Natural and Cultural Heritage Assets Projects

This document provides specific guidance for **natural and cultural assets projects.** Applications may involve multiple activities as part of a single project; ARC encourages applicants to review the specific guidance for each type of activity included in an application.

All application guidance is grounded in the goals and principles of ARC's current strategic plan, which emphasize strategic focus, collaboration, sustainability, and measurable impact in ARC investments.

ARC investments in natural and cultural heritage asset development assist Appalachian communities in leveraging the Region's rich cultural and environmental resources sustainably for job creation and local economic growth. Supported projects can involve a wide range of both construction and non-construction activities, from strategic planning and hospitality training to technology implementation and recreational trail and facility construction.

ARC generally categorizes natural and cultural heritage asset development activities under Goal 4 of its strategic plan.

Examples of eligible natural and cultural heritage asset development projects include, but are not limited to:

- Developing a comprehensive tourism strategic plan to identify and connect existing assets, explore business growth opportunities, and prioritize future investments.
- Creating a network of arts, crafts, or food tourism trails (activities could include research and data collection, site documentation, web portal and visitor itinerary development, etc.).
- Expanding or improving an existing regionally connected trail system (examples of improvement activities could include enhancing trail access and trailheads as well as installing parking areas).
- Conducting market analysis and business planning to assess the financial viability of a tourism-related construction project.
- Developing a tourism-based entrepreneurship training program to improve artisans' business and marketing skills.
- Implementing innovative technologies that create new visitor experiences.

ARC's Policy for the Development of Travel and Tourism Projects

ARC policy requires that tourism-related construction projects meet the highest standards for cost-benefit analysis and estimation and documentation of economic outcomes. Proposals to use ARC funds for capital investments in this area will undergo a stringent review process.

Please refer to ARC's Project Guidelines for more information.

ARC Project Guidelines https://www.arc.gov/resource/arc-project-guidelines/

Basic Agencies (for construction projects only)

ARC does not administer any construction projects, including those involving Natural and Cultural Assets. ARC operates in partnership with federal and state agencies under an MOU to manage federal construction grants throughout the region.

It is the applicant's responsibility to secure a letter from the appropriate federal or state agency, known as a basic agency letter, indicating their willingness to administer ARC funds for any proposed infrastructure project. A list of eligible basic agencies can be found at https://www.arc.gov/basic-agency-partners/.

Once an ARC construction grant is approved, grantees are encouraged to reach out directly to their basic agency to develop an implementation plan and schedule.

Key Principles of ARC Natural and Cultural Heritage Assets Investments

As outlined in ARC's strategic plan, activities should be strategic, collaborative, sustainable, and impactful.

Strategic:

- Tourism projects should be part of a community's overall economic development strategy, integrated into its plan for the future, and built on existing community assets. Stand-alone projects without connection to the community's common vision are often not strategic.

Collaborative:

- The most successful tourism projects have a broad, extensive support network. Members of the hospitality industry are obvious partners, but tourism projects often straddle multiple sectors or communities and could include representatives of business, local and state government, education and workforce training, and public land management, as well as artisans/crafters and local food entrepreneurs.

Sustainable:

- Proposed tourism projects should be designed to become self-sustaining within three years after the ARC grant period is closed. Applicants should consider how the project will maintain consistency and quality after ARC grant funds are used, and how additional public and/or private investment will be leveraged to support the project's continuation.
- Planning should address resource protection and stewardship to preserve assets for future enjoyment by both residents and visitors.

Impactful:

- Project impact should be clearly documented to demonstrate the value of the public investment. To track a project's impact, it is critical to establish baseline measurements before conducting any activity. All applicants should refer to the Guide to ARC Project Performance Measures for information on determining appropriate project measures. Examples of tourism investment impact measures include businesses or jobs created, new visitor days and overnights.
- ARC prioritizes tourism plans, programs, and products that can result in a measurable economic benefit. A project may be highly desired by a community; however, unless it's designed to attract new visitors, business, or investment, it may not meet ARC's mission. For projects that cannot be directly connected to those outcomes, applicants should be creative in assessing how they would determine whether a project is successful, describing what changes will occur once the project is implemented and how those changes will be measured.

Other Considerations

- It is critical to have realistic expectations about potential return on tourism investments. Tourism grant applications should include an **analysis of the demand, competition, and market trends** that will impact a project's success.
- Marketing can be a vital component of tourism projects, and activities such as creating a website or installing signage can be designed to meet the key ARC investment principles. However, ARC investment is not well suited for "temporary" marketing activities such as placing billboards, radio/TV spots, brochures, and newspaper ads. Many state tourism departments have funding specifically for those promotional activities.
- Applications for projects involving property acquisition must include an MAI (or equivalent) appraisal.

Helpful Resources

- ARC Applicant Resources https://www.arc.gov/applicant-resources/
- Information Specific to ARC States https://www.arc.gov/appalachian-states/
- American Association for State and Local History Book (by Cheryl M. Hargrove, 2017): Cultural Heritage Tourism: Five Steps for Success and Sustainability
- American Trails Website: www.americantrails.org
- PGAV Destinations' Industry Forecast Report: Voice of the Visitor: Annual Outlook on the Attractions Industry