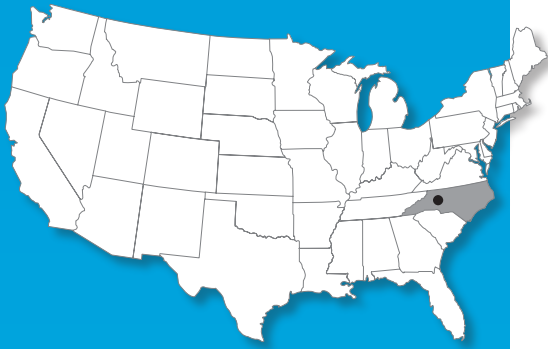


## Chimney Rock, North Carolina



*A downtown makeover and the construction of a river walk, joining Chimney Rock's business district to the Rocky Broad River, spurs the creation of new businesses.*

	Chimney Rock
Population (2000)	175
Municipal budget (2005)	N/A
Per capita income (2000)	\$17,100
Median household income (2000)	\$29,600
Poverty rate (2000)	15%
Minority population (2000)	5%
Proximity to urban center	96 miles to Charlotte, N.C.
Proximity to interstate highway	20 miles
Strategic approach	Tourism Downtown development Organizational development
Time frame	1996-2007

With a population of 175, Chimney Rock is a tiny village in the mountains of North Carolina that figured out a way to capture tourists flowing into a nearby park. For more than a century, Chimney Rock has relied on tourism from nearby Chimney Rock Park to sustain its economy. During the 1980s and '90s, the town struggled to move its economy beyond novelty souvenir stores. Frustrated by a lack of success, the all-volunteer government approached HandMade in America, a regional nonprofit, about a partnership to revitalize the downtown and create a more vibrant tourism base.<sup>28</sup> The town's strategy has involved constructing a river walk through the downtown, updating business facades and building local capacity to sustain future efforts at diversification and development. So far, these efforts have created 104 jobs in 17 new businesses. More importantly, visitors to Chimney Rock now have a reason to spend time in the village – as well as in the park.

### The community and its history

The history of Chimney Rock village dates back to the early 1900s, when physician Lucius B. Morse came to the mountains of western North Carolina. Morse was captivated by the beauty of the area and especially the majestic Chimney Rock Mountain. The mountain contains a rare rock outcropping that rises some 315 feet straight up, providing climb-

<sup>28</sup> Handmade in America is a nonprofit community development organization located in Asheville, N.C. Among other things, Handmade works with communities in western North Carolina to develop environmentally sustainable economic solutions that emphasize the craft industry, enhance opportunities in the marketplace and develop entrepreneurial strategies for the region's crafts artisans. For more information, see [www.handmadeinamerica.org](http://www.handmadeinamerica.org).

ers with views of over 75 miles. Morse purchased Chimney Rock Mountain and 65 surrounding acres for \$5,000, formally establishing Chimney Rock Park in 1902. Within a few years, a small village called Chimney Rock formed at the base of the mountain to supply travelers heading to the private park.

Over the next half century, Chimney Rock Park grew in popularity, and the village evolved as an automobile tourist town. The economy grew as tourists visited the park and more souvenir shops located in town. During the 1980s and '90s, however, the local economy stagnated. Souvenir shops struggled to survive, and many business facades crumbled. Tourist shopping and spending habits seemed to be shifting. Chimney Rock's tourism was limited to people stopping for a few minutes on their way to the park. In light of this, Chimney Rock's mayor and other volunteer officials came together to discuss how to improve the town and its economic prospects. As Mayor Barbara Meliski said, "We had a lot of good ideas but we were in need of guidance. We didn't have the resources to be an Asheville, but we wanted to see things improve."

## The strategy

Chimney Rock's strategy was to boost tourism by showcasing its natural resources in novel ways. The work began when Chimney Rock was selected by HandMade in America, a nonprofit organization promoting community development in western North Carolina, to be a part of its Rural Small Towns Revitalization Project. As part of the project, Chimney Rock examined how it would create the financial resources necessary to improve the downtown. "A lot of times, small towns like ours see a grant we're interested in but don't have the capabilities or resources to apply," Mayor Meliski said. To overcome this, and to build capacity for the future, Chimney Rock established a volunteer-led community development association in 1996 that extended the reach of local government and improved its ability to secure grant funding.

The second part of Chimney Rock's strategy involved creating a draw, beyond souvenir shops, for tourists to visit and stay in the downtown. Chimney Rock's officials recognized that there was little synergy with Chimney Rock Park and that tourists visiting the park spent minimal time and money in the town. The first step was to improve the appearance of buildings and outdoor spaces downtown. Local leaders worked with property owners to improve storefront facades and to clean up park spaces in town.

Next, Chimney Rock saw the theme of nature-based tourism running through the community and the nearby park. Picking up on this theme, the town used grant money from the North Carolina Rural Economic Development Center and N.C. Department of Environment and Natural Resources to build a river walk along the Rocky Broad River, which flows through the downtown. The river has a reputation as an excellent trout stream but was difficult to get to because of steep slopes and limited public access points. To address this, the Village of Chim-

ney Rock began acquiring land along the river in 1995. After a year of acquiring land, the local government used the volunteer labor of several hundred nearby college students to construct a river walk along the Rocky Broad, making it much easier and safer to get to. The pathway is constructed of dirt, gravel and other natural materials. By 1997, the river walk was completed and businesses constructed new patios and walkways down to the river walk to complement the pathway.

Since these efforts began, Chimney Rock has made significant gains in the number of businesses and jobs in town. The number of tourists is up, evidenced by the 17 new businesses created in town and seven business expansions. Over 100 jobs have been created, and 17 business facades have been updated. In terms of funding, Chimney Rock and its community development association have leveraged \$620,000 in public money to generate over \$3.7 million in new private investments. Tourists visiting what is now state-owned Chimney Rock Park stop for an overnight stay, visiting the shops and river walk and taking advantage of the excellent fishing. Through the community development association and river walk, the small town of Chimney Rock has created the institutional and physical infrastructure to generate new resources and lure more tourists.

### What are the lessons from this story?

**Define economic development assets broadly.** The park outside of Chimney Rock was, until the mid-1990s, an underestimated asset for economic development. Chimney Rock's economy was stagnant during the 1980s and '90s, in large part because the village failed to give tourists visiting the park a reason beyond souvenir shops to come to town. After partnering with Handmade in America, Chimney Rock saw that it needed to rethink how it attracted tourists and designed the river walk to enhance revitalization efforts downtown. In this way, Chimney Rock created a sort of synergy by pairing its development strategy – one based on natural resources – with the park to realize greater economic development gains.

**Build institutional capacity.** In the process of assessing its assets and opportunities, Chimney Rock recognized that, with an all-volunteer local government, the town's capacity was limited. By creating a community development association, the town created an institution that could partner with the local government and bring additional attention to development projects.

**Look to local service and resource providers.** In this case, local leaders looked beyond traditional public sector sources of assistance to local service providers. Handmade in America was a regional entity with experience and expertise in helping communities to build capacity.

### Contact information

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