$60,419	$135,026	$225,728
Total	**11.22**	**$603,267**	**$913,698**	**$1,585,603**

Economic Impact Interpretation:

- **Direct Effects** (8.32 jobs, $482,902 labor income, $679,258 value added, $1,119,939 output): Direct effects represent the immediate economic activity from the expanded project through Phase 4, including the jobs directly employed and the spending directly attributable to an operational Octagon House with the extended programming and services.
- **Indirect Effects** (1.51 jobs, $59,947 labor income, $99,413 value added, $239,935 output): Indirect effects capture the business-to-business transactions that occur when the direct business purchases goods and services from suppliers. This includes the economic activity generated by suppliers, and suppliers of suppliers, throughout the supply chain within the local economy.
- **Induced Effects** (1.39 jobs, $60,419 labor income, $135,026 value added, $225,728 output): Induced effects represent the economic activity generated when workers (both direct and indirect) spend their wages on consumer goods and services in the local economy - things like groceries, housing, healthcare, and entertainment.

Key Points of Interpretation:

- **Economic Multiplier Effect:** The total impact (11.22 jobs) is about 35% larger than the direct impact (8.32 jobs), showing a multiplier effect of 1.35.
- **Ripple Effects:** For every direct job created, an additional 0.35 jobs are supported through indirect and induced effects combined.
- **GDP Contribution:** The $913,698 in total value added represents this activity's contribution to regional GDP.
- **Income Distribution:** About 80% of total labor income ($482,902 of $603,267) goes directly to the primary workers, with the remaining 20% distributed among supply chain and induced workers.
- **Project Growth Impact:** Compared to Phases 1-2, the completion of Phases 3-4 has resulted in:

    - 2.6x increase in direct employment (from 3.18 to 8.32 jobs)
    - 2.5x increase in total employment (from 4.43 to 11.22 jobs)
    - 2.4x increase in total output (from $674,784 to $1,585,603)
    - 2.4x increase in GDP contribution (from $388,589 to $913,698 in value added)
- **Slightly Lower Multiplier:** The employment multiplier effect is slightly lower in Phase 4 (1.35) compared to Phases 1-2 (1.39), suggesting the additional phases may have a somewhat more concentrated direct employment impact relative to spillover effects.

This analysis demonstrates how the project's expansion through Phase 4 more than doubles the economic impact while maintaining strong multiplier effects throughout the local economy.