

# **The Feasibility of Adaptively Reusing**

**the T. G. Vaughan Building, Galax, VA**

**April 2021**

**Prepared by Summit Design and Engineering Services,  
The Main Street Center, & LOCUS Impact Investing**

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**APPENDIX**

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APPENDIX B – COMMUNITY SURVEY

APPENDIX C – COMPLETE PROJECT PRO FORMA

APPENDIX D – EXAMPLE REQUEST FOR QUALIFICATIONS

APPENDIX E – POTENTIAL DEVELOPERS & INVESTORS

## **1 EXECUTIVE SUMMARY**

As a part of the planning process that went into this feasibility study for the Vaughan Furniture Building, a prospectus was assembled for general use by project leadership and for specific use in an Opportunity Appalachia Investors Convening conducted by Opportunity Appalachia,

an arm of Appalachia Community Capital on February 23-24, 2021. That prospectus was compiled as a PowerPoint presentation for use in the Convening. The prospectus is provided in printed form over the next eight pages and serves as the Executive Summary for this study.

## EXECUTIVE SUMMARY

- The Vaughan Furniture Building (the “VFB”) is a unique opportunity to **transform an historic downtown** with a mixed-use live/work/play development
- With 400,000 square feet of **industrial blank canvas** and a **century of historical character**, the vast former factory building is a **bounty of possibilities**
- A quaint Southwest Virginia city at the foot of the Blue Ridge Mountains, Galax is conveniently located and well known for its **abundant outdoor recreational activities** and **rich musical heritage**
- The building’s local ownership group is **motivated and engaged**, actively seeking development, investment, and operator partners while maintaining a **steadfast commitment to the community**

## HISTORY OF THE VAUGHAN FURNITURE COMPANY

**1923 – 1930**  
Vaughan expands from one building to six, employing nearly 270 people by 1930

**1938**

All ~270 employees strike after a pay reduction, leading to a stockholder vote to liquidate; 200 employees return in 1939 and later unionize



**1956 – 1965**  
Buildings 8, 9, 10, and 11 constructed

**1976**

Vaughan purchases half interest in Webb Furniture Enterprises

**1991**

Vaughan builds the Chestnut Creek Veneer Plant

**1995**  
Building 7 constructed



**2015**

Vaughan permanently shuts its doors

1920 1930 1940 1950 1960 1970 1980 1990 2000 2010 2020

**1923**

Brothers Taylor G. Vaughan, Sr. and Bunyan C. Vaughan found the Vaughan Furniture Company, specializing in dining room furniture



**1937**

The *Galax Gazette Rotogravure* calls Galax “the second largest furniture manufacturing center in the state”

**1973**

Vaughan builds B.C. Vaughan Plant



**1984**

Vaughan builds E.C. Dodson plant

**1969**

Vaughan purchases the Empire Furniture Corp. of Stuart

**1998**

Vaughan’s six plants employ >2,200 people

**2003**

Vaughan joins Bassett Furniture and others to advocate that the U.S. government investigate imported furniture practices

## THE VAUGHAN FURNITURE BUILDING

### KEY FACTS

<b>Street Address:</b>	100 T George Vaughan Jr. Road
<b>City / State:</b>	Galax, VA
<b>Total Square Feet:</b>	~400,000 over 11 attached buildings
<b>Site:</b>	5.2 acres
<b>Years Constructed:</b>	1923 – 1995
<b>Architecture:</b>	Commercial / industrial
<b>Exterior:</b>	Primarily brick, some metal
<b>Prior Use:</b>	Furniture factory / warehouse
<b>Vacant Since:</b>	2015

### THE FACTORY TODAY



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## GALAX IS...

- A small, vibrant city of ~7,000 with >100,000 people within a 45-minute drive
- Committed to a thriving downtown with a mix of high- and low-income housing and plentiful shopping, lodging, and restaurants
- Both supportive of redevelopment and protective of its historical and natural assets
- Eager to promote its >\$110 million<sup>1</sup> tourism industry

1) 2019 figure includes Galax and the Twin Counties



## GALAX IS...

- One of two southern terminuses for the New River Trail State Park, which sees >1 million visitors spending >\$25 million annually
  - ~53k hikers enter trailhead across from VFB every year
  - ~19k in daily traffic on VFB's Route 58 northern border
- Conveniently located
  - ~20 minutes to I-77, ~30 minutes to I-81, and ~10 minutes to the NC border
  - ~1.5 hours from Roanoke, ~2 hours from Charlotte, and ~2.5 hours from the Research Triangle



## GALAX IS...

- “World Capital of Old Time Mountain Music”, attracting ~130,000 annual event attendees
- Host of the Old Fiddler’s Convention, the longest running U.S. music festival, since 1935
- ~12 miles from the Blue Ridge Music Center amphitheater at Milepost 213 of the Blue Ridge Parkway
- One of the major venues along The Crooked Road, Virginia’s Heritage Music Trail



## GALAX IS...

- Ripe for downtown businesses
  - Outdoor outfitters and recreation
  - Specialty food/wine/beer
  - Fine dining and an incubator kitchen
  - “Open” event spaces
  - Boutique hotel
- An attractive place to live
  - Affordable for those wanting to downsize from a large plot of land outside the city
  - “Edgy” adaptive reuse developments are popular with young adults

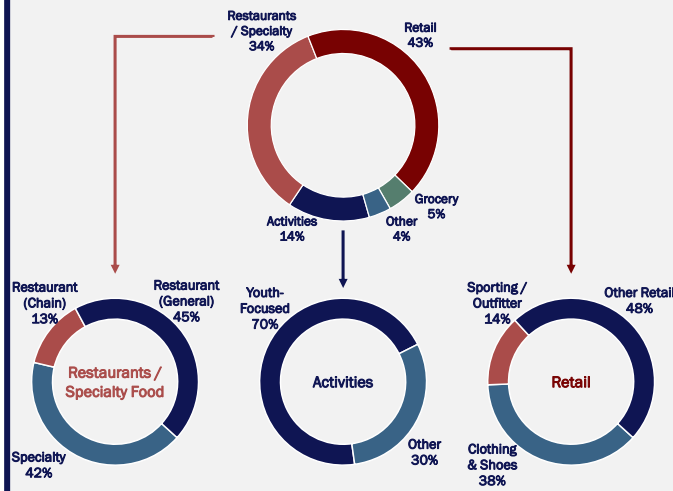
## ...A DOWNTOWN PRIMED FOR LIVE/WORK/PLAY DEVELOPMENT



## COMMUNITY FEEDBACK

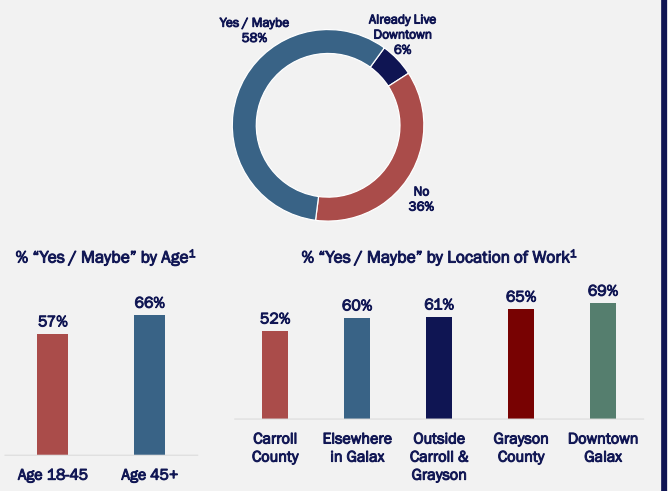
### BUSINESS

What business types would you like to see downtown that are not currently present?



### HOUSING

Would you live in Downtown Galax if you could?



<sup>1</sup> Excludes "Already Live Downtown"

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## COMMUNITY FEEDBACK, CONTINUED

“Husband wants land to live on. Me not so much. **We are getting too old to continue to keep up our land and house.** Would require a lot of thinking.”

“I think **the downtown area, once amenities and different shopping experiences are completed, would make an excellent community in which to live.** Most living downtown is substandard at this point.”

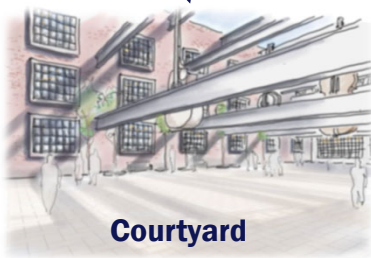
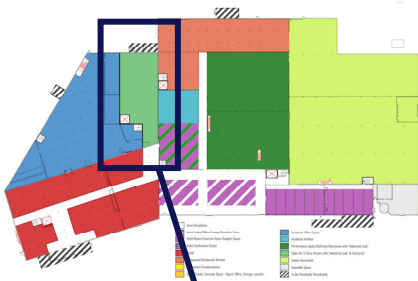
“Own land outside of town anyway – but **would have rented a loft apartment in a heartbeat and know several who would.**”

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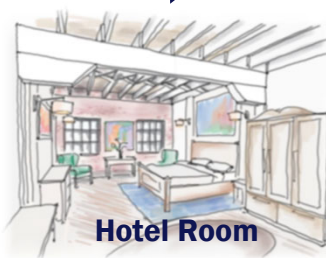
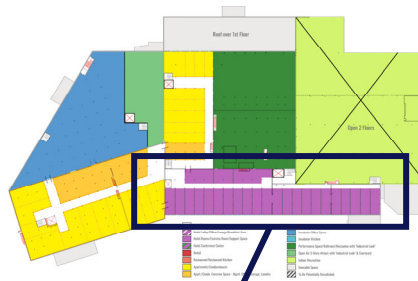
## DEVELOPMENT CONCEPTS

FIRST FLOOR



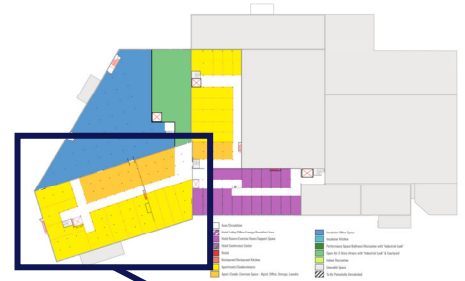
Courtyard

SECOND FLOOR



Hotel Room

THIRD FLOOR



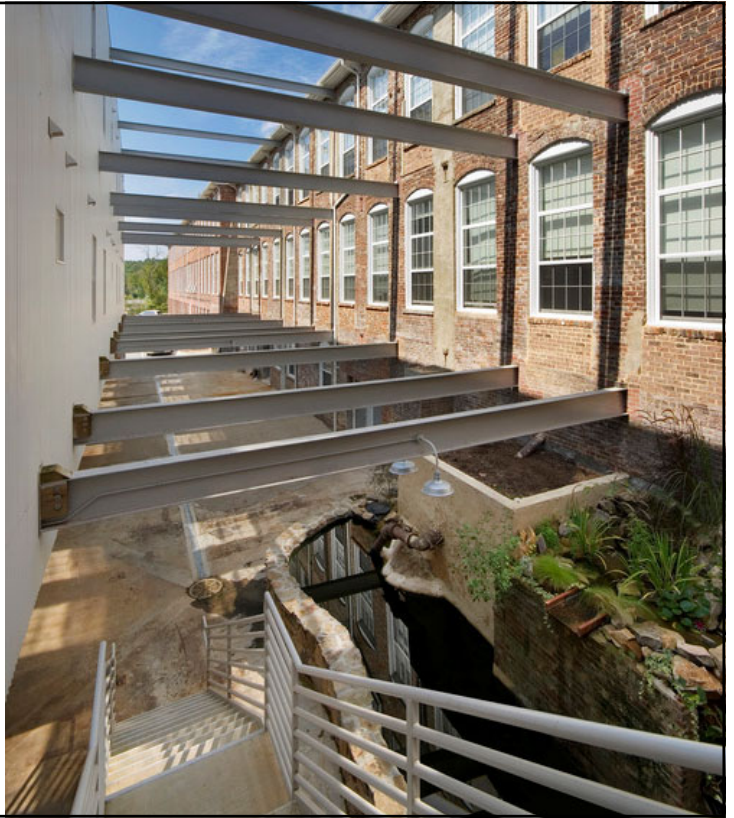
Apartment

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## CASE STUDY: RIVERMILL AT SAXAPAHAW

- Located along the Haw River in Saxapahaw, North Carolina
- Developed by John “Mac” Jordan, a local real estate professional, using historical tax credits
- Cotton mill converted to live/work/play mixed-use complex
- Development includes lofts, apartments, and townhomes and a limited amount of commercial space
  - 51% moderate income housing
  - Includes retail, food and beverage, and coworking space



## CASE STUDY: ROCKY MOUNT MILLS

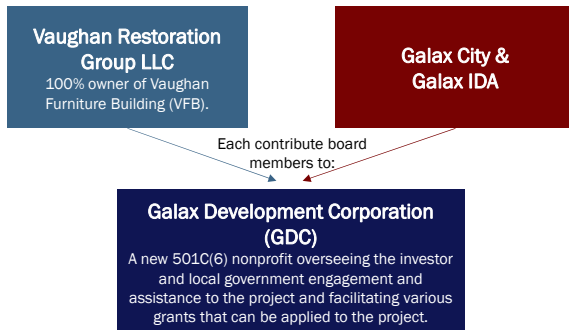
- Located on the Tar River in Rocky Mount, North Carolina
- Developed by Raleigh-based Capital Broadcasting Company using historical tax credits
- Textile mill converted to live/work/play mixed-use complex
- Development includes market-rate loft apartments, commercial space, the Power House event space (right), an outdoor beer garden, and a brewery incubator



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## TEAM



- Ownership recently transferred from Vaughan Furniture Company (C-Corp with hundreds of stockholders) to the Vaughan Restoration Group, a small group of local investors. There is no existing debt attached to the property.
- The Vaughan Restoration Group has pledged the building to the project and is open to a variety of potential development/investment structures
- 501(c)(6) status and GDC configuration ensure alignment between the investors and the City as both strive to leverage the cornerstone property for the greatest possible community benefit.

## ADVISORS & PARTNERS



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## ILLUSTRATIVE FINANCIALS

### POTENTIAL DEVELOPMENT COST

(\$ in 000s)	Hotel	Residential	Commercial	Total
Hard Cost	\$22,731	\$22,405	\$36,381	\$81,518
Soft Cost	\$2,311	\$2,280	\$3,746	\$8,337
Financing Cost	NM	NM	NM	\$2,589
<b>Total Cost</b>	<b>\$25,042</b>	<b>\$24,685</b>	<b>\$40,128</b>	<b>\$92,444</b>
Square Feet	82,200	85,400	234,700	402,300
<b>Cost / SF</b>	<b>\$305</b>	<b>\$289</b>	<b>\$171</b>	<b>\$230</b>

- Phasing of project by use and by building component is possible based on developer's needs, preferences, and financing.
- Hotel, Residential, and Commercial cost estimates include allocations for common areas, parking, permitting, etc.
- Commercial portion assumes general retail, a restaurant, incubator office space, indoor recreation, an incubator kitchen, and performance space
- 402,300 is the assumed square feet for adaptive reuse
  - Figures exclude portions not expected to be developed
  - Figures include certain non-revenue generating portions (e.g. 3-story open-air atrium, residential common areas)
- Financing Cost assumes one year of interest-only payments plus a construction loan fee (see Sources & Uses for more detail)

### POTENTIAL SOURCES & USES

Uses	\$ in 000s	%	Sources	\$ in 000s	%
Hard Cost	\$81,518	88%	NMTC/Other Financing	\$43,147	47%
Soft Cost	\$8,337	9%	Grants	\$1,650	2%
Financing Cost	\$2,589	3%	HTC Equity	\$30,171	33%
			OZ/Investor Equity	\$17,475	19%
<b>Total Uses</b>	<b>\$92,444</b>	<b>100%</b>	<b>Total Sources</b>	<b>\$92,444</b>	<b>100%</b>

- Bank Debt assumes a Construction-to-Permanent facility at stabilized 1.20x DSCR
  - New Markets Tax Credit census tract provides opportunity tax incentive
- Grants include Enterprise Zone, TROF<sup>1</sup>, IRF<sup>2</sup>, and Galax IDA<sup>3</sup>
- Historic Tax Credit (HTC) Equity assumes \$0.80 (Part 1 application submitted & approved.)

### POTENTIAL RETURNS

- Pro forma assumes stabilized, weighted EGI of \$9+ per square foot and stabilized, weighted Adjusted NOI Margin of ~60% (before local real estate tax incentive)
- Initial Investor Equity returns in the mid- to high-single digits over 10-year hold
  - Assumes residential/commercial developer and hotel developer/operator
  - Ample opportunity for developers/investors to explore creative financing and operating structures to boost returns
- Opportunity Zone eligibility enhances potential post-tax return profile

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- 1) Tobacco Region Opportunity Fund (Virginia Tobacco Region Revitalization Commission)
- 2) Industrial Revitalization Fund (Virginia Department of Housing & Community Development)
- 3) Galax Industrial Development Authority

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## Pro Forma Projections

Cash Flow Projections (\$ in 000s)

INCOME	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Hotel	--	\$1,476	\$1,520	\$1,565	\$1,612	\$1,661	\$1,711	\$1,762	\$1,815	\$1,869	\$1,925	\$18,915
Hotels	--	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$11	\$11	\$12	\$103
Conference Center	--	\$1,485	\$1,529	\$1,573	\$1,622	\$1,671	\$1,721	\$1,773	\$1,826	\$1,881	\$1,937	\$17,018
Hotel EGI	--	\$765	\$911	\$938	\$967	\$995	\$1,025	\$1,056	\$1,088	\$1,120	\$1,154	\$10,020
Residential	--	\$48	\$57	\$59	\$61	\$62	\$64	\$66	\$68	\$70	\$72	\$629
Storage	--	\$813	\$968	\$997	\$1,027	\$1,058	\$1,090	\$1,122	\$1,156	\$1,191	\$1,226	\$10,949
Commercial	--	\$261	\$317	\$333	\$350	\$367	\$386	\$405	\$425	\$447	\$469	\$3,761
Retail	--	\$152	\$195	\$201	\$207	\$213	\$220	\$226	\$233	\$240	\$247	\$2,136
Restaurant	--	\$376	\$469	\$507	\$547	\$591	\$639	\$690	\$745	\$804	\$869	\$6,237
Incubator Office Space	--	\$165	\$200	\$210	\$221	\$232	\$243	\$255	\$268	\$282	\$296	\$2,371
Indoor Recreation	--	\$9	\$15	\$16	\$17	\$17	\$17	\$18	\$18	\$19	\$20	\$166
Incubator Kitchen	--	\$45	\$79	\$83	\$87	\$91	\$96	\$101	\$106	\$111	\$116	\$913
Performance Space	--	\$1,008	\$1,276	\$1,350	\$1,428	\$1,512	\$1,600	\$1,695	\$1,795	\$1,902	\$2,017	\$15,584
Commercial EGI	--	\$3,305	\$3,774	\$3,922	\$4,078	\$4,241	\$4,411	\$4,590	\$4,777	\$4,974	\$5,180	\$43,251
Total EGI	--	\$3,305	\$3,774	\$3,922	\$4,078	\$4,241	\$4,411	\$4,590	\$4,777	\$4,974	\$5,180	\$43,251
OPERATING EXPENSES												
Hotel OpEx	--	\$891	\$917	\$945	\$973	\$1,002	\$1,033	\$1,064	\$1,095	\$1,128	\$1,162	\$10,211
Residential OpEx	--	\$285	\$339	\$349	\$360	\$370	\$381	\$393	\$405	\$417	\$429	\$3,727
Commercial OpEx	--	\$202	\$255	\$270	\$286	\$302	\$320	\$339	\$359	\$380	\$403	\$3,117
Subtotal OpEx	--	\$1,377	\$1,512	\$1,564	\$1,618	\$1,675	\$1,734	\$1,795	\$1,859	\$1,926	\$1,995	\$17,055
+ OpEx Reserve	--	\$29	\$3	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$42
Hotel EGI Tax (Uncertain)	--	(\$303)	(\$338)	(\$373)	(\$390)	(\$408)	(\$426)	(\$445)	(\$466)	(\$487)	(\$510)	(\$4,165)
Total OpEx	--	\$1,103	\$1,157	\$1,192	\$1,230	\$1,269	\$1,309	\$1,351	\$1,395	\$1,440	\$1,486	\$16,048
Net Operating Income	--	\$2,202	\$2,617	\$2,730	\$2,848	\$2,972	\$3,102	\$3,239	\$3,382	\$3,534	\$3,694	\$27,203
CAPEX												
Hotel Reserves	--	\$45	\$46	\$47	\$49	\$50	\$52	\$53	\$55	\$56	\$58	\$511
Residential Reserves	--	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$105
Commercial Reserves	--	\$10	\$13	\$13	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$156
Total CapEx	--	\$66	\$69	\$71	\$73	\$76	\$78	\$81	\$83	\$86	\$89	\$771
Operating Cash Flow	--	\$2,137	\$2,548	\$2,659	\$2,775	\$2,896	\$3,024	\$3,158	\$3,299	\$3,448	\$3,605	\$26,432

Cash Flow Projections (\$ in 000s)

ACQUISITION / DEVELOPMENT	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Hard Costs												
Hotel	(\$22,731)	--	--	--	--	--	--	--	--	--	--	(\$22,731)
Residential	(\$22,405)	--	--	--	--	--	--	--	--	--	--	(\$22,405)
Commercial	(\$36,381)	--	--	--	--	--	--	--	--	--	--	(\$36,381)
Total Hard Costs	(\$81,518)	--	--	--	--	--	--	--	--	--	--	(\$81,518)
Soft Costs												
Hotel	(\$2,311)	--	--	--	--	--	--	--	--	--	--	(\$2,311)
Residential	(\$2,280)	--	--	--	--	--	--	--	--	--	--	(\$2,280)
Commercial	(\$3,746)	--	--	--	--	--	--	--	--	--	--	(\$3,746)
Total Soft Costs	(\$8,337)	--	--	--	--	--	--	--	--	--	--	(\$8,337)
RESIDUAL VALUE												
Sale Proceeds	--	--	--	--	--	--	--	--	--	--	\$56,846	\$56,846
Selling Costs	--	--	--	--	--	--	--	--	--	--	(\$568)	(\$568)
Reserves	--	--	--	--	--	--	--	--	--	--	\$42	\$42
UNLEVERAGED NET CASH FLOW	(\$89,855)	\$2,137	\$2,548	\$2,659	\$2,775	\$2,896	\$3,024	\$3,158	\$3,299	\$3,448	\$3,605	(\$3,987)
FINANCING												
Construction Loan	\$43,147	--	--	--	--	--	--	--	--	--	--	\$43,147
Construction Loan Fees	(\$431)	--	--	--	--	--	--	--	--	--	--	(\$431)
Construction Loan Interest	(\$2,157)	(\$2,157)	--	--	--	--	--	--	--	--	--	(\$4,315)
Construction Loan Repayment	--	(\$43,147)	--	--	--	--	--	--	--	--	--	(\$43,147)
Permanent Loan	--	\$43,147	--	--	--	--	--	--	--	--	--	\$43,147
Permanent Loan Fees	--	(\$431)	--	--	--	--	--	--	--	--	--	(\$431)
Permanent Loan Interest	--	--	(\$1,282)	(\$1,255)	(\$1,226)	(\$1,197)	(\$1,167)	(\$1,137)	(\$1,106)	(\$1,072)	(\$1,038)	(\$10,799)
Permanent Loan Amortization	--	--	(\$901)	(\$928)	(\$956)	(\$986)	(\$1,016)	(\$1,046)	(\$1,078)	(\$1,111)	(\$1,145)	(\$9,467)
Permanent Loan Repayment	--	--	--	--	--	--	--	--	--	--	--	(\$33,980)
Historic Tax Credits	\$30,171	--	--	--	--	--	--	--	--	--	--	\$30,171
Grants	\$1,650	--	--	--	--	--	--	--	--	--	--	\$1,650
LEVERAGED NET CASH FLOW	(\$17,475)	(\$462)	\$365	\$476	\$592	\$713	\$841	\$975	\$1,116	\$1,265	\$2,761	\$12,177
Permanent DSCR		1.2x	1.2x	1.2x	1.3x	1.3x	1.4x	1.4x	1.5x	1.6x	1.7x	
INTERNAL RATES OF RETURN												
Unleveraged Cash Flow												-1%
Leveraged Net Cash Flow												6%

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## 2 INTRODUCTION

As a visitor drives into the downtown portion of the City of Galax, VA he/she will encounter the Vaughan Furniture Building complex. Lying adjacent to and at a right angle to Stuart Drive (U.S. Route 58) and parallel to Chestnut Creek, it is the largest structure that will come into view. At 230 linear feet along the wall most adjacent to Stuart Drive and 435 linear feet end-to-end with 408,000 SF of interior space, it is nearly impossible to miss.

The location and this prominence are important features of the building that are of significant advantage for its reuse. If an adaptive reuse for the building could be delineated, funded, and executed, a prominent vacant building would become a prominent asset, both to those who may bring about its reuse and for the City of Galax and the Twin Counties (Carroll and Grayson County, VA).

On the market for many years as a manufacturing facility, the Vaughan Furniture Building garnered little interest. Due to this lack of interest, City leaders and the remaining leadership of the Vaughan Furniture Company, including Vaughan family members, began exploring other uses and the means whereby this asset in waiting might come back to life.

Their work was enhanced by a study done by a group of graduate students working under the auspices of the Virginia Tech Office of Economic Development. Their report, *Vaughan Furniture Redevelopment Proposal*, published in 2019 was the first attempt at exploring the uses and market for the redevelopment of the Vaughan building. That report began to open the eyes of local leaders as to what might be possible.

Supported by grant funding provided by Opportunity Appalachia, an arm of Appalachian Community Capital, this feasibility study is intended to take the research done by the



**Vaughan Furniture Building as Seen from U.S. Route 58 Bridge across Chestnut Creek**  
**Source: Unless otherwise noted, all photos are from Summit Design & Engineering.**



**Vaughan Furniture Building as Seen from the Parking Lot of the New River Trail State Park Trailhead**

Virginia Tech team and begin filling in the details as to what would be necessary to affect the adaptive reuse of the Vaughan Furniture Building.

Particular to Opportunity Appalachia's sponsorship, this feasibility study is intentionally shaped by the goal of creating a project that could utilize Opportunity Zone investments as one of the key funding sources for the project. Created by the Tax Cuts and Jobs Act of 2017, Opportunity Zones are still in their infancy, but have the potential to bring significant invest-

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ment into distressed communities across the U.S. and throughout Appalachia. The Vaughan Furniture Building is in an Opportunity Zone.

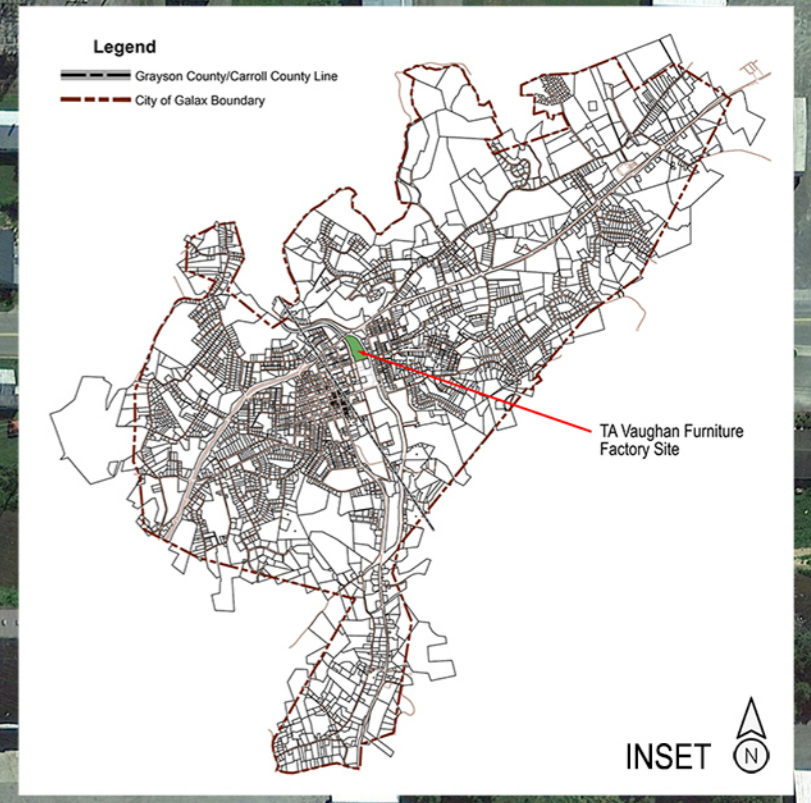
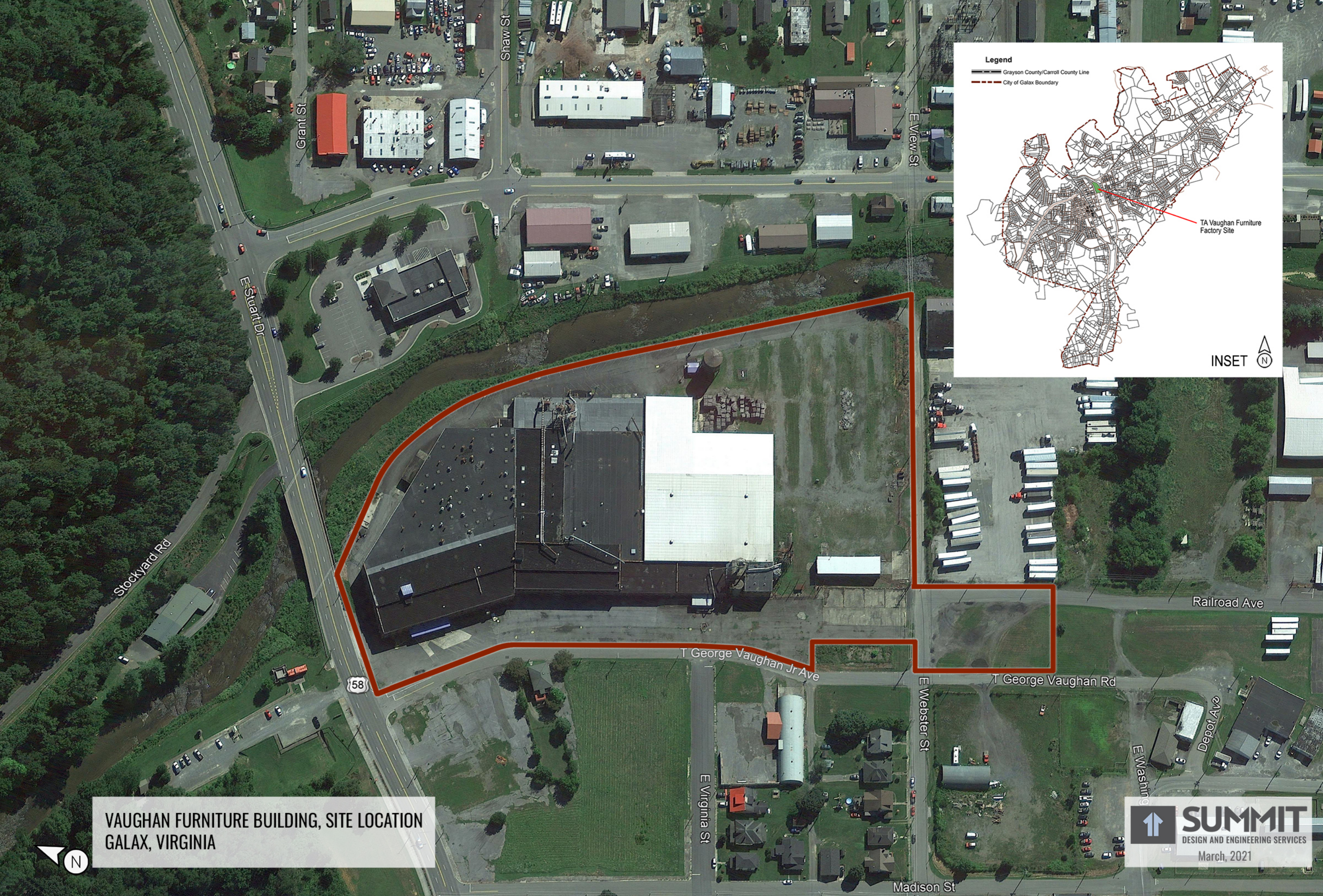
This feasibility study will explore:

- The history of the Vaughan Furniture Building and its eligibility for the State and National Historic Registers and the use of Historic Tax Credits.
- The existing conditions of the Vaughan Furniture Building complex.
- The market for the identified potential uses, either within the local market or via the broader tourism market.
- Precedent models of other similarly situated adaptively reused buildings.
- The potential uses for the Vaughan complex of buildings.
- Conceptual floorplans that lay out where different uses might best be located in the building based on the amount of space that is supportable in the marketplace

and the physical constraints of the building itself.

- Some key design concepts relative to specific spaces within the complex of buildings.
- The estimated costs associated with the adaptation of the Vaughan Furniture Building to these future uses and concepts.
- A development pro forma for the building that clearly delineates sources and uses and explores the options available for capitalizing the costs associated with the adaptive reuse.
- Potential investors and developers who might have interest in being a part of the team that brings the adaptive reuse of the Vaughan Furniture Building to fruition.

*A Location Map for the Vaughan Furniture Building follows this page.*



VAUGHAN FURNITURE BUILDING, SITE LOCATION  
GALAX, VIRGINIA

## 3 HISTORY

### 3.1 LOCAL HISTORY

The City of Galax, Virginia lies astride U.S. Route 58 in Southwest Virginia on the border between Carroll County to the east and Grayson County to the west. Less than 8 miles from the North Carolina line, Galax residents and residents of the surrounding counties have their feet planted in both Virginia and North Carolina. In fact, Galax residents can be in downtown Winston-Salem, NC just as fast as they can be in downtown Roanoke, VA (about 1¼ hours). By traveling due south on I-77, which bisects Carroll County 11 miles to the east of Galax, a Galax resident can be in downtown Charlotte, NC in 1 ¾ hours.

Galax was founded in the early 1900's as Bonaparte, VA, a real estate venture on a flat, but marshy, expanse of land along Chestnut Creek, a tributary of the New River. The original land investors/founders were quick to realize the importance of a rail connection and convinced the Norfolk & Western Railroad to build a spur to the new town which quickly became the hub for shipping out local farm products to broader markets. Renamed Galax after the Galax plants found in the surrounding hills and mountains, Galax received its charter from the Virginia General Assembly in 1906.

Galax grew to be a furniture and textile manufacturing town, much like many communities in Southwest and Southside Virginia and neighboring communities in North Carolina. The three largest furniture manufacturers were Vaughan Furniture, Webb Furniture Enterprises, and Vaughan-Bassett Furniture, the latter of which continues to thrive on the edge of downtown Galax today. Burlington Mills and Hanes had textile plants in Galax joined by locally birthed Galax Knitting Company. Parkdale Mills out of Gastonia, NC



**Downtown Galax Sign  
Highlighting Musical Heritage  
Source: [galax.com](http://galax.com)**

operates the last remaining textile plant in Galax, the Parkdale-Galax Plant.

However, the railroad (now gone and replaced by the New River Trail State Park) and manufacturing (greatly reduced) are not Galax's biggest claim to fame. Old Time Mountain Music and Bluegrass Music is what Galax is known for today. America's longest running music festival, The Old Time Fiddler's Convention was first held in Felts Park in 1935 and continues to attract upwards of 40,000 attendees each year. With this musical tradition, Galax became one of the major stopping points on the Crooked Road, Virginia's Heritage Music Trail founded by the Commonwealth and local communities in the 1990's. The combination of this music heritage with the nearby Blue Ridge Parkway and New River Trail State Park, which has a major terminus in Galax, has created a tourist economy in Galax that continues to grow in its importance to the overall local economy.

Galax is home to just under 7,000 residents according to the various current population estimates. However, a visitor experiences a

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

much bigger town because Galax serves as the retail and job center for not only its residents, but also residents of Carroll and Grayson Counties. U.S. Route 58 (the crooked road that gives the Crooked Road its name), is a 4-lane thoroughfare through Galax and is lined by many stores including big box stores such as Wal\*Mart and Lowe's, several small strip shopping centers, many local and chain restaurants, and other retail businesses.

In addition to the long-time residents of the area, over the last several decades Galax has become home to a sizeable Hispanic population. Galax's Hispanic residents first came to work in nearby agricultural endeavors, but have branched out into many other areas of employment as they have become a part of the local fabric. The 2014-2018 American Community Survey (ACS) indicated that 16.9% of Galax's population is Hispanic.

## 3.2 VAUGHAN FURNITURE HISTORY

Building on the City of Galax's growing manufacturing identity, Taylor G. Vaughan, Sr. (also known as T. G. Vaughan), and his brother, Bunyan C. Vaughan, founded the Vaughan Furniture Company in 1923. Because Bunyan's other furniture factory, the Vaughan-Bassett Furniture Company founded in 1919, specialized in bedroom furniture, the Vaughan Furniture Company decided to specialize in dining room furniture. T. G. Vaughan was married to Blanche (Bassett) Vaughan, the daughter of J. D. Bassett, himself a prominent furniture manufacturer and one the namesakes of the Town of Bassett in Henry County, another nearby manufacturing center in Southern Virginia. A World War I veteran, T. G. Vaughan also served as a Senator in the Virginia General Assembly from 1930 until his untimely death in 1940, at the age of 49.

T. G. Vaughan served as the company president during the construction of the earliest Vaughan Furniture Company factory buildings, built

between 1923-1938. During the time of T. G. Vaughan's leadership, the Vaughan Furniture Company expanded from one building to six and employed nearly 270 people. The *Galax Gazette Rotogravure* of March 1937 noted that Galax was the "second largest furniture manufacturing center in the state." The Vaughan Furniture Company factory was so prominent that contemporary newspapers in the 1930s, 1940s, and 1950s used it as a directional landmark in news stories, apartment listings, and advertisements.



**Vaughan Furniture Factory in the 1930's**  
**Source: Galax Scrapbook**

Though T. G. Vaughan noted in his campaign ads that Vaughan Furniture Company never reduced wages, by July 1938, it became a financial necessity for the company. In July 1938, company leadership announced a 15% pay reduction for floor workers and 20% pay reduction for office workers, which led to all 268 employees going on strike. The strike lasted for six weeks, as factory workers created a union and worked with company leadership to attempt to negotiate terms. Instead, in August 1938, company stockholders voted to liquidate the plant and its assets. After months of the workers and Galax leaders entreating the company to reconsider, the Vaughan Furniture Company factory reopened in April 1939, with nearly 200 workers returning. Vaughan Furniture Company factory workers voted to unionize later that year, and they remained so until the early 1960s, when they voted to de-unionize.

# The Feasibility of Adaptively Reusing

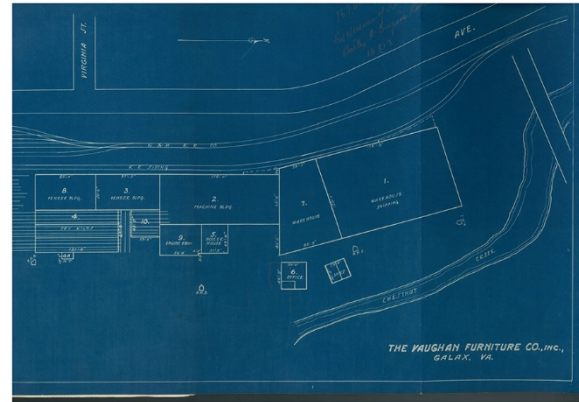
the T. G. Vaughan Building, Galax, VA

Upon T. G. Vaughan's death in 1940, Bunyan Vaughan became the Vaughan Furniture Company president, followed by T. George Vaughan, Jr., T. G. and Blanche (Bassett) Vaughan's son, in 1955. Under George Vaughan's leadership, the Vaughan Furniture Company factory and enterprise expanded significantly. In 1956, a building perpendicular to the original buildings was constructed, adding the final piece of the factory building's "original" T-shape.

In 1960 and 1965, the Vaughan Furniture Company factory expanded yet again, with the construction of several buildings across the back of the original buildings and adjacent to the 1956 addition. The construction of these buildings blocked off the rear facades of the earliest buildings, but added significant space for timber processing and furniture building. By the 1960s in Galax, the Vaughan Furniture Company factory was one of six furniture factories in Galax, whose manufacturing had progressed to also include a mirror factory, four textile companies, a lumber company, a Coca-Cola bottling company, and a creamery.

Vaughan Furniture Company continued to expand under the leadership of subsequent company presidents John Vaughan, Bill Vaughan, Taylor Vaughan, and David Vaughan. During their tenures, the Vaughan Furniture Company purchased the Empire Furniture Corporation of Stuart in 1969, built the B. C. Vaughan Plant in 1973, purchased half interest in Webb Furniture Enterprises in 1976, built the E. C. Dodson Plant in 1984, and built the Chestnut Creek Veneer Plant in 1991. In 1995, the last building was added to the Vaughan Furniture Building complex, utilizing a pre-engineered metal building system to add significant open-plan space for materials storage and drying. In 1998, the company's six plants employed more than 2,200.

By the early 2000s, American furniture manufacturing began to see considerable losses due to



**Diagram of Buildings from 1931 Appraisal**

**Source: Vaughan Furniture Company**

stiff competition with furniture makers in China offering furniture at much lower costs. In 2003, Vaughan Furniture Company joined with Vaughan-Basset Furniture and others to advocate that the U.S. Government investigate imported furniture practices. The U.S. Government did find that some Chinese manufacturers were violating international trade agreements and began collecting duties on imports from Chinese companies found to be in violation. The money collected was distributed to participating American furniture manufacturing companies like the Vaughan Furniture Company, though it was not enough in the end to save the company from beginning a long process of winding down. The Vaughan Furniture Building was permanently shuttered in 2015.

## 3.3 HISTORIC DESIGNATION

As a part of this feasibility study, the Consultant Team assisted with submitting a Preliminary Information Form to nominate the Vaughan Furniture Building for inclusion in the State and National Registers of Historic Places. Because of its connection to Galax and Southwest Virginia's twentieth century labor history and as a hub of the furniture manufacturing industry under Criteria A for listing on the two registers. The nomination also meets Criteria B because of its association with the Vaughan family, who

## **The Feasibility of Adaptively Reusing**

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the T. G. Vaughan Building, Galax, VA

were not only prominent industrialists, but were also very engaged in the politics of Southwest Virginia and the Commonwealth of Virginia.

Additionally, as a part of this feasibility study, the Consultant Team assisted with submitting a

Historic Tax Credits Part 1 application for the property in order to begin the Historic Tax Credit process. It was still pending at the compilation of this study. Both the Preliminary Information Form and the Historic Tax Credits Part 1 application are included as Appendix A.

## 4 EXISTING CONDITIONS

### 4.1 THE RESEARCH

A feasibility study of the size and scope of this one can hardly do justice to a 408,000 square foot building. At the same time, a major goal for this study is do as much due diligence work as possible in order to provide the information needed by potential developers and investors to make a decision to jump into the project. In researching the physical conditions of the building, three members of the Planning Department of Summit Design and Engineering Services joined by a Summit architect and a Summit structural engineer did the following:

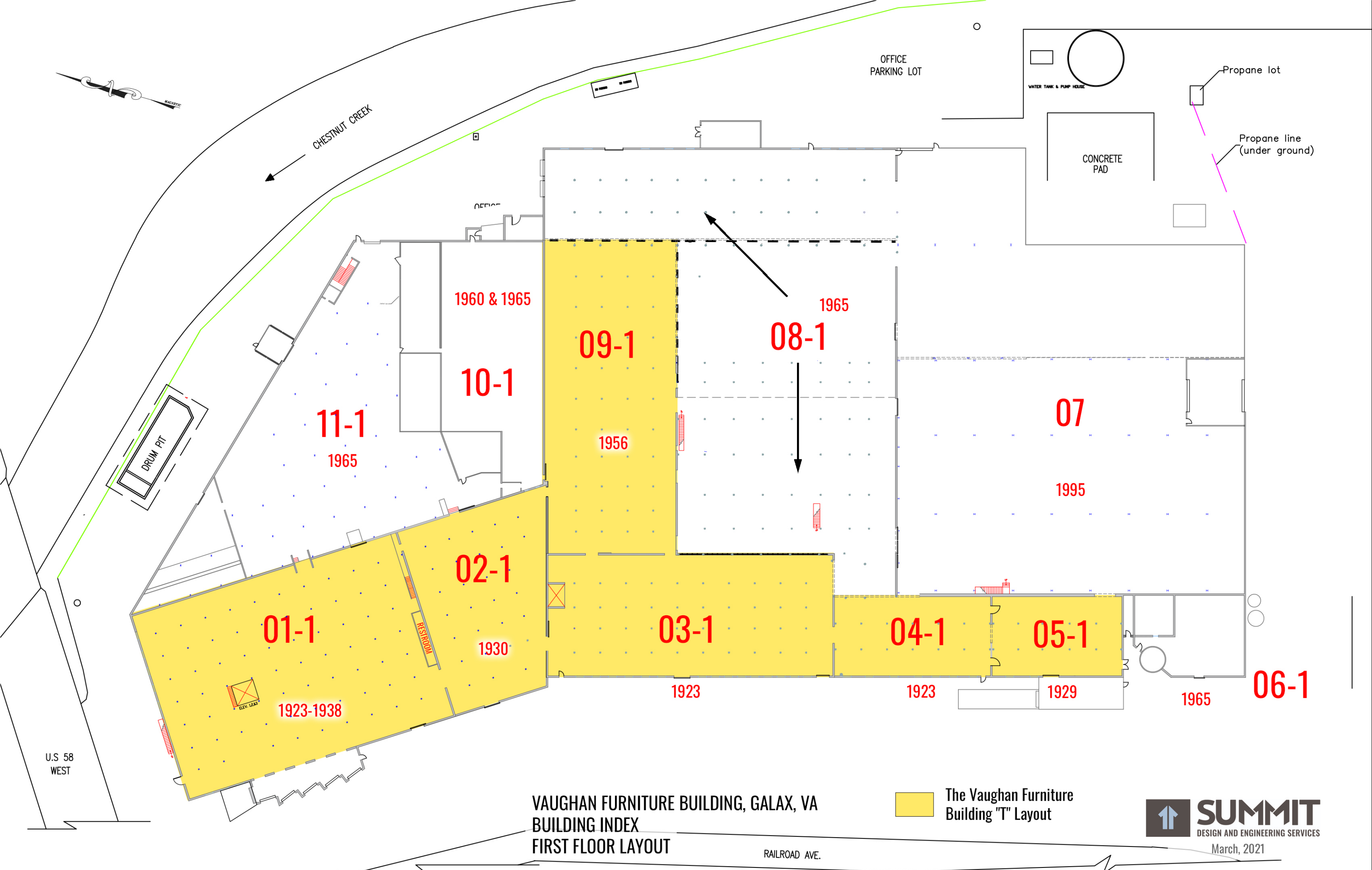
- The planners and architect spent 1.5 days at the building in July 2020 measuring, photographing, and generally becoming acquainted with building's layout, construction, and previous uses.
- The lead planner on the project returned to the building along with a structural engineer in August 2020 to examine and answer several structural questions that were raised upon the first visit.
- Reviewed drawings of the complex's configuration included in appraisal reports from 1927, 1931, 1961, and 1969 and reviewed the full text of the extant 1969 appraisal.
- Beginning from an existing (and somewhat dated and inaccurate) set of CAD drawings, created a more accurate "as built" schematic floor plan of the building.
- The lead planner on the project returned to the building in January 2021 to check on some details of the building needed to finish up the "as built" schematic floor plan of the building.

Following this page is the updated "as built" schematic floor plans for the Vaughan Building. Each component building of the complex has been assigned a number, in order to have some common points of reference that will be used throughout this study. The numbers assigned to the component buildings do not correspond with the order in which they were constructed, but simply run counterclockwise beginning at the earliest building. After each component building number is the corresponding floor number, an additional level of detail that was used to sort the photographs and measurements taken of the building.

The first floor "as built" schematic floor plan has two additional sets of details. The approximate construction date of each component building is included. Also, what the Vaughan family refers to as the original "T", or older buildings of the complex, is highlighted in yellow. This distinction is important to understanding the complex in that these component buildings were built with similar construction techniques and materials from 1923 to 1956. The later additions utilized very different construction techniques and materials from the original T and from each other.

Following the "as built" schematic floor plans is information and photographs related to each section of the complex as well as a number of exterior views of the building that provide additional orientation as to how the complex is laid out.

*An "As Built" Building Index follow this page.*



VAUGHAN FURNITURE BUILDING, GALAX, VA  
BUILDING INDEX  
FIRST FLOOR LAYOUT

 The Vaughan Furniture  
Building "T" Layout





VAUGHAN FURNITURE BUILDING, GALAX, VA  
BUILDING INDEX  
THIRD FLOOR LAYOUT

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

## 4.2 EXTERIOR

Shown below and over the next four pages are photographs of the exterior of the Vaughan Building, beginning with the oldest component building of the complex (Building 01) and moving counterclockwise around the complex. All of the older brick sections of the building

will need repointing, with some areas needing additional pinning and repairs. Of particular note is the connection between Building 01 and Building 11 where there are a number of significant, long-standing cracks that need repair and a lengthy stair-step crack along the north façade of Building 11.



**The Northerly Facade of Building 01 (Photo taken from the entrance to the New River Trail State Park trailhead entrance. East Stuart Drive / U.S. Route 58 is in the foreground.)**



**The Front/Westerly Facade of Building 01 with its Loading Docks and Building 02 (to the right of the ground level air handler)**

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the T. G. Vaughan Building, Galax, VA



**The Front/Westerly Facade of Building 03**



**The Front/Westerly Facade of Building 04**

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA



**The Front/Westerly Facades of Building 05 (to the left) and Building 06  
with its Boilers and Coal/Sawdust Silos**



**The Southerly Facade of Building 07**

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA



**The Rear/Easterly Facade of Building 07**



**The Rear/Easterly Façades of Building 07 (to the left), Building 08 (in the foreground just beyond Chestnut Creek with the equipment on top and the 1.5 story interior section showing above), and Building 09 (the 2<sup>nd</sup> and 3<sup>rd</sup> floors showing above Building 08)**

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA



**The Rear/Easterly Facade of Building 11 (to the right), the Office Entrance to Building 10 (the section painted white) that Forms a Part of the Ground Floor of Building 11, and the Lateral End Façade of Building 08**



**The North Facade of Building 11 with Chestnut Creek in the Foreground (the corner of the building at the right joins Building 01 at an approximate 42° interior angle)**

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

## 4.3 BUILDING 01

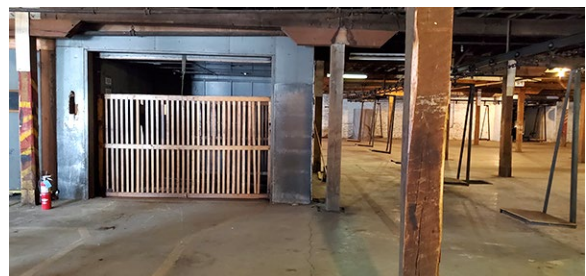
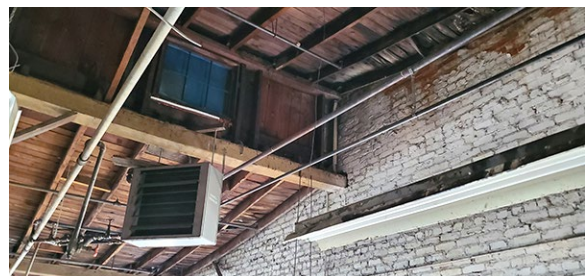
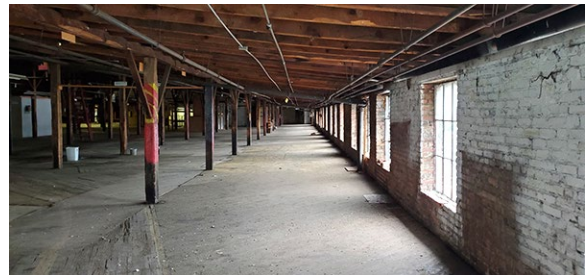
Building 01 pictured to the right was constructed in 1923 with alterations in 1938. It is 64,270 SF over three floors. Constructed as a post and beam building, the ground floor is a raised cement slab with a crawl space underneath. The upper two floors have wood sub-flooring and flooring, all of which are in poor condition due to the loads placed on them over the years and the movement of heavy objects across them.

The majority of the windows on the front of the building are still in place as well as the majority on the side of the building facing U.S. Route 58, though several having been replaced by ventilation fans and fire exits. The windows at the rear and the other side of the building were removed and bricked over or left as openings as additional component buildings in the complex were adjoined to Building 01. The remaining windows all have twelve panes and metal framing, with some having a tiltable section in the middle. Originally served by the railroad, when the tracks were removed, a 5-bay loading dock for truck access was added to the front of the building.

The upper floor has a set of clerestory windows running the entire lateral length of the building. These windows are small wood windows with six panes each, though a number of them have been boarded up or replaced with ventilation fans. The hipped roof that runs from the bottom of the clerestory windows forward leaves the front wall on the third floor only head high, a rather unique and quaint feature of the building. The hipped roof that runs from the top of the clerestory windows to the back of the building was raised to be level with the roof of Building 11 when it was added to the complex. Except for the front wall of the third floor, floor-to-joist heights are generally 10 feet/6 inches.

Building 01 has a freight elevator and as with much of the building, a working chain-driven

monorail system that was used to move supplies and finished product throughout the complex. The building also has two stairways and a larger set of bathrooms on the first floor and smaller set on the third floor.



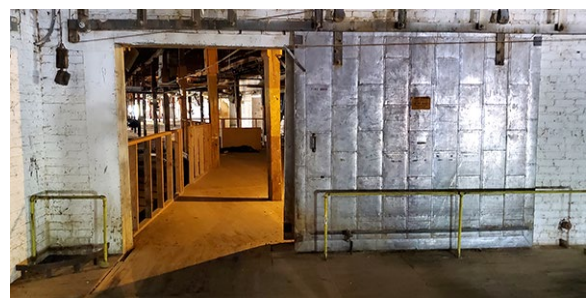
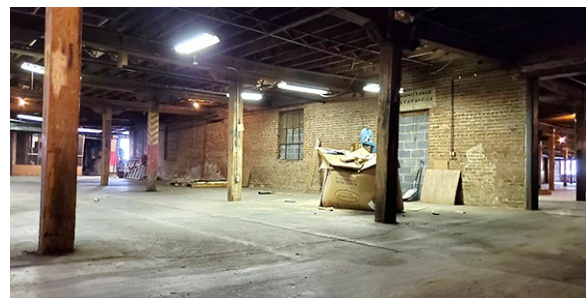
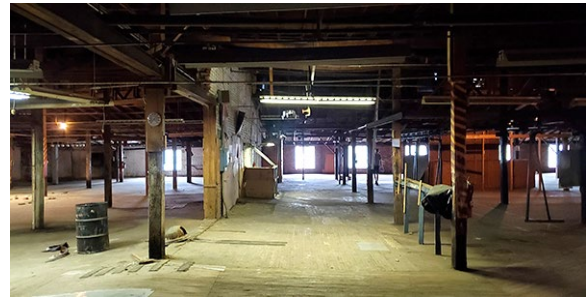
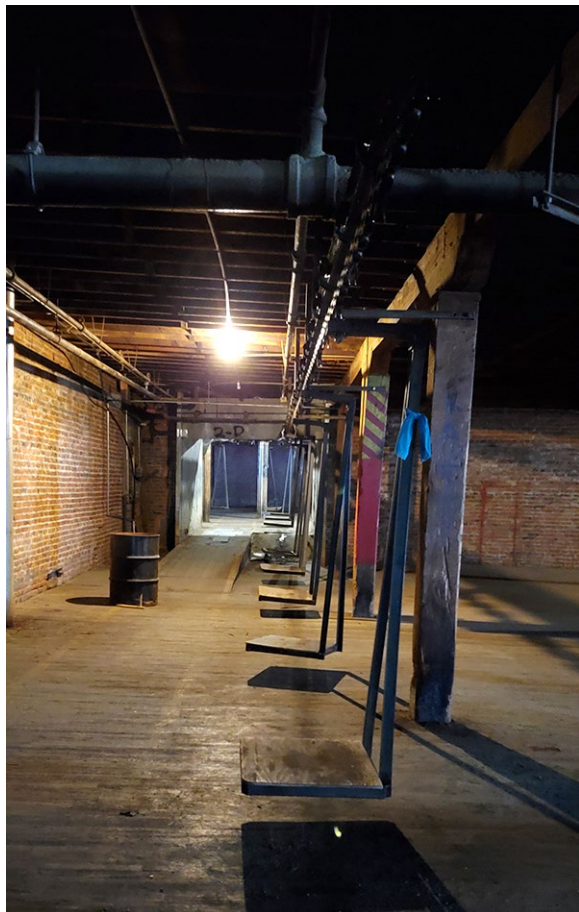
# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

## 4.4 BUILDING 02

Built in 1930 to fill a gap between Building 01 and Building 03 where only a walkway existed between the buildings, Building 02 is constructed in similar fashion to Building 01 as a post and beam building with three floors. It is 27,120 SF over three floors.

It has fewer forward-facing windows, but its original rear windows and the original side windows of Building 01 are noticeable in many places. It also has major fire doors in place to protect large openings to Building 03 and Building 11. Pictured below is an additional picture of the unique chain-driven monorail system as it moves through this central point to other parts of the complex.



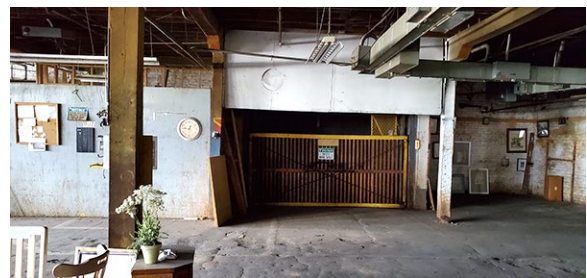
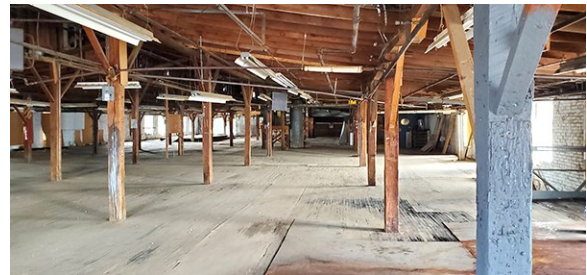
## 4.5 BUILDING 03

Building 03 was constructed in 1923 as a 3-story post and beam building with a cement slab first floor. It is 40,050 SF. The upper two floors have wood subflooring and flooring, all of which are in poor condition due to the loads placed on them over the years and the movement of heavy objects across them.

Similar to Building 01 and 02, the upper floor has a set of clerestory windows running the entire lateral length of the building with many boarded or used as ventilation. The hipped roof that runs from the bottom of the clerestory windows forward leaves the front wall on the third floor only head high. Except for this area on the third floor, floor-to-joist heights are generally 11 feet/7 inches.

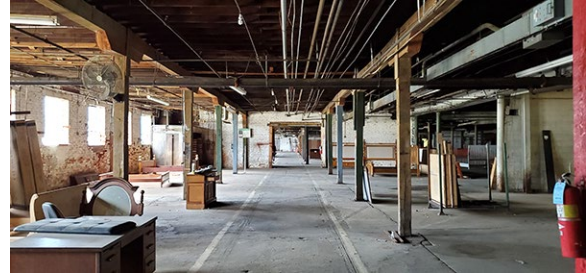
The windows on the front of the building mainly remain except for three that were used for ventilation fans. The windows are the same 12-pane metal framed windows found in Buildings 01 and 02. Much of the original back wall on the ground floor has been removed in order to provide access to the adjoining Buildings 08 and 09. On the third floor, the windows at the southerly end of the building and some at the rear of the building are still in place and provide significant additional light to this part of the building. The third floor exhibits signs of damage from water penetration from the roof and from around the windows.

Building 03 has two freight elevators, one that serves all three floors and a smaller one that serves only the first and second floors. There is an enclosed staircase between the second and third floors.



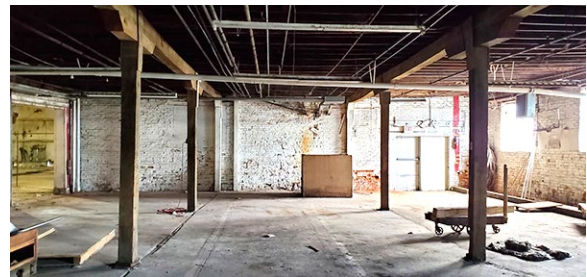
## 4.6 BUILDING 04

Building 04 was constructed in 1923 as a 2-story post and beam building with a cement slab first floor. It is 9,822 SF. Building 04 has the same 12-pane metal framed windows as Buildings 01, 02, and 03 across the front of the building, with a full set on the first floor and a half set on the second floor. The second floor has significant damage to the roof structure and flooring due to water penetration from the roof. A major part of the back wall of the first floor was removed to provide access to Buildings 07 and 08. Floor-to-joist heights are generally 11 feet/5 inches in Building 04.



## 4.7 BUILDING 05

Building 05 was constructed in 1929 as a 2-story post and beam building with a cement slab first floor. It is 8,382 SF. Building 05 has a limited number of the 12-pane metal framed windows. The second floor has significant damage to the roof structure and flooring from previous water penetration from the roof, but a new membrane roof was installed and stemmed any continuing damage. Building 05 has openings on both floors to Building 07. At the front of the building is a single bay loading dock. Floor-to-floor joist heights are generally 11 feet/2 inches in Building 05.



## 4.8 BUILDING 06

Building 06 was constructed of cement block and brick in 1965 to house the central boilers for the complex that produced steam and electricity for the plant. It is 3,500 SF including the floor space occupied by the silos referenced below. The two boilers in this area are two stories high and still in place. Adjacent, attached, and extending above Building 06 are two silos, a square one with a sawdust collector above it used to collect and store sawdust from the plant's operation and a round one for the storage of coal. The boilers were constructed to operate on either saw dust or coal, whichever was most advantageous to the plant's operation at any given point in time. The exhaust system for the boilers travels through Building 07 on the way to exterior metal chimneys as shown in the photograph at the lower right.



# The Feasibility of Adaptively Reusing

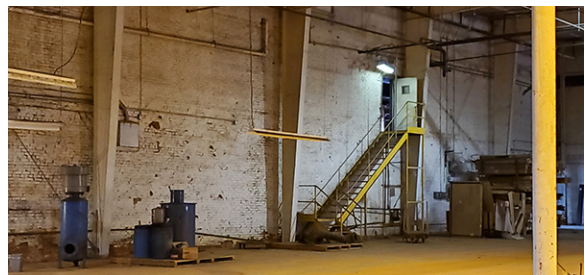
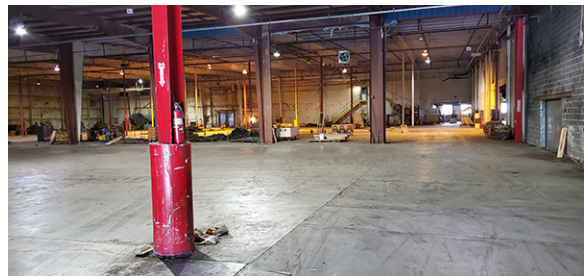
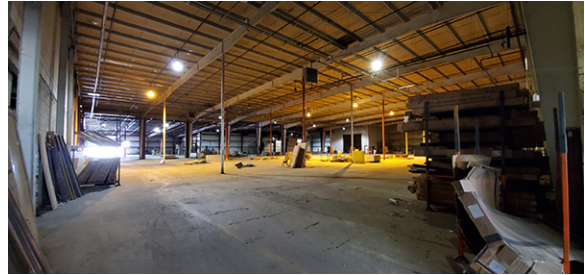
the T. G. Vaughan Building, Galax, VA

## 4.9 BUILDING 07

Building 07 was the last building constructed as a part of the Vaughan Furniture complex. Constructed in 1995, it is a pre-engineered metal building of two open floors, which at 51,500 SF, covers an area of 1 ¼ acres. Mainly open space, it does have the typical steel post and girder construction, metal sheathing with interior blanket insulation, and a concrete slab floor found in a pre-engineered building. As can be seen in the photograph below, though operating as one large room, the space was designed and constructed as two adjoining steel structures, a larger structure attached to Buildings 04, 05, 06 to the front of the complex and Building 08 on the one attached side (to the right of the two steel posts in the photograph) and a smaller L-shaped structure to the rear of the larger structure and attached to Building 08



on the side (to the left of the two steel posts in the photograph). In addition to ground level connections to the other building components, there is also a doorway and set of stairs connecting Building 07 to the second floor of Building 05. The space also has two large roll-up doors, one on the southerly façade and one on the rear or easterly façade.



# The Feasibility of Adaptively Reusing

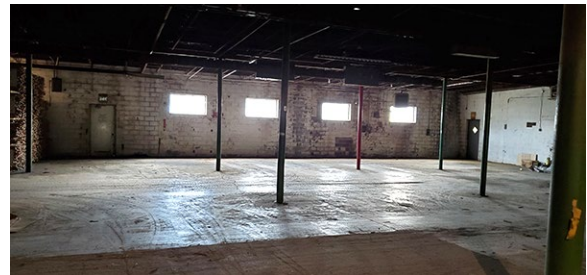
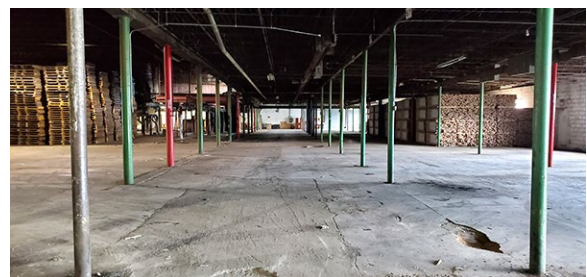
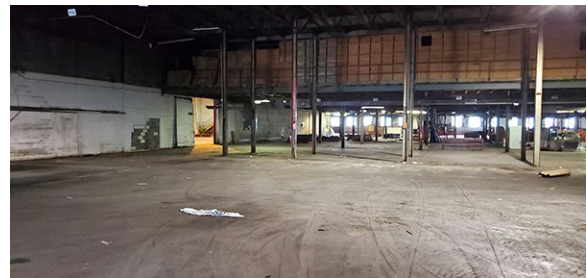
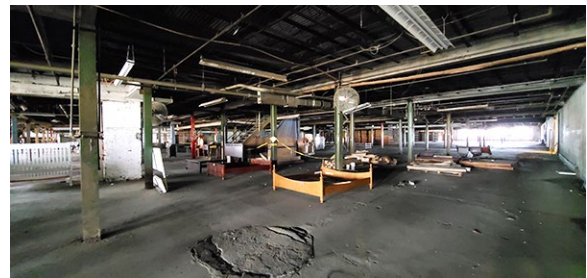
the T. G. Vaughan Building, Galax, VA

## 4.10 BUILDING 08

Building 08 was constructed in 1965 and has 57,692 SF. It has a cement slab floor and a steel structured mezzanine with a poured cement floor over approximately one-half of the floor area of the main part of Building 08. Across the back of this main area and across the back of Building 09 is a 1-story continuation of Building 08 with a lower ceiling than the main part of the building, creating an L-shape to this building component. It is this part of Building 08 that can be seen in the exterior photograph of the rear of the complex with the large dust collectors on its roof.

Many of the wall sections of Buildings 03, 04, and 09 at the ground level were removed and

reinforced when Building 08 was constructed to create open egress to the space. Building 08 continues to have some large industrial equipment installations on the ground level of the main part of the structure. The mezzanine level is reached by two staircases as well as three entrance from the second floor of Buildings 03 and 04. It contains two bathrooms, two break rooms, and a large electrical equipment room that were built as permanent structures and the complex's maintenance shop that was constructed as semi-permanent wood structures.



# The Feasibility of Adaptively Reusing

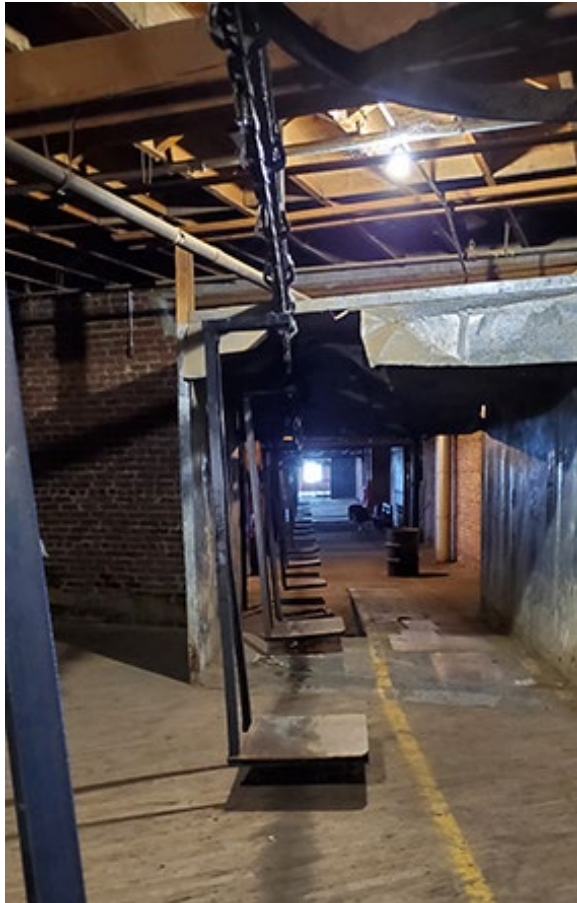
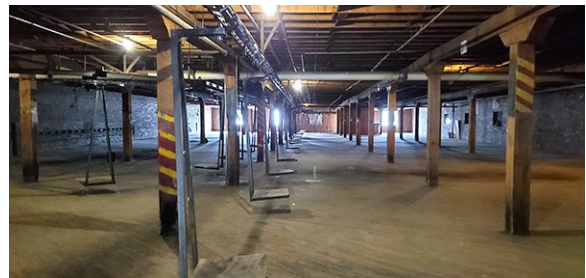
the T. G. Vaughan Building, Galax, VA

## 4.11 BUILDING 09

Building 09 was constructed in 1956 as a 3-story post and beam building with a cement slab first floor. It is 36,792 SF. The upper two floors have wood subflooring and flooring, all of which are in poor condition due to the loads placed on them over the years and the movement of heavy objects across them. The third floor has significant damage to the roof structure and flooring due to water penetration from the roof. Floor-to-floor joist heights are generally 11 feet/5 inches in Building 09.

The windows on the second and third floors in the north façade of the building were removed and bricked over when Building 11 was adjoined to the complex. The entire ground floor back wall and part of the ground floor east wall were removed and reinforced to create a building-wide opening to Building 08 when it

was adjoined to the complex. The windows on the second and third floors at the rear of the building are still mainly in place though two are boarded and another has been replaced with a ventilation fan. On the south façade, there are smaller tilting industrial windows that look into the mezzanine of Building 08 at the second floor and to the exterior at the third floor. Building 09 also has a staircase between the second and third floors.



### 4.12 BUILDING 10

Building 10 was constructed in 1960 as a 3-story structure with the Vaughan Furniture Building office on the first floor and manufacturing on the upper two floors. When Building 11 was constructed and adjoined to the complex in 1965, the upper two floors were removed to make way for the second and third floors of Building 11. The office was maintained on the ground floor and a break room and showrooms were added. Originally 27,833 SF, the remaining portion of Building 10 is approximately 9,200 SF. As can be seen by the photographs on this page, this space is subdivided into smaller offices and partitioned much like a typical office space.

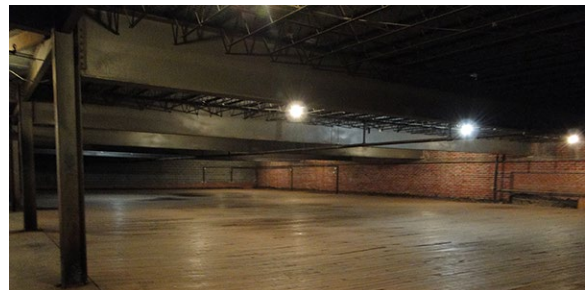
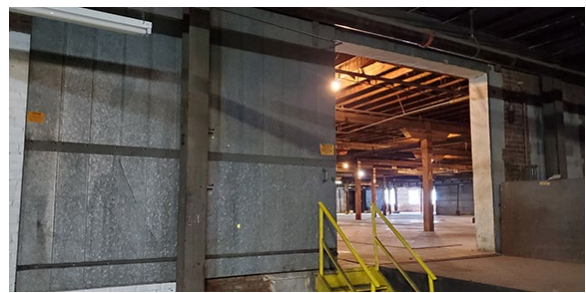


## 4.13 BUILDING 11

Building 11 was constructed in 1965 with a sizeable steel superstructure, open-web steel floor joists, poured concrete floors, and cement block/brick walls and was designed to modern standards in order to carry significant weight loads. At 78,300 SF over three floors, it is the largest building component of the complex. It has no windows on the first and second floor and only a limited number of windows on the third floor. The third floor does have numerous skylights. As noted earlier, the windows of Building 01 to the front of Building 11 have all been closed up. However, on each floor, there are large opening/connections to Building 01. Floor-to-joist heights are generally 10 feet/5 inches in Building 11.

On the ground floor is a freight entrance with an overhead gantry that was used for lifting and moving barrels of stains and varnishes into the building. Attached to the building are a set of pipes for offloading chemicals directly into the building. There were formally storage tanks for chemicals outside of the building that were connected directly to the building by underground piping. Building 11 also has a loading dock with two bays on either side of the dock.

Building 11 continues to have some large industrial equipment installations on the third floor, mainly spray booths and driers for applying and drying finishes. It is important to note that the



Vaughan Furniture Building has already had Phase I and Phase II Environmental Assessments and both have come back clean.

## 4.14 STRUCTURAL EXAMINATION

During the initial visit to the building in July 2020 by the Summit team, several potential structural concerns were noted. Out of an abundance of caution, it was decided that a Summit structural engineer needed to do an initial examination of these concerns. This second visit took place in August 2020 and the following is the summary of the engineer's observations plus some needed background information.

### Structural Capability

From a structural standpoint, the possible uses for the existing building are determined by which "live loads" the existing structure can support. Live loads are prescribed in building codes and categorized by occupancy or building use. These loads are provided as either a floor pressure or a concentrated load. Within the building complex, the existing heavy timber framed areas are the most critical in terms of what the structure can support. For that reason, the timber constructed area was load rated to determine an acceptable live load capacity.

The floor rating evaluation determined that the elevated floors can support a 40 pound per square foot (psf) live load which corresponds to loading prescribed for residential use, apartments, and hotels, particularly in light of the fact that some areas will require replacement flooring and/or leveling, which could add to the weight of the floor structure itself. With the reuse of these heavy timber framed areas, there will likely be uses that require a design live load of 100 psf, such as common areas. While the existing structure is currently incapable of supporting this heavier load, it would be possible to introduce new structural elements, such as load bearing walls, within a limited

scope, to increase the capacity of the floor system in the required areas.

The first-floor slab-on-grade located in a majority of the complex is not subject to the 40 psf loading limit and may be used for most public use applications that would not cause a reclassification in Occupancy Risk Category. Building uses that would cause a risk category reclassification include structures in which failure could pose a substantial risk to human life or structures designated as essential facilities.

In contrast, the first floor of Building 01 is constructed of an elevated concrete slab. Further investigation of the floor construction would need to be conducted to load rate this area.

### Structural Repairs

As determined from a building walk-through, it did not appear there were any conditions that would warrant the structure beyond repair and therefore unusable. There are several conditions that stood out that would warrant further evaluation and repair:

- Many heavy timber columns are spliced with wood planks. Additionally, many timber columns also have plank or plywood strapping at the girder connection in what appears to be an attempt to create a saddle for the girder. These connections and repairs will likely need to be replaced with a more substantial repair to ensure public safety.
- Water damage was observed in the wood framing within the complex's southeast section (Building 05). Framing in this area may need replacement to ensure the structure stability.
- A corner at the northwest section of the complex (Building 11) has vertical "stair-step" cracking in the exterior brick walls. This condition is likely from settlement in

the soil and has been reported to have been an existing condition for 20+ years. Given the duration of the condition and age of the structure, it is likely that the soil has undergone all anticipated settlement and the wall condition will not worsen. Repairs to the brick should be made during the design of the building's reuse.

Numerous other localized conditions were observed within the structure that would need routine repair as part of the structural design of the building's repurposing. During the design phase of the project, a full structural inspection should be performed and repairs detailed as part of the renovation plans.

### Structural Alterations

With regard to altering the building footprint, modifications should only be done in a way that allows the structure to be grandfathered into the current building code. The 2015 Virginia Existing Building Code references the 2015 International Existing Building Code which permits existing buildings to be in compliance with the current code unless the building is undergoing more than a limited structural alteration [Ref. 2015 International Existing Building Code Section 301.1]. The code exception is particularly important for the building's lateral system - the elements of the structure that are responsible for resisting horizontal loads on the building from wind and seismic events. Design requirements for lateral systems have changed dramatically since the building's original construction. Therefore, avoiding changes that cause the building to meet the latest lateral system design requirement is strongly recommended as the design and construction of a system retrofit would likely be costly or infeasible.

To comply with the noted code exception and avoid bringing the structure's lateral system up to current code, any reduction in the building's footprint would need to be done by removing

desired additions entirely. This method would preserve any original part of the building prior to the addition without modification to the original structure. Additionally, in order to maintain an original freestanding structure, additions that may support more recent additions may not be demolished without demolishing the new addition as well.

The south end of the building, labeled as Building 07, is constructed of a pre-engineered metal building system. These systems are proprietary designs and are seldom modified. It is not recommended that columns or the supporting structure within this area be altered. However, the building cladding can be modified with little concern.

## 5 THE TOURISM MARKET

When examining the market for the Vaughan Furniture Building with multiple potential markets, it is most helpful to collectively examine these multiple markets under two major headings – the tourism market and the local market. These two markets are not entirely bifurcated. For example, a good restaurant would hopefully draw tourists and locals alike, the local draw being particularly beneficial in the cold weather months when tourism visitation drops off. However, the two markets are distinct enough to warrant separate examinations.

### 5.1 MAJOR TOURISM ASSETS

The tourism market in Galax is driven by a number of key assets in the City and nearby:

- While in a very rural part of Virginia, Galax has quick access to many urban areas in Virginia and North Carolina via I-77 that is only 20 minutes east of the City and I-81 that runs just north of the City. Roanoke, VA is only 1.5 hours away. Charlotte, NC, 1 ¾ hours away. The NC Research Triangle, 2.5 hours away. A Drive Time Map on the next page shows the many locations within a 3-hour drive of Galax, the typical maximum drive time for weekend getaways. Data from Esri Business Analysis based on U. S. Census Bureau 2015-2019 American Community Survey reports indicates that 4.1 million people live within a 2-hour drive of Galax and 10.0 million live within a 3-hour drive.
- The rich Old Time Mountain Music and Bluegrass Music heritage of Galax is its biggest tourism draw. Every Friday night this music resounds from the Rex Theater in downtown Galax and goes out



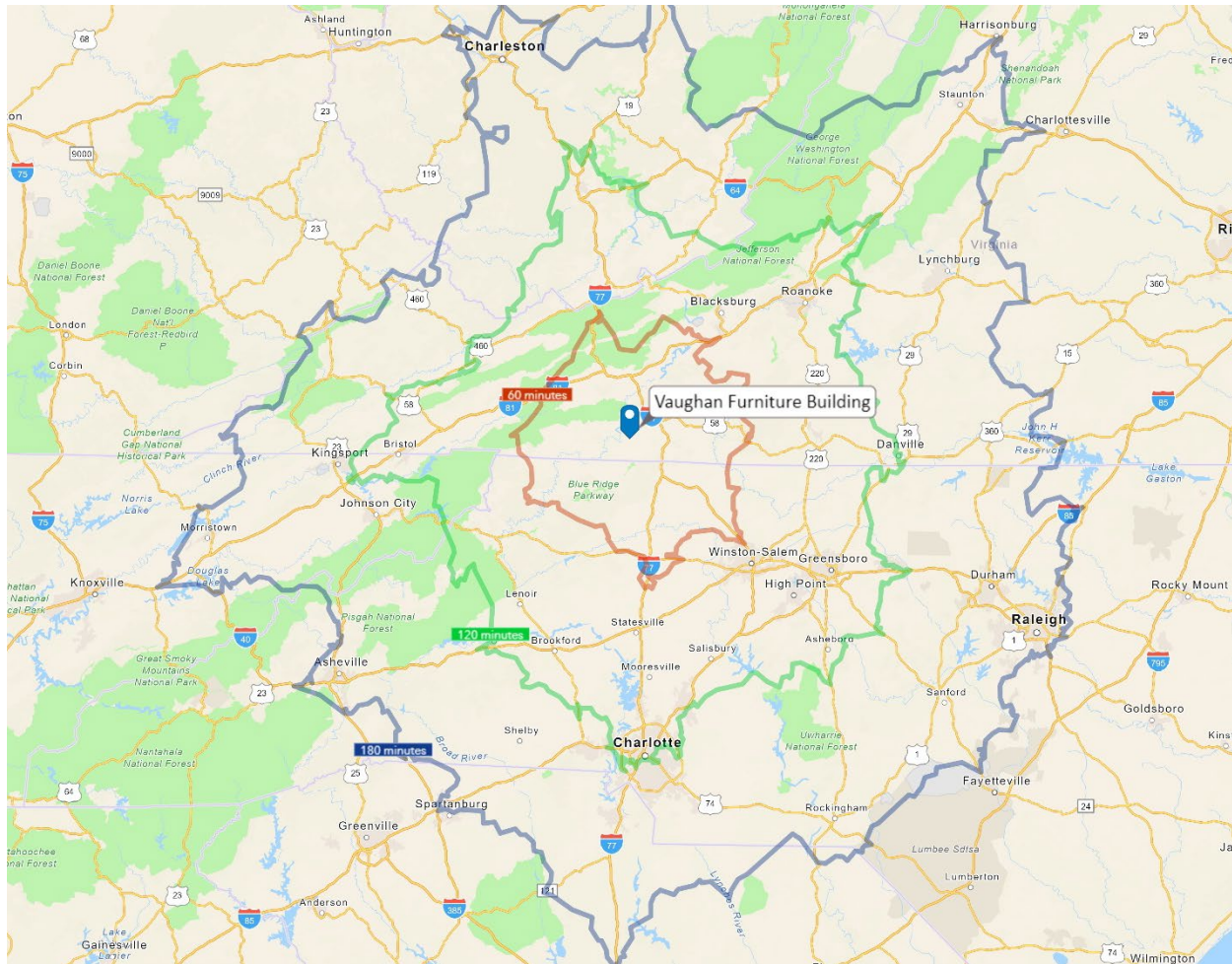
**A Performance at the Old Fiddler's Convention**  
*Source: [oldfiddlersconvention.com](http://oldfiddlersconvention.com)*

on the airwaves via 98.1 FM and Facebook. The Rex Theater is a major venue on the Crooked Road Heritage Music Trail that snakes its way across Southwest Virginia, mainly along the route of U.S. 58.

- Galax's music tradition hits its crescendo every summer during the Old Fiddler's Convention held since 1935 that draws over 40,000 attendees during its week-long run. Galax also receives spill-over from other nearby large music events including Floydfest, held along the Blue Ridge Parkway between Carroll and Patrick Counties each summer, and the Bristol Rhythm and Roots Reunion held in September in downtown Bristol, VA/TN.
- Each year barbecue smoke fills the air in downtown Galax for a weekend when the Smoke on the Mountain Barbecue Championship comes to town. Recognized as Virginia's official barbecue championship, the Championship is held the third weekend of July each year and draws in contestants and tasters from far and wide. All total, Galax draws an

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the T. G. Vaughan Furniture Building, Galax, VA



## Drive Times to/from the Vaughan Furniture Building

Source: Esri Business Analyst and U.S. Census Bureau, ACS 2015-2019 Estimates

estimated 130,000 persons annually to its festivals and special events.

- The Blue Ridge Parkway that passes only 8 miles south of Galax has a direct connection to Galax along VA Route 89 (Main Street in Galax). The Parkway is the most visited park operated by the National Park Services with over 14 million visitors annually. Four miles north of where VA Route 89 intersects the Parkway is the Blue Ridge Music Center, another music attraction that benefits Galax.
- The New River Trail State Park has one of its two southern terminuses in down-



View of the Vaughan Furniture Building from Downtown Galax New River Trail Entrance

Source: Summit Design and Engineering

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

town Galax, across U.S. Route 58 from the Vaughan Furniture Building. This “rails-to-trails” park runs for 57 miles mainly along the new River to Pulaski, VA and sees 1.1 million visitors annually who pump \$25.6 in expenditures into the local economy each year. The downtown Galax entrance is used by 53,000 of those visitors with the two other Galax entrances drawing 96,000 visitors (Cliffview) and 69,000 visitors (Dannelly Park) annually. While many of these visitors are local people, cars from North Carolina and as far away as Florida and Ohio were in the U.S. 58 parking lot on the day that Summit staff were in town doing field work.

- Galax has a quintessential small-town downtown with many shops and restaurants. It is home to the Rex Theater, Felts Park where the Old Fiddler’s Convention is held, and the three venues that make up the Chestnut Creek School of the Arts. The main complex of the School of the Arts is housed in the historic First National Bank Building in the heart of downtown with a pottery studio and woodworking shop nearby. The latter was intentionally developed to build on the tradition of making musical instruments in Galax and the surrounding area.

posted, will be atypical for the area because of the COVID-19 pandemic). As is obvious, the financial impact of tourism in Carroll County is much larger than the two other localities. This is mainly because of the large cluster of hotels and restaurants surrounding the intersection of U.S. Route 58 and I-77. However, many of the travelers staying in those hotels are there as part of a visit to Galax.

Travel Economic Impacts Galax City and Carroll & Grayson Counties 2019			
Impact	Galax City	Carroll County	Grayson County
Employment	151	684	149
Expenditures (in millions)	\$18.76	\$74.91	16.47
Local Tax Receipts (in millions)	\$0.44	\$2.15	0.47
Payroll (in millions)	\$3.45	\$14.52	\$3.86
State Tax Receipts (in millions)	\$0.88	\$3.49	\$0.69
<b>Total Financial Impact</b>	<b>\$23.53</b>	<b>\$95.07</b>	<b>\$21.49</b>

Source: Virginia Tourism Corp. via [www.vatc.org/research/economic impact](http://www.vatc.org/research/economic%20impact)

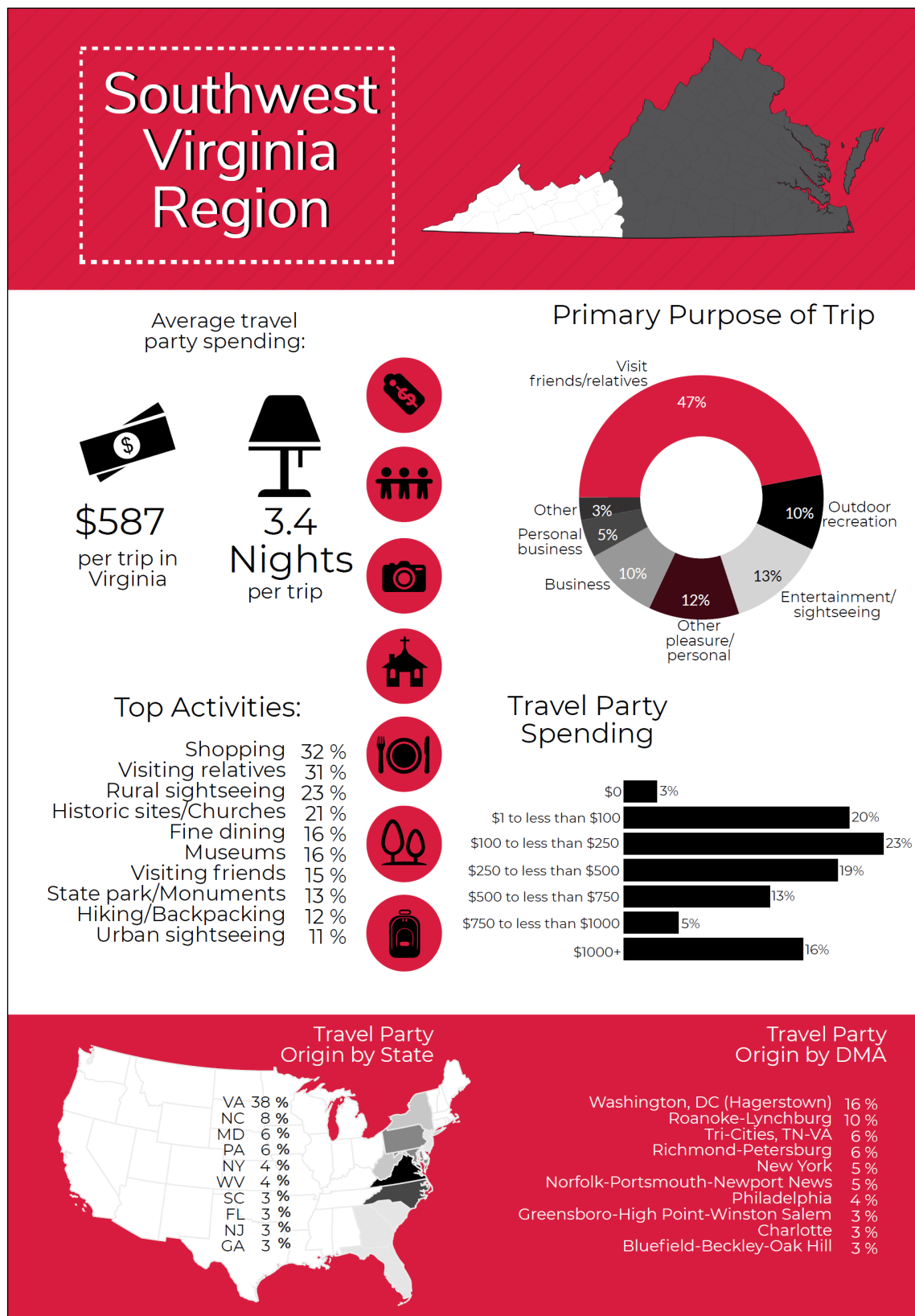
Over the next several pages can be found three infographics from the Virginia Tourism Corporation based on data gathered by TravelTrak-America for 2019. As can be seen by this data, travel expenditures for music and outdoor recreation activities, Galax’s two major tourism draws, is rather robust and exceeds general tourism expenditures in Southwest Virginia by 50%. This affirms that music and outdoor recreation tourism could be and should be major focal points for any tourist-oriented uses of the Vaughan Furniture Building.

## 5.2 TOURISM SPENDING

Virginia tourism expenditures and economic impacts are researched and tracked by the Virginia Tourism Corporation. The 2019 data for Galax and the Twin Counties can be seen in the table below (2020 annual figures, once

# The Feasibility of Adaptively Reusing

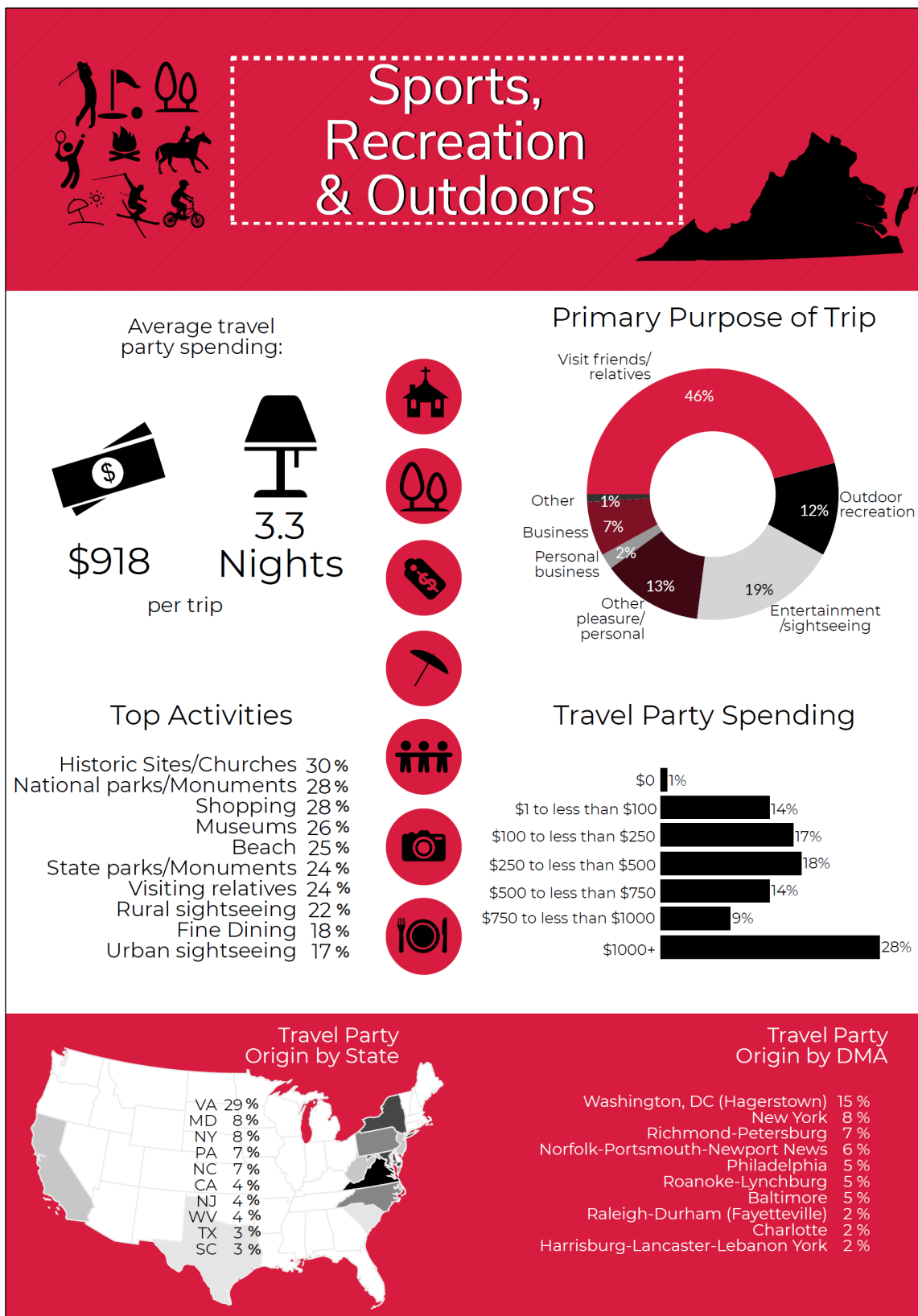
the T. G. Vaughan Building, Galax, VA



Source: TravelTrakAmerica & the Virginia Tourism Corporation.

# The Feasibility of Adaptively Reusing

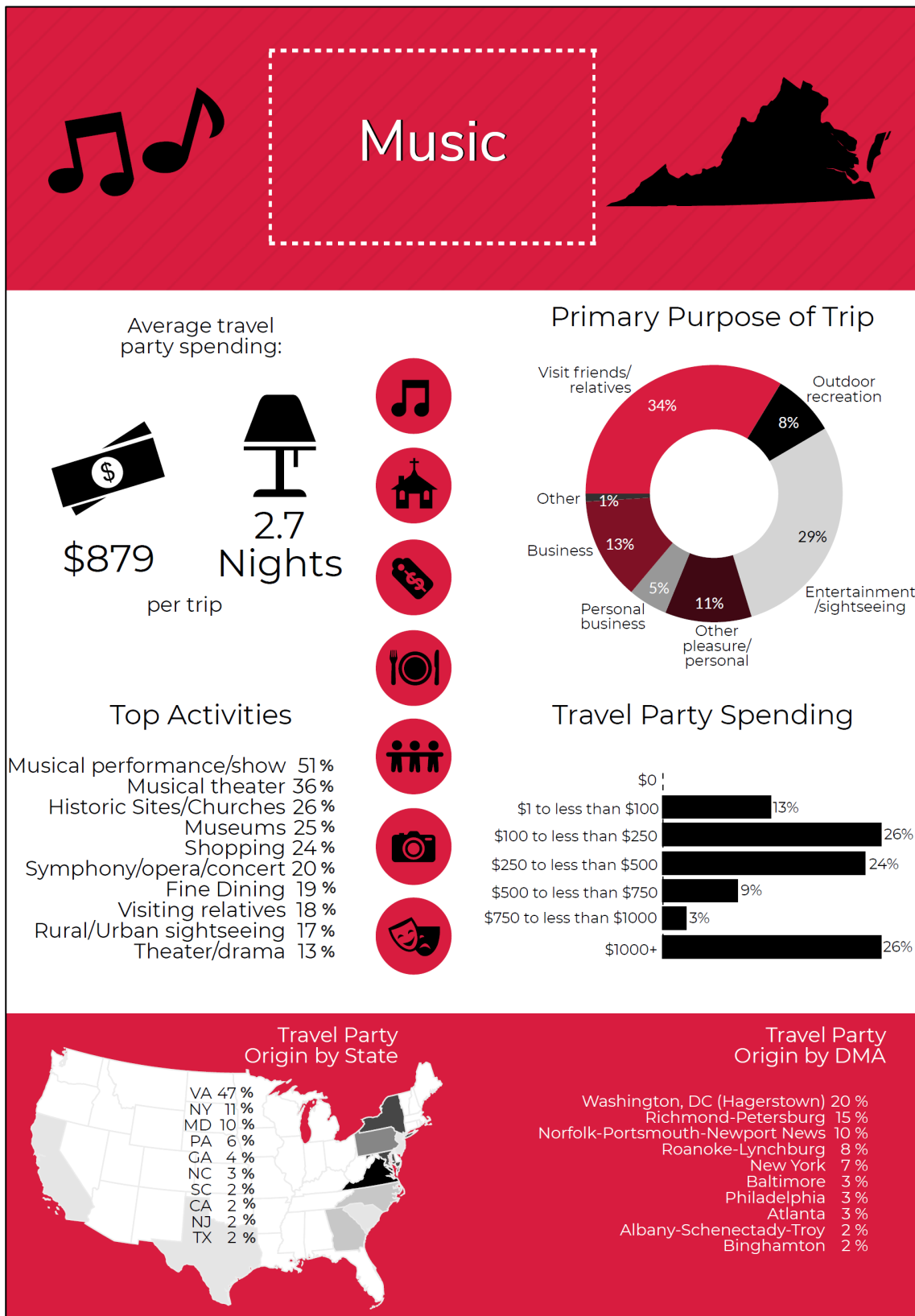
the T. G. Vaughan Building, Galax, VA



Source: TravelTrakAmerica & the Virginia Tourism Corporation.

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA



Source: TravelTrakAmerica & the Virginia Tourism Corporation.

A music focus could easily be accommodated within an adaptively reused Vaughan Furniture Building through the provision of a performance space within the newly redone facilities. Such a space does not have to compete with the Rex Theater where all of the seating is fixed in theater style (the Rex originally was a movie theater). The space in the Vaughan Building could remain very open, much like a black-box or studio theater where the seating and the stage can be arranged as needed based on the type of event, just on a larger scale. This would have the advantage of making the space more flexible and useable for plays, musical theater, and non-traditional cultural events and as a large meeting space or “ballroom” when needed. By design, this type of space is very appealing to young adults who regularly attend musical events where they stand, enjoy a beverage, move about during the performance, and interact with the performers. Keeping the “industrial look” of any part of the building converted to a performance space would only add to the appeal.

An outdoor recreation focus is easily met by just being physically near the recreational space, such as being across the street from the downtown Galax entrance to the New River Trail State Park. At the same time, the large open space available in the pre-engineered metal Building 07 is ideal for offering complimentary indoor recreational use. Per local leadership, many visitors to Galax enjoy what the City and area have to offer for one or two days, but then ask, “What else is there to do?” or “What can we do after dark?” Building 07 with its over 50,000 SF provides a place to offer indoor recreational options currently not available locally or in the region such as an indoor climbing facility. Such facilities could be used by tourists and locals alike, tourists via occasional use when they are visiting the area and locals via occasional use and preferably through annual memberships that help pay the bills during the slower tourism months.

## 5.3 RESTAURANT MARKET

Restaurant spending in a community like Galax reflects both local and tourism spending. In FY2019 Galax collected \$2,177,725 in meals tax at a rate of 7.5% which yields restaurant spending of \$29,036,333. Using an average meal price of \$12 to account for fast food and sit-down dining, that translates to an estimated 2.4 million meals. That is a phenomenal number for a city with less than 7,000 residents. Galax has both the benefit of being a tourist destination and being at the center of the Twin Counties of Carroll and Grayson Counties. The combination of local residents, nearby residents, and tourists drives a very robust restaurant economy.

As confirmation to the figures above, Esri Business Analyst a data analytic firm that aggregates and reports demographic and economic data to researchers, indicated that Galax has an annual retail surplus of over \$18 million in restaurant spending in 2017. This surplus could be taken to mean that there is no room in marketplace for additional restaurants. However, it can also lead to the conclusion that Galax’s restaurant cluster is very dynamic and has created a regional draw where all restaurants, existing or new, benefit from the drawing power of the other restaurants in the cluster.

It was reported by local leadership that the current lack in the restaurant market in Galax is a restaurant on the higher end of the market. Bogey’s at the Galax Municipal Golf Course filled that market niche for many years, but it closed in early 2017 after an 11-year run. Because an adaptively reused Galax Vaughan Furniture Building could offer a unique venue for a restaurant, typically required as part of going “higher end,” there is the real possibility of filling the higher end restaurant niche in Galax via a restaurant in the Vaughan Furniture Building. The proximity to Chestnut Creek would also provide a unique opportunity to add

an outside dining component to any restaurant run out of the building.

### 5.4 HOTEL MARKET

In contrast, hotel spending in Galax is rather lackluster, somewhat surprising because of the tourist trade in Galax. In FY2019 Galax realized just over \$173,000 in lodging tax at a tax rate of 8.0%. This yields hotel spending of only \$2,167,112. This low figure is likely because of the limited number of hotel rooms in Galax and the presence of a number of low-end hotels in the City including a 49-room Knight's Inn with rates of \$50 to \$65 per night and a 35-room Rodeway Inn with rates of \$49 to \$54 per night. Galax does have a fairly new mid-range hotel, a 60-room Hampton Inn with rack rates of \$103 to \$116 per night and at least two boutique offerings – The Doctor's Inn bed and breakfast with 6 rooms and rates of \$149 per night and the New River Trail Cabins which range from \$258 to \$378 per 2-night stay for the 12 cabins available there (and very near the Vaughan Building along Chestnut Creek).

The manager of the Hampton Inn provided some very helpful information regarding the hotel market in Galax upon an inquiry in October 2020. She indicated that after the initial lockdown associated with the COVID-19 pandemic, the Hampton Inn bounced back to 80% to 100% on an ongoing nightly basis. She also indicated that many of her guests inquired about and intended to visit downtown Galax on their visits with some indicating that they wished there were a hotel in the downtown area. While the Knight's Inn and Rodeway Inn are in downtown Galax, they definitely were not seen as a viable option by these Hampton Inn guests.

Assuming an occupancy rate and room rate similar to the experience at the Hampton Inn could yield the following results for a niche hotel at the Vaughan Furniture Building:

**50 rooms x 75% occupancy x \$110/night  
rate x 365 days per year = revenue of \$1.5  
million per year.**

With the size of the Vaughan Furniture Building, it should be possible to create a space that could be used for conferences and special events in conjunction with a hotel. There is not a conference center hotel in the Twin County area. Event planners are constantly looking for venues where the lodging, meeting space, and event space have something unique to offer, whether for a corporate retreat or for a small family wedding. Being able to provide packages that accommodate hotel room needs, meeting and special event space, and meals and/or catering through an on-site restaurant (mixed-use all by itself), is the real money maker for many hotels and similar venues.

## 6 THE LOCAL MARKET

Exploration of the local market was undertaken through several means: a community survey, an examination of the existing retail in the market, and a review of the demographics and market economics of Galax. The results of this research follows with some brief summaries and implications with additional implications included at the end of this section.

### 6.1 COMMUNITY SURVEY

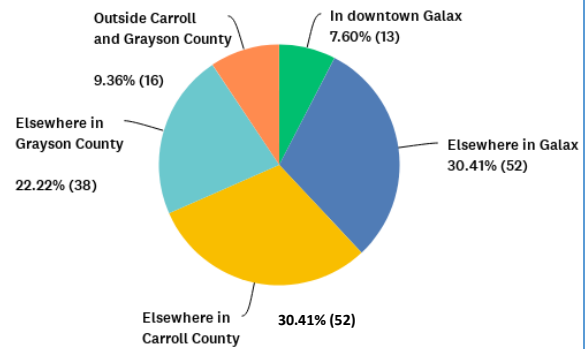
In December 2020 and January 2021, a Community Survey was distributed that received 171 responses. The online survey was open to Twin County residents and conducted to gather input about existing and desired amenities, shopping behavior, retail options, and impressions about downtown Galax and the Vaughan Furniture Building itself. The results of that survey are shown over the next five pages. A copy of the Community Survey is included in Appendix B.

Three basic demographic questions were included at the end of the survey, but are shown here to establish the universe of the survey takers. Generally speaking, the age range of the survey respondents was fairly broad and the residency and work locations of the survey takers were evenly distributed across the Twin Counties.

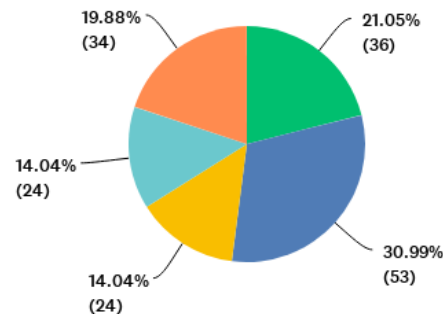
The answers to questions 1, 2, 4, and 5 are summarized on the next two pages as “word clouds” where the relative size of the fonts is an indication of how many people gave particular answers. Overall, survey respondents expressed an affection for downtown Galax’s historic and cultural heritage and its charming and walkable downtown, while also pointing to Galax’s potential. Respondents indicated that the downtown faces challenges affecting many small, rural towns across America including: vacancies and empty storefronts, lack of business

and restaurant variety, and the effects of poverty (e.g., drug use and lack of jobs). Notably, survey

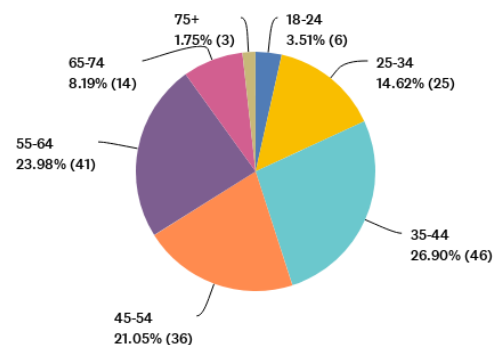
**Q15: Where do you Live?**



**Q16 Where do you work?**



**Q17: How old are you?**



the T. G. Vaughan Building, Galax, VA

Respondents expressed strong interest in seeing a clothing store, a bakery and other specialized foods, restaurants (particularly fine dining), a

Related to non-retail amenities and services, respondents listed additional theater, music, and concert venues, a dog park, a park, bike rentals, and outdoor tables/dining.

[illegible]

the T. G. Vaughan Building, Galax, VA

through the development of a unique downtown apartment opportunity. As a bonus, the Vaughan Furniture Building also offers ample downtown-adjacent parking, which was a challenge clearly stated by survey respondents.

**that are not currently present?**



**Q5: When thinking about downtown Galax, beyond retail shopping opportunities, what amenities, services, recreational/leisure activities, event spaces, and cultural venues would encourage you to spend more time in downtown Galax?**



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the T. G. Vaughan Building, Galax, VA

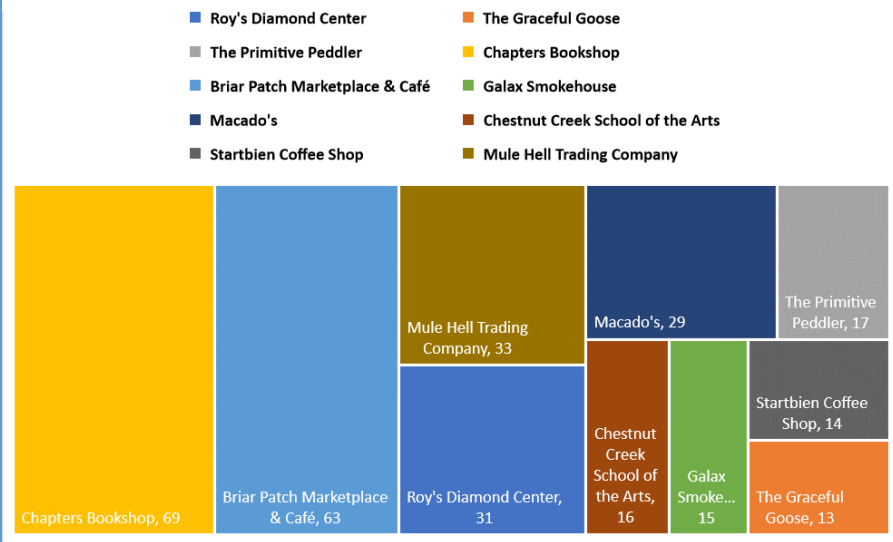
In Question 3, respondents listed the businesses they most often frequent in downtown Galax. All answers with ten or more responses are shown in the treemap chart to the right. This list is synonymous with the list of the more successful businesses in downtown Galax and those that drive a lot of the foot traffic in the downtown area.

When asked if respondents would live in downtown, 28% indicated “yes” with an additional 30% being unsure. When asked about their housing needs, 33% expressed a preference for single-family homes, a reflection of the housing market in Galax which is predominately single-family homes. For those expressing an interest in apartment living, 2- and 3-bedroom units and loft units on two floors were preferred. 15% of respondents indicated that they would prefer a condominium unit.

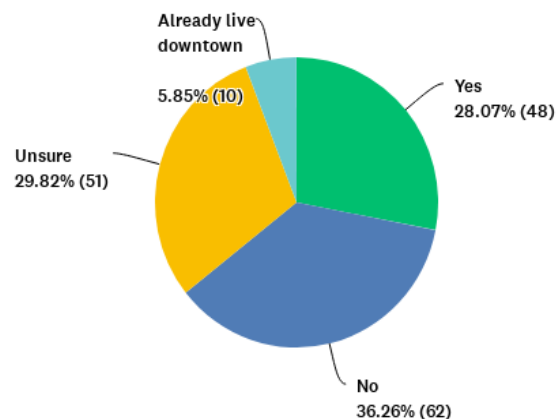
Notably, among older residents (55+) of the Twin County area, who make up a significant percentage of the region’s population, there was some strong sentiment about downtown living. Quotes from respondents include:

- “(I) would have rented a loft apartment in a heart-beat and know several who would.”
- “Husband wants land to live on. Me not so much.

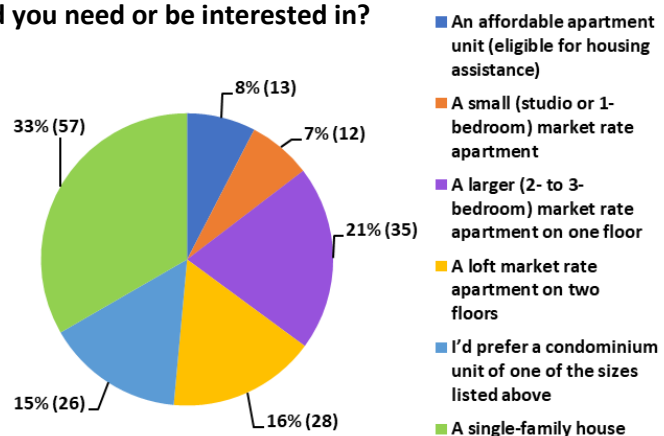
## Q3: What businesses do you most often patronize in downtown Galax?



## Q11: Would you live in downtown Galax if you could?



## Q12: If yes, what type of housing would you need or be interested in?



# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

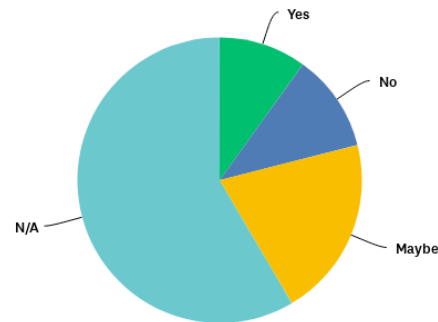
We are getting too old to continue to keep up our land and house.”

- “(I) would want one level living on ground floor or accessible with elevator. Proximity to parking and outdoor space for pet walking would be important.”

Question 9 in the survey was aimed directly at respondents who are business owners, asking if they would be interested in leasing space in a new mixed-use rehabilitation located in the Vaughan Furniture Company building complex. Those respondents who are not business owners obviously did not answer this question, but among those who did, the interest was mixed.

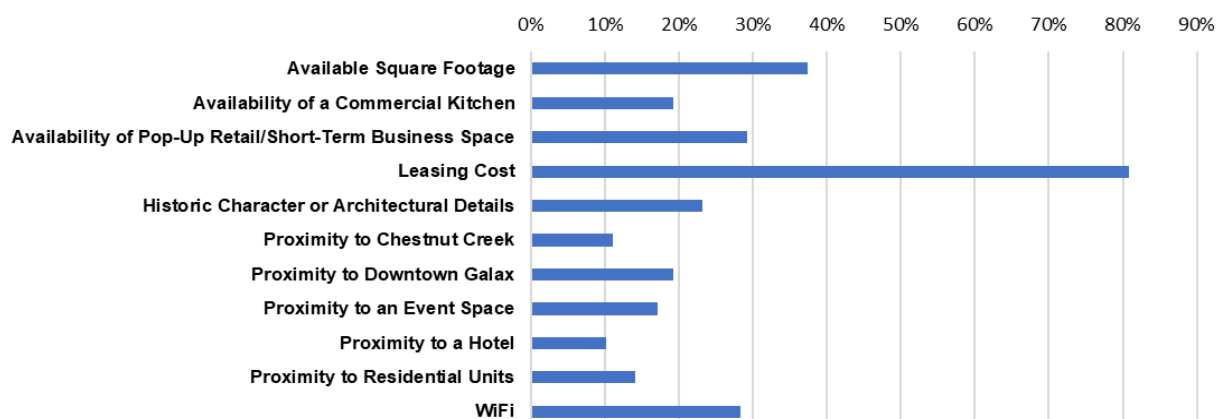
For respondents that answered Question 9, Question 10 provided a follow-up question that more narrowly focused on what their leasing needs might be. It has to be concluded that with the very high response rate for “Leasing Cost,” verses the other answers given, the Galax commercial rental market is very price sensitive. Also, at least among the business owners and entrepreneurs who answered Question 10, those things that make the Vaughan Furniture Building unique (historic character and architecture, proximity to Chestnut Creek, and proximity to downtown Galax), would not be significant factors in their leasing decision.

## Q9: Would you be interested in leasing space in the new mixed-use Vaughan Furniture Building complex?



The answers to both of these questions would indicate that the commercial market for the complex will likely come from entities outside of the immediate Galax area. This is not surprising, and not necessarily problematic, in that the adaptive reuse of the complex will likely be of more interest to businesses currently without a presence in the local market. In fact, outside businesses should be the targeted market for the building if the goal is to bring in new businesses, capital, jobs, visitors, and residents to downtown Galax and the surrounding area.

## Q10: What factors are most important to you in whether or not you would lease space in a new mixed-use Vaughan Furniture Building complex?



# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

## 6.2 EXISTING RETAIL

The Community Survey identified retail niches where survey respondents indicated that they would like to see more purveyors of retail goods and food services. A list of existing businesses within each of these niches was compiled and analyzed to determine whether there was room in the market for these new purveyors.

### Clothing/Shoe Store

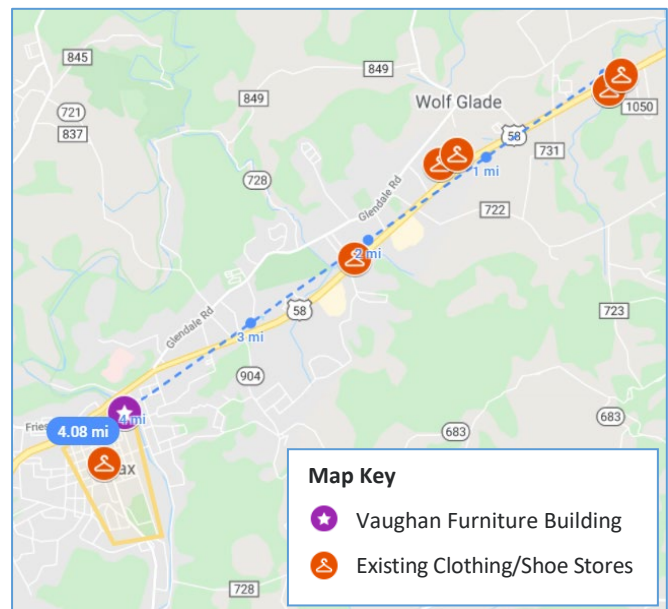
Survey respondents indicated strong desire for more local clothing retailers and a shoe store in downtown Galax. Downtown Galax's only current retail clothing option is a children's consignment boutique. There is only one new clothing boutique within a 10-minute drive, though there are big box retailers (e.g., Wal-Mart) and other consignment/resale clothing shops within that drive time. Filling this niche is likely doable, but may take several attempts to find the right mix of goods to be successful, within both the local market and the tourism market, each of which would be important for success.

### Restaurants

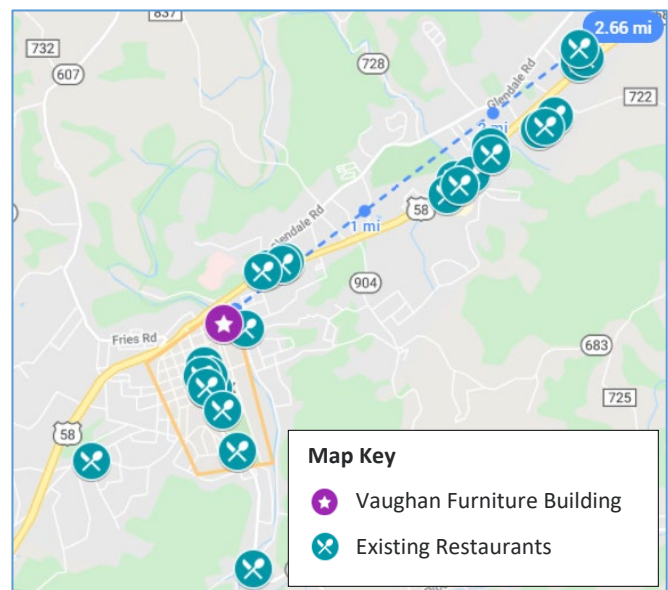
A strong desire was expressed by Survey respondents for a fine dining option which would also potentially have a strong appeal for visitors as well. As indicated earlier, local leadership affirmed that need even given the fact that downtown Galax is home to ten eating establishments and there are over twenty-five restaurants within a 10-minute drive of downtown made up of fast-food restaurants (the majority), diners, and dine-in chain restaurants. As indicated earlier, an adaptively reused Vaughan Furniture Building would provide a unique setting for such a restaurant.

### Specialty Food and Beverage

Galax has five chain grocery stores within a 10-minute drive of downtown Galax, but none are



Existing Clothing/Shoe Stores



Existing Restaurants

easily walkable. Downtown Galax does not have an organic grocery or health food store, food purveyors that are being found more and more in small-town downtowns. There is one wine shop in downtown Galax and Creek Bottom Brewing (located just across Chestnut Creek from the Vaughan Furniture Building) is the only downtown-adjacent place for residents

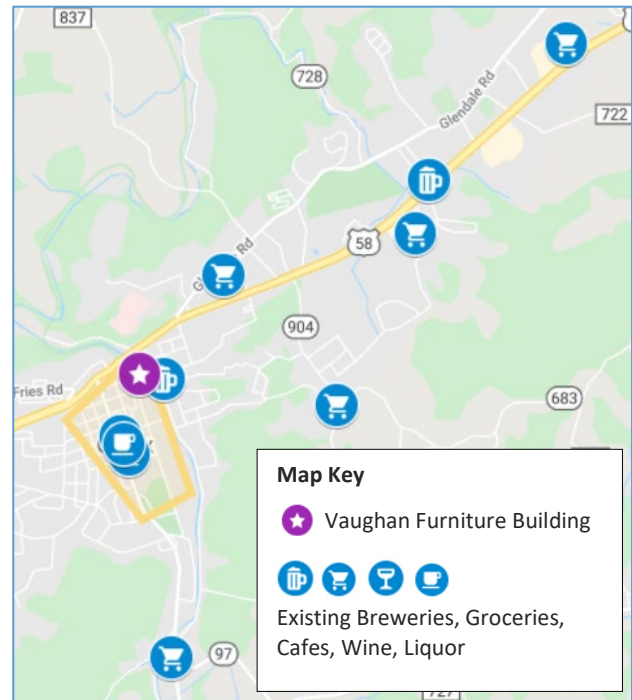
## The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

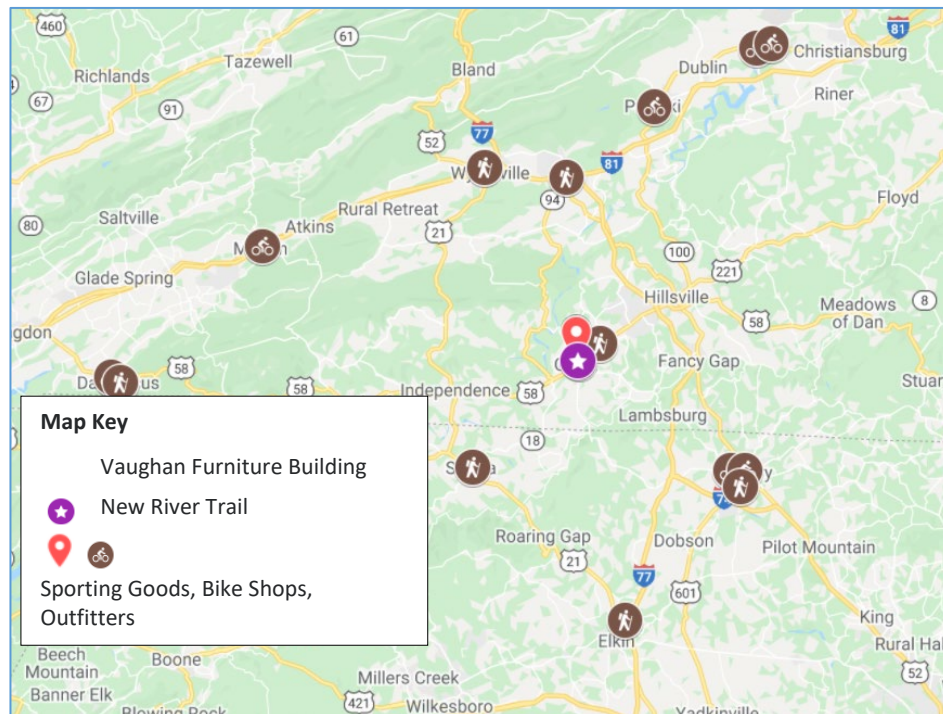
and visitors to go for a craft beer. The two coffee shops with baked goods that are in downtown are quite popular, but the Community Survey did convey that respondents have a desire for a bakery specializing in bread, an ice cream shop, or soda fountain. Within the Galax market, perhaps focused on downtown, there could easily be one or more additional specialty food and beverage purveyors, depending on the niches they attempt to fill.

### Sporting Goods Stores and Outfitters

Downtown Galax has no outdoor gear or bike shop (recently the Blue Ridge Bike Shop closed). The nearest is a 40-minute to 1-hour away. The Wal-Mart carries outdoor gear and bicycles, but likely does not have the variety and quality of equipment the true outdoor enthusiast desires. With the New River Trail right at hand and the other outdoor amenities in the area, this is a niche that could be quite successful with the right mix of goods and other services (equipment repair, livery services, etc.).



**Existing Specialty Food & Beverage Purveyors**




**Existing Sporting Goods Stores, Bike Shops, & Outfitters**

## 6.3 DEMOGRAPHICS/MARKET ECONOMICS

Having taken a look at the local market from an “on the ground” perspective, it is also important to zoom out and take a broader, higher level look at the local market. The best means of doing this is through examining the demographic and economic data for Galax. The basic demographics for Galax are shown to the right. Galax’s demographic profile is not unlike many other small towns in Southwest Virginia facing economic challenges due to the loss of manufacturing and coal-related jobs.

This profile includes a modest median household income of \$33,225 that significantly lags the Commonwealth of Virginia’s figure of \$74,222 and a median age that is higher than Virginia’s (45.2 versus 38.2 years old). Galax has a smaller African American population at 6.5% of residents versus a statewide African American population that makes up 19.9% of Virginia residents. In contrast, Galax has a sizeable Hispanic population at 16.9% of residents that exceeds the statewide percentage of 9.8%.

There is a major upside to Galax’s modest incomes – housing values. Currently the Zillow Home Value Index for the Galax zip code (24333) is \$117,222, well below the statewide figure of \$315,924. Coupled with the natural beauty of the area, the musical heritage, and the outdoor recreational opportunities in Galax and the surrounding area, these modest home prices have made the Twin Counties a very attractive retirement area for both Virginians and North Carolinians. This trend extends beyond the Twin Counties to other parts of Southwest Virginia where the popula-



esri®

2020 Demographic and  
Income Profile

Galax City, VA

Summary		
Population	6,741	
Households	2,784	
Families	1,686	
Average Household Size	2.29	
Owner Occupied Housing Units	1,698	
Renter Occupied Housing Units	1,086	
Median Age	45.2	
Households by Income	Number	Percent
<\$15,000	633	22.7%
\$15,000 - \$24,999	430	15.4%
\$25,000 - \$34,999	382	13.7%
\$35,000 - \$49,999	277	9.9%
\$50,000 - \$74,999	403	14.5%
\$75,000 - \$99,999	296	10.6%
\$100,000 - \$149,999	252	9.1%
\$150,000 - \$199,999	61	2.2%
\$200,000+	50	1.8%
Median Household Income	\$33,225	
Average Household Income	\$52,063	
Per Capita Income	\$21,572	
Population by Age	Number	Percent
0 - 4	356	5.3%
5 - 9	343	5.1%
10 - 14	375	5.6%
15 - 19	372	5.5%
20 - 24	390	5.8%
25 - 34	764	11.3%
35 - 44	758	11.2%
45 - 54	816	12.1%
55 - 64	903	13.4%
65 - 74	848	12.6%
75 - 84	520	7.7%
85+	296	4.4%
Race and Ethnicity	Number	Percent
White Alone	5,599	83.1%
Black Alone	440	6.5%
American Indian Alone	7	0.1%
Asian Alone	57	0.8%
Pacific Islander Alone	9	0.1%
Some Other Race Alone	421	6.2%
Two or More Races	208	3.1%
Hispanic Origin (Any Race)	1,138	16.9%

Source: U.S. Census Bureau, Census 2010. Esri forecasts for 2020.

tion within a 60-minute drive of the Vaughan Furniture Building totals just over 227,000 persons according to the Esri drive time data referenced earlier.

The modest home values (and accompanying modest rents) do create a challenge for the development of any housing at the Vaughan Furniture Building. Any such development will not be inexpensive given the extent and likely cost of the adaptations needed to create housing in the building. The margins will be very tight. The cost of such development could even exceed the market value of the housing for the first several years after completion. This is a factor explored more fully later in this study.

Over the next two pages can be found data that profiles the retail/commercial market for Galax. It is a very interesting set of data for one simple reason – it shows a retail surplus in many categories (represented by the negative numbers in red in the table on the next page). More typical of small towns and cities is retail leakage to nearby larger communities that have more retail outlets in place. In the case of Galax, it is the larger community, particularly as related to its location on the line between Carroll and Grayson Counties. However, it needs to be said that the data, supplied by Esri and Infogroup, might have some inaccuracies in it related to the location of some retail outlets in and around Galax. For example, the Lowe's located on U.S. 58 just east of the Galax City has a Galax Zip Code and its sales data might be included in these figures. That is not a big problem because a locality's "market" often extends beyond its corporate boundary line. The better way to analyze this data is to think of it as a reflection of the Galax market, regardless of jurisdictional boundaries.

With that in mind, the data shows that the Galax market is drawing in a large number of shoppers from outside of Galax and its immediate surroundings. This data stands as confirmation to the earlier information regard-

ing the location of existing retail in Galax. Even the casual visitor to Galax will recognize the vibrancy of the retail/commercial strip along U.S. 58 (East Stuart Drive/ Carrollton Pike) from downtown Galax to just beyond its eastern corporate limit and even be surprised by the traffic they encounter. Coupled with Galax's downtown retail, it is obvious that Galax is the retail hub for the Twin Counties. The Galax market runs large surpluses in retail trade in furniture and home furnishings; building materials, garden equipment, and supply stores; grocery stores; health and personal care stores; department/general merchandise stores; and food service and drinking places. The total retail, food, and drink surplus totaled just over \$197 million in 2017, the latest year for which data is available because of the 5-year interim between occasions when this data is collected and compiled.

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA



## Retail MarketPlace Profile

Galax City, VA  
Galax City, VA (5130208)  
Geography: Place

Prepared by Esri

### Summary Demographics

2020 Population	6,741
2020 Households	2,784
2020 Median Disposable Income	\$28,465
2020 Per Capita Income	\$21,572

**NOTE:** This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017.

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
<b>2017 Industry Summary</b>						
Total Retail Trade and Food & Drink	44-45,722	\$66,576,048	\$263,842,704	-\$197,266,656	-59.7	159
Total Retail Trade	44-45	\$60,839,431	\$239,830,582	-\$178,991,151	-59.5	117
Total Food & Drink	722	\$5,736,617	\$24,012,122	-\$18,275,505	-61.4	42
<b>2017 Industry Group</b>						
Motor Vehicle & Parts Dealers	441	\$13,833,518	\$23,815,934	-\$9,982,416	-26.5	22
Automobile Dealers	4411	\$11,380,188	\$16,115,244	-\$4,735,056	-17.2	13
Other Motor Vehicle Dealers	4412	\$1,443,931	\$0	\$1,443,931	100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$1,009,399	\$7,700,690	-\$6,691,291	-76.8	9
Furniture & Home Furnishings Stores	442	\$2,022,392	\$25,816,909	-\$23,794,517	-85.5	8
Furniture Stores	4421	\$1,138,964	\$4,792,212	-\$3,653,248	-61.6	4
Home Furnishings Stores	4422	\$883,428	\$21,024,697	-\$20,141,269	-91.9	4
Electronics & Appliance Stores	443	\$1,743,304	\$6,643,354	-\$4,900,050	-58.4	6
Bldg Materials, Garden Equip. & Supply Stores	444	\$4,156,445	\$31,294,154	-\$27,137,709	-76.6	7
Bldg Material & Supplies Dealers	4441	\$3,833,421	\$30,087,636	-\$26,254,215	-77.4	5
Lawn & Garden Equip & Supply Stores	4442	\$323,024	\$1,206,518	-\$883,494	-57.8	2
Food & Beverage Stores	445	\$10,765,663	\$33,476,288	-\$22,710,625	-51.3	10
Grocery Stores	4451	\$10,053,818	\$33,015,760	-\$22,961,942	-53.3	8
Specialty Food Stores	4452	\$316,186	\$460,528	-\$144,342	-18.6	2
Beer, Wine & Liquor Stores	4453	\$395,659	\$0	\$395,659	100.0	0
Health & Personal Care Stores	446,4461	\$3,787,646	\$24,154,299	-\$20,366,653	-72.9	11
Gasoline Stations	447,4471	\$6,490,852	\$15,735,426	-\$9,244,574	-41.6	5
Clothing & Clothing Accessories Stores	448	\$2,577,857	\$5,038,034	-\$2,460,177	-32.3	9
Clothing Stores	4481	\$1,785,491	\$3,044,780	-\$1,259,289	-26.1	7
Shoe Stores	4482	\$382,692	\$1,090,330	-\$707,638	-48.0	1
Jewelry, Luggage & Leather Goods Stores	4483	\$409,674	\$902,924	-\$493,250	-37.6	1
Sporting Goods, Hobby, Book & Music Stores	451	\$1,500,191	\$1,727,302	-\$227,111	-7.0	5
Sporting Goods/Hobby/Musical Instr Stores	4511	\$1,278,780	\$996,318	\$282,462	12.4	3
Book, Periodical & Music Stores	4512	\$221,411	\$730,984	-\$509,573	-53.5	2
General Merchandise Stores	452	\$10,400,431	\$58,998,792	-\$48,598,361	-70.0	10
Department Stores Excluding Leased Depts.	4521	\$6,997,676	\$55,458,715	-\$48,461,039	-77.6	5
Other General Merchandise Stores	4529	\$3,402,755	\$3,540,077	-\$137,322	-2.0	5
Miscellaneous Store Retailers	453	\$2,400,722	\$8,039,845	-\$5,639,123	-54.0	22
Florists	4531	\$92,500	\$353,324	-\$260,824	-58.5	3
Office Supplies, Stationery & Gift Stores	4532	\$507,585	\$0	\$507,585	100.0	0
Used Merchandise Stores	4533	\$237,537	\$3,109,512	-\$2,871,975	-85.8	10
Other Miscellaneous Store Retailers	4539	\$1,563,100	\$4,577,009	-\$3,013,909	-49.1	9
Nonstore Retailers	454	\$1,160,410	\$5,090,245	-\$3,929,835	-62.9	2
Electronic Shopping & Mail-Order Houses	4541	\$680,562	\$2,077,636	-\$1,397,074	-50.7	1
Vending Machine Operators	4542	\$54,063	\$0	\$54,063	100.0	0
Direct Selling Establishments	4543	\$425,785	\$3,012,609	-\$2,586,824	-75.2	1
Food Services & Drinking Places	722	\$5,736,617	\$24,012,122	-\$18,275,505	-61.4	42
Special Food Services	7223	\$83,575	\$0	\$83,575	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$70,082	\$0	\$70,082	100.0	0
Restaurants/Other Eating Places	7225	\$5,582,960	\$24,012,122	-\$18,429,162	-62.3	42

**Data Note:** Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.

<http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

**Source:** Esri and Infogroup. Esri 2020 Updated Demographics. Esri 2017 Retail MarketPlace. ©2020 Esri. ©2017 Infogroup, Inc. All rights reserved.

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

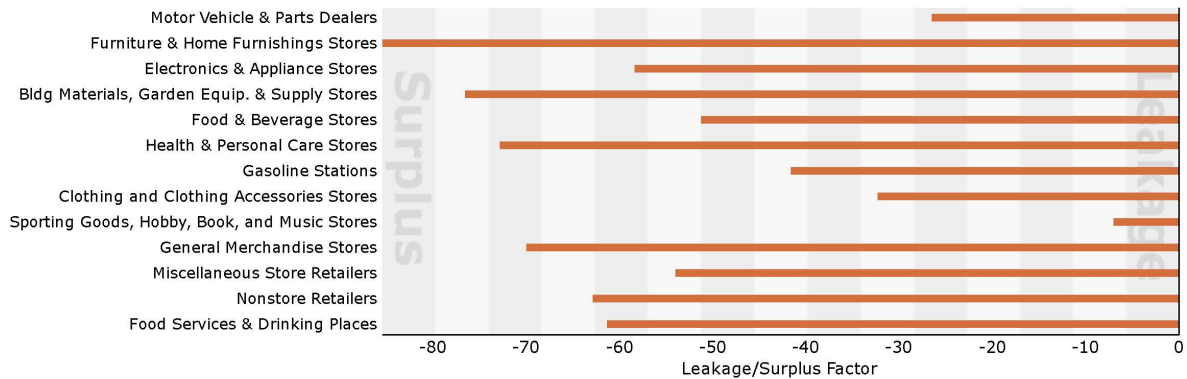


## Retail MarketPlace Profile

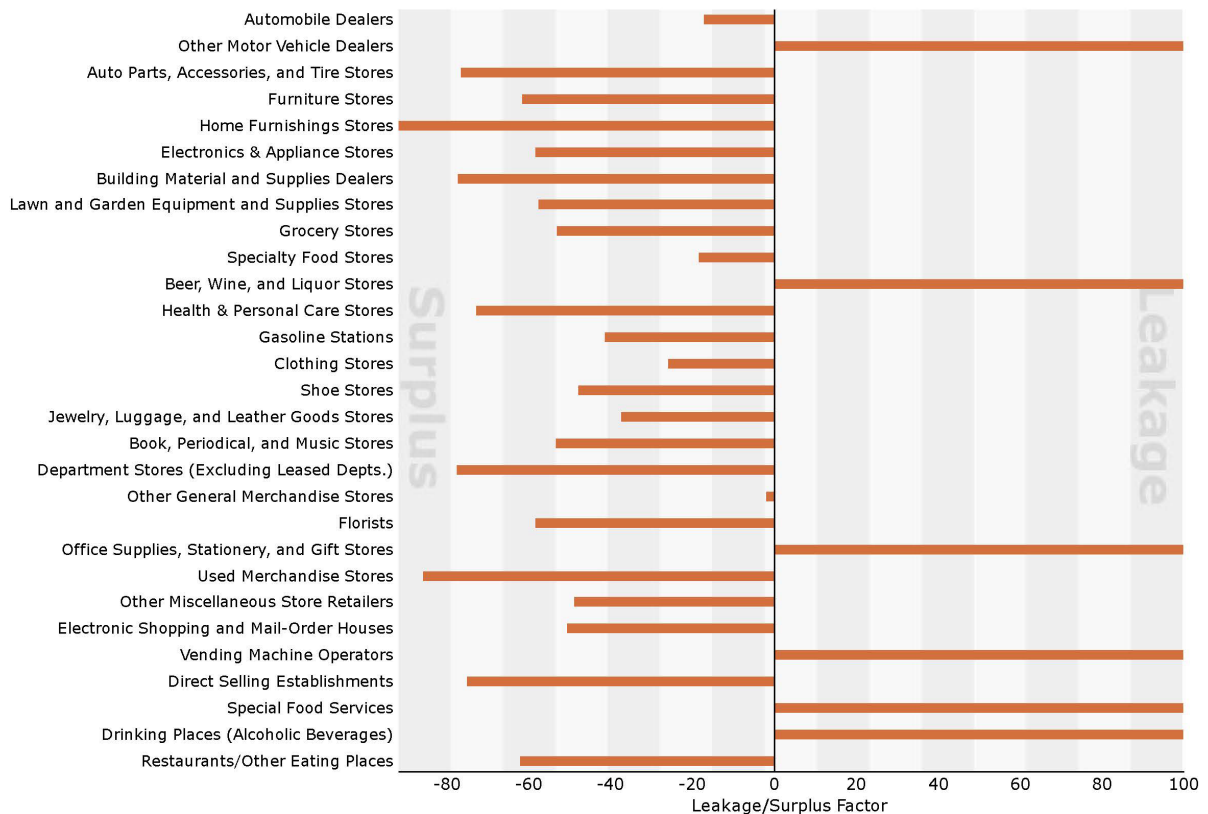
Galax City, VA  
Galax City, VA (5130208)  
Geography: Place

Prepared by Esri

### 2017 Leakage/Surplus Factor by Industry Subsector



### 2017 Leakage/Surplus Factor by Industry Group



Source: Esri and Infogroup. Esri 2020 Updated Demographics. Esri 2017 Retail MarketPlace. ©2020 Esri. ©2017 Infogroup, Inc. All rights reserved.

### 6.4 A CHALLENGING MARKET

This data, the vibrancy of Galax's existing retail corridor, and the modestly priced housing market do create a challenge for developing apartments or condominiums and retail in the Vaughan Furniture Building. This challenge can be overcome by:

- Recruiting or raising up through entrepreneurial support programs niche retailers such as an outfitter or bicycle shop.
- Recruiting or raising up through entrepreneurial support programs a unique, higher end restaurant and drinking establishment.
- Targeting retailers that have an appeal to both residents and visitors in order to create enough sales activity to be sustainable.
- Pairing potential retailers with the other uses of the complex, such as a purveyor of sporting goods that matches up with any indoor recreation uses/facilities that might be included in the adaptive reuse of the complex.
- Limiting the amount of space in the complex dedicated to retail and/or restaurant use so as to not create space that lingers vacant for lengthy periods of time, creating a drag on adjoining spaces within the complex.
- Timing the development of a boutique hotel, which should be very successful in the Galax market, to catch the next wave of hotel development will be very important. The hotel industry has been severely impacted by the COVID-19 pandemic and there is currently very little new hotel development being undertaken, a situation that will resolve itself as pandemic travel restrictions are lifted and the economy improves.
- Creating a housing option that is unique to the market and attractive to retiring senior adults and young adults alike. By the very nature of any housing developed in the complex, making it unique should not be too challenging. The challenge will be to do so while managing the development costs so as to offer sale and/or rental prices that are attractive in the Galax market.

## 7 PRECEDENT MODELS

Since the passage of the Tax Reform Act of 1976 which created the federal Historic Tax Credit program and the subsequent federal regulations that flowed from it including *The Secretary of the Interior's Standards for the Treatment of Historic Properties* there has been a huge wave of adaptive reuses of older historic structures across America. With a strong movement back to the cores of urban areas and small towns, there has even been a second wave of such historic rehabilitations. Joined in many states by a state Historic Tax Credit, the intent of the Historic Tax Credit program has been realized – saving thousands of buildings across the country from the wrecking ball.

It therefore goes without saying that any precedent model that should be considered to inform the feasibility of adapting the Vaughan Furniture Building will be one that has taken advantage of the Historic Tax Credit program. It would not be an exaggeration to say that many if not most of the older historic buildings repurposed in America since 1976 would not have been saved without the federal 20% tax credit and state tax credits as high as 25%, the rate in Virginia.

In addition to the criteria of using the Historic Tax Credit program, the other criteria used in searching for the precedent models highlighted in the table that follows include:

- **The type of building** - as much as practical, highlighting adaptive reuse of mills, manufacturing facilities, and warehouses.
- **The size of the community** – zeroing in on successful projects in small towns up to mid-sized cities. No projects in large urban areas are included.
- **Housing, hotel, and/or mixed use** – featuring projects that had at least a housing or hotel component and those that have a mix of uses.

- **Community support** – looking for projects where the host communities were instrumental in helping the project come to fruition through local private investment, the construction of adjoining public improvements, and/or facilitating or financing the project through a local instrumentality such as an economic development authority.

There are a number of key takeaways that can be gleaned from a review of the thirteen precedent models that are included in this study. These takeaways can be summarized as follows:

- All of the projects maintained a name that preserves the history of the building or borrows from the history of the area surrounding them.
- Most utilized the services of a seasoned developer experienced with the adaptive reuse of historic buildings. Notable exceptions include two projects (Saxapahaw Rivermill and the Craddock Terry Hotel) where grandchildren of the original mill/factory owner were the principal developers. Both, however, are trained architects. Other exceptions include a project done by a communications/broadcasting company (Rocky Mount Mills by Capital Broadcasting Company) and one project that was done by a new subsidiary of an established successful firm with no connection to the adaptive reuse of historic buildings (Jackson Park Inn by Shah Development) that is connected to the Shelor Motor Mile.
- Per the criteria, most of the projects had support from their local community. However, in researching and reading narrative material about the projects,

there were at least two where the partnership almost fell through because of lack of progress at some point in the development process.

- Though detailed financing could not be found for a number of the projects, where detailed information was available, every project “stacked” multiple financial resources and tax credits to make the numbers workable.
- As above, detailed project timelines could not be found for some of the projects, but where they could be found the time it took to take a project from a concept to completion varied from two to fifteen years.
- Where hotel development occurred, the new hotels were universally of the “boutique” variety and seemingly demand room rates on the higher end (at least based on the current rack rates, though those have likely been discounted during the COVID-19 pandemic).
- The majority of the housing developed was market-rate housing. Some of the rates found in the small-town markets likely represent a premium over current market-rate rents in the community, a strong indicator of the demand for the type of rental housing associated with adaptive reuse of historic buildings. The rates cited are also informative because they are indicative of the cash flow needed to cover costs, including debt payments, and make a profit. It is the rare adaptive reuse project that can be undertaken as an affordable housing project given current construction costs. Even for those that are doable, they only work with the guarantee of some type of rent subsidy awaiting the prospective tenants.

- The large majority of the housing developed was for rental units and not condominium units. There is one very specific reason for this fact and a related practical reason as well. First, in order to be eligible for Historic Tax Credits, the improved asset must be income producing over the 5-year period that the tax credit investor is required to hold the property. A sale of the asset is not doable without the potential loss of a pro-rata portion of the credits. Second, from a practical viewpoint, at the costs involved in adaptive reuse projects, typically it takes a number of years for the appraised value of a project to catch up with the actual investment made in the project and the remaining loan balance on any loans used to capitalize it. Any early condominium sales might therefore involve a loss. Renting units until the asset appreciates not only meets the Historic Tax Credit requirements, if the deal was done well, the investor realizes a positive cash flow and profit while the units stabilize, all of which ultimately determine the appraised value and future sale price of the entire project or unit-by-unit sales of condominiums.

By way of physical precedent, each of the precedent models sought to maintain the historic architecture and character of the buildings as much as possible and in keeping with the requirements of the Historic Tax Credit program. Unfortunately, space does not allow room to show many photographs from these precedent models, but safe to say, they are all quite impressive as to what was accomplished via the adaptive reuse of these old buildings. That being said, two particular features from these precedent models are included in the next section of this study because of the way in which they were treated and how they match very closely with portions of the Vaughan Furniture Building.

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

## Precedent Models

Name/City/State/ Former Use	Development Company	Municipality Involvement	Project Cost	Capital Stack	Project Timeline	Uses/Rates
<b>Hotel Millwright Amana, IA</b> Former woolen mill constructed in 1855.	A project of the Amana Society with assistance by Almann Design and Hobart Historic Restoration. The Amana Society retained ownership.	The Amana Colonies are seven rural villages owned by the Amana Society with a total population of 1,636.	\$20,000,000	1. Amana Colonies Shareholders 2. Amana Colonies Savings 3. State and Federal Historic Tax Credits 4. Iowa's Brown/Grayfield Tax Credits 5. Various Bank Loans 6. Small Grants for Sustainability, Tree Planting, etc.	1. Planning started in 2010. 2. Hobart Historic Restoration began architectural plans in December 2017. 3. Historic tax credit application filed May 2018. 4. Hired IDM Hospitality Group to manage the Hotel in May 2018. 5. Construction began in the Fall 2018. 6. Construction completed November 2020.	Building is a 65-room hotel with a full service restaurant, 2 bars, and a 7,000 SF banquet and conference center. Rack rates for hotel rooms range from \$130 to \$190/night.
<b>Eagle Cotton Mill Madison, IN</b> Former cotton mill constructed in 1884.	Riverton LLC/Dora Hospitalities	The City of Madison supported the project by matching the State of Indiana Industrial Recovery Tax Credits. The City is investing \$4,000,000 into the development project, providing property tax abatement, and commissioning new sidewalks around the property. Madison has a population of 11,967.	\$22,000,000	1. Industrial Recovery Tax Credit from the Indiana Economic Development Corp. 2. City of Madison TIF grants 3. Jefferson County Historic Preservation Fund 4. Federal Historic Tax Credits 5. Monarch Capital 6. Old National Bank 7. First National Bank of Anchorage (construction financing)	1. Developers signed a development and purchase agreement April 2018. 2. Design and financing 2018-2019. 3. Property purchased by Riverton LLC August 2019. 4. Construction began September 2019. 5. Construction is ongoing and the project plans to complete the construction by April 2021.	Building will be an 85-room hotel under the Fairfield by Marriott flag.
<b>Swann Warehouse Murray, KY</b> Former tobacco warehouse constructed in 1925 and later used as a textile mill and for storage.	Black Pearl Properties	The City of Murray had little involvement in the project. Murray has 17,741 residents with a total of 37,190 persons in the metropolitan area.	\$8,625,000	1. State and Federal Historic Tax Credits 2. Cash equity 3. Bank loans	3 1/3 years for initial planning, acquisition, construction, and completion.	Building is 2/3 commercial and 1/3 residential. Commercial rates run from \$1.00 to \$1.25/SF. Residential rates run from a studio at \$850/month to 1,500/month for a suite. Currently 75% full in commercial and about 90% full residential, though it has been at 100% for most of the last year.
<b>The Mill at Dover-Foxcroft Dover-Foxcroft, ME</b> Former woolen and furniture mill constructed in 1908.	Arnold Development	Dover-Foxcroft took ownership of the building through tax foreclosure and sold it to a non-profit economic development corporation for initial study including an environmental assessment. Dover-Foxcroft has a population of 4,213.	\$10,660,000	1. State and Federal Historic Tax Credits 2. EPA Brownfield Grant for environmental assessment 3. Cash equity 4. Other financing	Initial exploration under public and non-profit ownership was for 10 years. Planning, design, and construction by private developer took approximately 2 years.	The building has a small 6-room inn, a café, office suites ranging in size from 250 SF to 4,000 SF, and 22 apartments ranging in size from 784 SF to 1,288 SF starting at \$750/month. No units are currently available.
<b>The Lofts at White Furniture, Mcbane, NC</b> Former furniture manufacturing plant constructed in 1881 and following.	D3development	The City of Mcbane made \$700,000 in nearby infrastructure improve- ments and reduced impact and connection fees by 50% or \$180,000. As an Alamance County landmark, property taxes are reduced by 50%.	Phase 1 \$30,000,000 Phase 2 \$12,000,000	1. State "Mill" and Federal Historic Tax Credits 2. HUD-insured 221 (d) (4) construction and permanent loan 3. Tax credit bridge loan 4. Investor equity	Project planning for Phase 1 began in August 2007 and construction was complete in December 2015.	First phase was 156 market-rate apartments. Second phase will include 80,000 SF of Class A commercial space in a non-contributing building and 80 new construction residential units starting construction in 2022.
<b>Spencer's Mill Mt. Airy, NC</b> Former tobacco and clothing manufacturing complex..	BelmontSayre	The project has been a collaborative effort between the Town of Mt. Airy that bought the complex in 2014, Mt. Airy Downtown, Inc., and Belmont Sayre. Mt. Airy has a population of 10,388.	\$7,800,000	1. State "Mill" and Federal Historic Tax Credits 2. Golden Leaf Foundation grant 3. Mount Airy infrastructure improvements of \$1,850,000 4. Bank loan	Two years for design, demolition, and construction, 2018-2019.	The building has 65 market-rate apartments ranging in size from 450 SF studios at \$970/month to 1,340 SF at \$1,545 for 3- bedroom, 2-bath unit.
<b>Rocky Mount Mills Rocky Mount, NC</b> Former cotton mill and mill village begun in 1818.	Capital Broadcasting Company, Inc.	Rocky Mount has a population of 53,922. The metropolitan area has a population of 297,726.	Phase 1 \$32,500,000 Phase 2 \$32,500,000	1. State "Mill" and Federal Historic Tax Credits 2. Other financing	Work began on the mill housing in 2013. Phase 1 was completed 12/31/2018. Phase 2 was completed 1/31/2019.	The large complex of mill buildings include 98,000 SF of office space, 3 restaurants, 5 micro breweries, a brewery incubator, the Power House event space, 69 market-rate loft apartments ranging in price from \$950 to \$1,200/month for a 1-bedroom, \$1,300 to \$1,600 for a 2-bedroom, and \$2,000 to \$2,200 for a 3-bedroom, single-family rental homes in the mill village, and River and Twine "tiny house" hotel.

## Precedent Models

Name/City/State/ Former Use	Development Company	Municipality Involvement	Project Cost	Capital Stack	Project Timeline	Uses/Rates
<b>Saxapahaw Rivermill</b> Saxapahaw, NC  Former textile mill complex constructed between 1906 and 1938.	John (Mac) Jordan Jr., grandson of the mill owners and five business partners	Saxapahaw has a population of 1,648, but is a 30-minute drive from downtown Chapel Hill, NC and a 25-minute drive from downtown Henderson, NC.	Not available	1. State "Mill" and Federal Historic Tax Credits (\$10.6 million) 2. Other financing	Not available	Housed in upper and lower mill buildings, the complex is home to 75 loft-style apartments ranging in price from \$935 to \$1,135/month for a 1-bedroom, \$1,095 to \$1,555 for a 2-bedroom, and \$1,285 to \$1,805 for a 3-bedroom, 28 condominiums with current asking prices ranging from \$395,000 to \$540,000 per Zillow listings, a charter school, the Saxapahaw General Store, the Eddy Pub, a coffee shop, the Haw River Ballroom.
<b>Craddock Terry Hotel</b> Lynchburg, VA  Former shoe factory constructed in 1905 and adjoining tobacco warehouse.	Hal Craddock, a great grandson of the shoe company's founder, and Lynn Cunningham. Cornerstone Hospitality is the operator of the hotel.	The Craddock Terry hotel has been a lynchpin project of \$50 million in major downtown revitalization efforts by the City of Lynchburg. Lynchburg is home to 82,168 residents. The metropolitan area has 260,320 residents.	Not available	1. State and Federal Historic Tax Credits 2. Other financing	From an idea, planning, financing, and design work took 15 years. The Craddock Terry Hotel was completed in 2007.	The building was adapted into a 44-room boutique hotel and event center. The Craddock Terry's room rack rates range from \$139/night for standard rooms to \$159 for suites. It is home to Shoemakers American Grille and Waterstone Pizza.
<b>Jackson Park Inn</b> Pulaski, VA  Former grocery warehouse constructed in 1937.	Shah Development, a subsidiary of Shelor Motor Mile	The Jackson Park Inn has been a lynchpin project for the Town of Pulaski which has received numerous EPA Brownfield grants to examine troubled properties resulting in \$10 million in private downtown investment. Pulaski has a population of 9,086.	\$5,000,000	1. State and Federal Historic Tax Credits 2. EPA Brownfield Grant for environmental assessment 3. Other financing	Construction began and was completed in 2015.	The building was adapted into a 32-room boutique hotel and conference center, the Jackson Park Inn room rack rates range from \$109 to \$250/night. The building is home to the AI's on First restaurant and includes a large outdoor seating area along Peak Creek.
<b>Lofts at West Station</b> Roanoke, VA  Contracted in a 100-year old warehouse.	Bill Chapman, Inc.	Roanoke has a population of 99,229. The metropolitan area has a population of 308,707.	Phase 1 \$9,000,000 Phase 2 Not available	1. State and Federal Historic Tax Credits 2. Other financing	72 Phase 1 lofts were completed in 2013. 71 Phase 2 lofts were complete in 2017.	The building was adapted into 143 loft apartments with access to a private stadium-seating movie theater and state-of-the-art workout facility. A search of rates yields no information because the units are all full. The building also houses Beamer's 25 Restaurant on the ground floor.
<b>Imperial Lofts</b> South Boston, VA  Former tobacco warehouse/manufacturing and textile manufacturing, mainly constructed between 1913 and 1918.	Echelon Resources	The Town of South Boston was heavily involved in the project and provided lending through its IDA. South Boston has a population of 8,142.	\$6,700,000	1. State and Federal Historic Tax Credits 2. Loan from the South Boston Industrial Development Authority (\$3.5 million) 3. Other financing	Phase 1 began in 2017 and was completed in September 2018. Phase 2 was completed in December 2018.	The building was adapted into 71 market-rate residential units ranging in price from \$995/month for a studio, \$1,050/month for a 1-bedroom, \$1,395/month for a 2-bedroom.
<b>Boury Lofts</b> Whedding, WV  Former grocery warehouse constructed in approximately 1895.	Woda Cooper Companies	The Regional Economic Development Partnership helped facilitate this project. Wheeling's population is 28,486. The metropolitan area has a population of 147,950.	\$13,000,000	1. State and Federal Historic Tax Credits 2. New Market Tax Credit financing 3. Bank financing	Construction took approximately 1.5 years and was completed in early 2017.	The building was adapted into 73 market-rate residential units ranging in price from \$749 to \$880/month for a 1-bedroom, \$892 to \$1,156/month for a 2-bedroom, \$1,761/month for a 3-bedroom.

## The Feasibility of Adaptively Reusing

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## 8 POTENTIAL USES

### 8.1 DETERMINANTS

In addition to researching and determining what uses the market might support for a particular property, it is also necessary to link market feasibility with physical and financial feasibility. The financial feasibility will be considered in the next two sections of this study. This section is dedicated to the physical aspects of what uses can be accommodated in an adapted Vaughan Furniture Building and given the size of the building, where within the building. To employ a concept used in the real estate industry, this section is dedicated to delineating the “highest and best uses” for the Vaughan building.

When a development team comes together with its financial supporters to move the redevelopment of the Vaughan building forward, chances are the layout of the building will look different than what is presented here. Nevertheless, it is important to put forward a use plan in order to calculate a cost estimate and assemble the development pro forma that will ultimately determine whether the Vaughan Furniture Building adaptive reuse project is feasible.

To make highest and best use determinations for the various building components of the Vaughan complex, there are a number of key determinants used in this study. These determinants flow from conversations with local project leadership, from the inherent potential locked up in a building the size of the Vaughan Furniture Building, and the physical realities of the building itself. Even if the building is redeveloped differently than what is envisioned in this study, these determinants will likely be key to putting together any alternate scenario.

**Determinant # 1 – The realization that the Vaughan Furniture Building is a key gateway property, crucial to Galax’s future development.**

Given the size and location of the Vaughan Furniture Building along U.S. 58 and on the edge of downtown Galax, this is a fairly obvious statement. What is perhaps less obvious is the impact that a revitalized and busy Vaughan complex could have on its surroundings, from the immediately adjacent vacant and underutilized properties to the retail businesses and restaurants in the heart of the downtown area. The uses for the building need to be worthy of its prominence in Galax – uses that draw crowds of people to the building and to the City’s doorstep on a regular and ongoing basis. This determinant very much precludes passive uses that do not draw significant crowds to the complex. Examples of uses potentially precluded under this determinant include use as a warehouse or storage facility and use as second homes and infrequently used housing units versus primary, regularly occupied housing units.

**Determinant #2 – A goal of developing a mix of complementary uses that create a synergy where the whole is greater than the sum of the parts.**

Mixed-use facilities come in many configurations. An apartment building with apartments on the upper floors and retail and restaurant uses on the ground floor. A mid-rise building with hotel rooms, apartments, and condominiums in the same building. A complex of attached or detached buildings with retail/commercial, restaurant, office, and housing uses. Typically, the goal of a mixed-use development is to have uses that support each other such as when apartment dwellers regularly frequent a complex’s restaurants. Additionally,

# The Feasibility of Adaptively Reusing

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the goal is to save costs by sharing key facilities such as utility connections, roadways, parking areas, and open space. While most mixed-use complexes are quite successful, some mixed-use projects miss the mark because they do not have a sufficient or correct mix of uses within the marketplace and one or more uses is unable to meet its intended potential. One of the challenges for redeveloping the Vaughan Furniture Building is its size. However, when it comes to developing a vibrant mixed-use complex, the building's size is a strong plus because it allows for multiple uses and multiple target audiences. The goal then is to discover the various uses, where the success of one use is supportive of another use and vice versa, so that each use drives traffic to the building and adds to its vibrancy.

**Determinant #3 – A commitment on the part of local leadership to see the building used as a community asset.**

It is unfortunate, but sometimes when creating a mixed-use complex, either through new construction or redevelopment, the complex becomes an entity unto itself with limited interaction with its surroundings. This can result from the design of the complex, either intentional or accidental; the lack of pedestrian, vehicular, or transit connections to the complex; or the need to provide security for the complex, either because of a perceived or real threat. City and Vaughan family leadership want to see the Vaughan Furniture Building developed as a shared asset that benefits the development team, the investors, and the community at large. The “community” uses of the building could include indoor recreation space, incubator space to support the start-up and growth of local businesses, and a performance space that can accommodate theatrical, dance, and musical performances. This interest automatically colors how the Vaughan Furniture Building is adapted and

how various uses are laid out in the complex. One example is the need to take into account where any housing component is constructed within the building vis-à-vis where any “noisier” component such as indoor recreation or performance spaces are constructed within the building.

**Determinant #4 – The need to take advantage of the building's assets while minimizing the building's shortcomings.**

It is quite evident that as the Vaughan complex developed over 70 plus years, company leaders went about making adaptations and constructing additions to the buildings that supported its continued use as a furniture factory. This meant that the changes were done from a practical viewpoint with a goal of accommodating the ever-changing furniture manufacturing process and supporting the ongoing growth of the business. This created both assets for the building and shortcomings. Examples of assets include the number of windows across the front of the older buildings (Buildings 01 through 05) that provide a tremendous amount of natural light to those spaces and the height of the engineered steel building (Building 07), which at two stories, has the potential to accommodate many indoor active uses. Examples of shortcomings include the closing off of windows at the back of the older buildings as additions to the complex were made, creating areas in the older buildings that if subdivided will have no natural light, and large sections of Building 11 that have no windows whatsoever. Both the assets and shortcomings of the building have to be taken into account when considering potential uses and where they might be located in the complex.

**Determinant #5 – A desire to adapt the building in ways that support the use of Historic Tax Credits.**

This may seem a very practical determinant as compared to the previous four. But it is a necessary determinant in that even upon a cursory survey of the Vaughan complex, one comes to the conclusion that it will be costly to redevelop the Vaughan Furniture Building. Historic properties adaptively reused in Virginia are potentially eligible for a 20% federal Historic Tax Credit (HTC) and a 25% state Historic Tax Credit, before subtracting any expenses associated with selling the credits and price adjustments due to fluctuations in the market for the credits. In order to qualify for HTCs, adaptations to the building will have to meet the Secretary of the Interior's Standards for the Treatment of Historic Properties as interpreted by the Virginia Department of Historic Resources (VDHR) which oversees the program in Virginia. The Standards require that a building's architecture and historic uses continue to be visible and highlighted in any adaptive reuse which very much determines where and how new elements such as walls, doors, or windows are added to the building. In turn, this determines which parts of the building are best developed for the various uses that are envisioned for the complex.

## 8.2 EXPLORATION OF USES – PART 1

With a growing knowledge of the Vaughan Furniture Building and the determinants as described above in place, the Consultant Team could take a "first run" at exploring the potential uses for the complex. This occurred through many in-house brainstorming sessions, constant review of the photographs and notes taken from the visits to the complex, and dialogue with the local Galax-Vaughan Committee made up of City staff, three City Council members, and three members of the Vaughan

family. The results of this initial exploration follow over the next several pages of this study as does several concept sketches that match up with key "as built" locations within the complex.

### Buildings 01 & 02

Building 01 is the largest of the older buildings that make up the front sections of the Vaughan Furniture Building. It also has some of the best natural light in the complex via the windows at the front and northerly façade of the building. Building 02 practically serves as an annex to Building 01 with much of what was the southerly wall of Building 01 removed to connect the two spaces on all three floors. Because the ground floor of Buildings 01 and 02 is quite spacious and because it is proximate to U.S. 58, it offers the best location for retail use. Retail use lives or dies based on visibility in the marketplace and the prominence of this location within the complex offers that visibility. The ground floor is an elevated cement slab which once confirmed as sufficient, should be able to carry the weight of retail use.

The second and third floors of Buildings 01 and 02 offer enough space with natural light to construct apartments or condominiums of varying sizes. With the limitation of the floor loads as referenced earlier in this study, housing is a very viable use within this space. The back portion of each floor would have no natural light when apartments and hallways are constructed within the space, but can be used as storage space for the apartment/condominium dwellers and for any common uses needed to support the housing units including an exercise room and property management office.

The post and beam construction in Buildings 01 & 02 is very important to creating the kind of "loft" apartment look that is very popular. Many similar spaces have been adapted as modern apartments while retaining their eligibility for Historic Tax Credits, by constructing the new walls in a manner that does

not cover up the posts and by foregoing a typical ceiling so that the beams and floor joists continue to be visible. The flooring on the second and third floors will have to be replaced, but utilizing stressed plank flooring that looks very much like what the original flooring might have looked like, should ameliorate the concerns that the HTC reviewers might have about not being to retain the original flooring materials.

Shown on the next page is an “as is” picture of a section of the third floor of Building 01, an illustration of what it might look like adapted as an apartment/condominium unit, and a more detailed SketchUp drawing of the same.

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**The 3rd Floor of  
Building 01 “As Is”**



**The 3rd Floor of Building 01  
“Envisioned” as an Apartment**



### **Buildings 03, 04 & 05**

All of the assets and limitations referenced in the previous subsection apply to Buildings 03, 04, and 05. However, the sizes of the buildings are much smaller. The depth of Building 03 is much less than Buildings 01 and 02 and Buildings 04 and 05 have even less depth. However, they are still wide enough front to back for hotel rooms, a hallway, and backroom functions such as housekeeping, exercise room(s), and vending stations. Usage of the second and third floors of Building 03 and the second floors of Buildings 04 and 05 as hotel space would be allowable with the floor load limitations referenced earlier.

The ground floor of Building 03 can potentially serve as the lobby for the hotel and as a central gathering and connecting space for the entire complex of buildings because of its central location along the front façade of the complex. The ground floor of Building 03 is a cement slab and should be able to handle the loads associated with large gatherings of people. Similarly, Buildings 04 and 05 have cement slab ground floors, though depending on the type of hotel use placed on them, the extra load capacity might not be necessary.

Shown on the next page is an “as is” picture of a section of the second floor of Building 03, an illustration of what it might look like adapted as a hotel room, and a more detailed Sketch Up drawing of the same.

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**The 2nd Floor of  
Building 03 “As Is”**



**The 2nd Floor of Building  
03 “Envisioned” as a  
Hotel Room**



# The Feasibility of Adaptively Reusing

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## Building 06

At least initially if not over the long term, Building 6 can be bypassed. With its sizeable boilers that likely contain asbestos, it would be very expensive to dismantle and remove them. In fact, they could be maintained as one means of presenting the history of the Vaughan Furniture Building to visitors and guests.

## Building 07

As referenced earlier, Building 07 is an asset that can be utilized to bring people to the Vaughan Furniture Building by dedicating the space to active indoor uses given its 2-story open arrangement. As a pre-engineered metal building, its structure is pretty much set and can not be altered. However, its outer skin can be replaced as needed as can its interior blanket insulation. More adequate lighting and a modern HVAC system will need to be added to the space. In order to function as a “stand-alone” component within the complex, it will likely need restrooms, lockers, and some office space added to the interior with limited or no connections to the existing superstructure so as to not impact its integrity.

Pictured to the right is a number of uses that could be accommodated in the space. These serve as illustrations only; many other indoor active uses could work in the space as well. At over 51,000 SF, Building 07 could house several of the uses pictured with all of the uses benefitting from the shared use of the common entrances to the space and the common facilities created within the space. Pictured from top to bottom using pictures clipped from their websites:

- Coral Reef Indoor Mini-Golf, Branson, MO
- Top Out Climbing, Santa Clarita, CA
- Thunderbolt Racing, Richmond, VA
- Sofive Soccer Centers, Various Locations



### Building 08

Building 08 offers some unique opportunities for rounding out the offerings that could be made available at the Vaughan Furniture Building. The main and larger part of Building 08 with its mezzanine is best situated to be a modern “industrial look” performance space/ballroom, given that a portion of that section is two stories tall, a needed feature for a performance space. At the same time, the mezzanine creates two spaces from which to enjoy the performance – one at ground level where a moveable stage(s) might be placed and another space one story up where patrons could look down on the performance and fellow attendees from above. One of the precedent models highlighted earlier in this study has such a space, though its overhead space is in the form of a catwalk. Standing in the corner of the main part of Building 08, it is not hard to imagine a scene just like that to the right in the Power House performance space at Rocky Mount Mills in Rocky Mount, NC.

The rear portion of Building 08 is only one story, but given its proximity to Chestnut Creek running its course behind the Vaughan complex, it offers the best location for a restaurant. The windows there are rather small and would need to be enlarged with the concurrence of the Virginia Department of Historic Resources in order to take full advantage of the view. Coupled with a patio along the creek for outdoor dining in warm-weather months, a unique dining experience could be created within the space. The kitchen for the space, as will be noted in the next subsection, could be located on the ground floor of Building 09 in order to preserve the entire width of Building 08 along its back wall with its windows and view for the dining room.

Placing the kitchen and restaurant uses adjacent to the performance space/ballroom creates a



**The Power House at Rocky Mount Mills**  
**Source: [rockymountmills.com](http://rockymountmills.com)**

clustering of uses that are supportive of each other. In particular, a majority of the restaurant’s dining room could be divided from the performance space by moveable “accordion” walls (with perhaps some made of glass) that could be opened up when it would be advantageous for diners to be able to view and hear the performance taking place, whether a small intimate concert by a solo artist or a dinner theater production on a larger scale.

## Building 09

Building 09, though much newer than Buildings 01 through 05, is built very much like them with a ground floor cement slab and two upper floors with wood floors and post and beam construction. Also like Buildings 01 through 05, the upper floors will be subject to 40 psi load limits that basically restricts their use to housing or hospitality use. The large number of windows at the rear façade of Building 09 on the second and third floors allow a significant amount of light into the rear portion of the space, making the space ideal for additional apartments. But there will need to be some significant adaptations to bring natural light further into the interior portions of the second and third floors if apartments are to be constructed across the entire depth and width of the building. As noted in the next subsection, one way to do this would be to add additional windows to the side(s) of Building 09 and create an adjoining open space where the new windows are placed.

With its cement slab floor, the ground floor of Building 09 can handle some heavy loads and serve as additional gathering space for the Vaughan Furniture Building. This makes it ideal for a conference/meeting space associated with the hotel where the weight of a large group requires a higher load capacity and for the restaurant kitchen with its heavy loads. Additionally, another kitchen could be constructed adjacent to the restaurant kitchen on the ground floor of Building 09 for use by start-up food-based businesses. The two kitchens could share the same exhaust shafts which would save on the construction costs of these facilities.

## Building 10

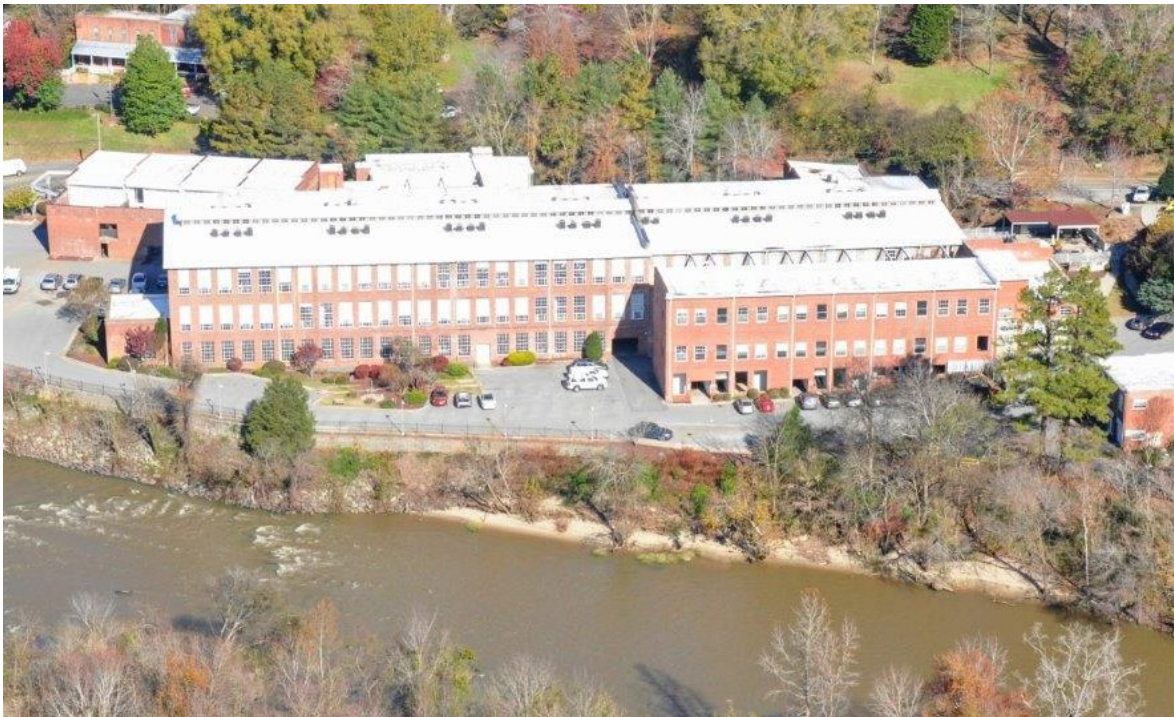
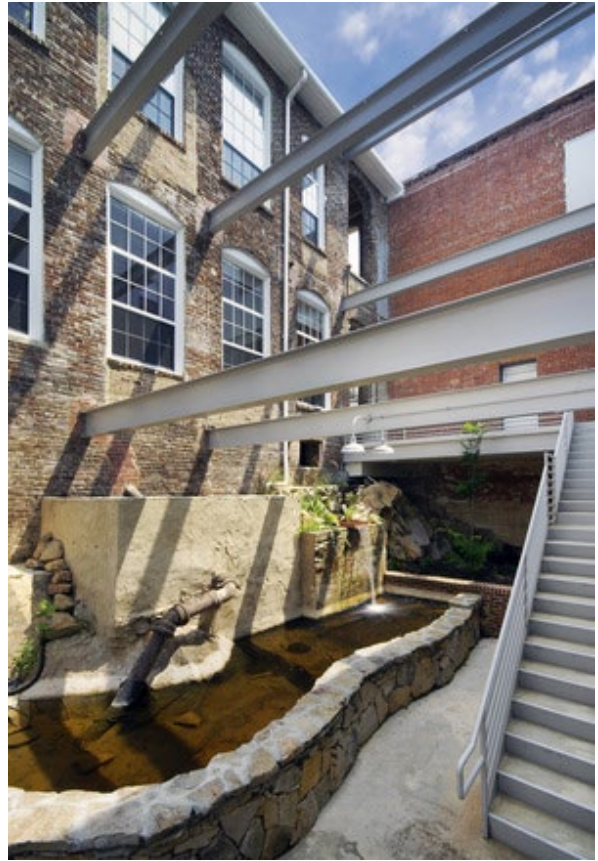
The remaining ground level floor of Building 10 has been used as office space, but as a windowless space, it is not in keeping with modern standards. The adjoining Building 11

is in need of windows and natural light. One way to tackle this dilemma is to remove the ground level floor of Building 10 and the floors and roof above to create an open-air atrium with a courtyard at the ground level. Keeping the steel superstructure in place would give the atrium an industrial look. Keeping the back wall in place would leave the building's exterior appearance as is, an allowance that would go far to ameliorate any concerns on the part of the Virginia Department of Historic Resources. In fact, there has been a very similar adaptation made to an old railroad warehouse in Richmond, VA that has no windows at all. In that case, VDHR approved the construction of seven internal courtyards with entrance doors to provide access to the apartments being created in the former warehouse and as spaces where natural light could penetrate the apartments through windows facing the courtyards. If the footprint of Building 10 was turned into an open-air atrium at all three floors, Building 11 would need new walls facing the atrium. These new walls could be constructed as glass curtain walls, allowing natural light to flood into Building 11.

Shown on the next page is an example of an open-air atrium and courtyard created out of a building that had been constructed between two buildings of the formal industrial complex now called Saxapahaw Rivermill in Saxapahaw, NC. In the aerial view of the complex, this atrium can be seen to the right between the smaller building in the foreground and the larger building behind it in the photograph. (*Picture Source: [rivermillvillage.com](http://rivermillvillage.com)*)

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## The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

Shown below is an “as is” picture of the second floor above Building 10 with its wooden floor, an illustration of what it might look like adapted as open-air atrium with a ground level courtyard,

and a more detailed Sketch Up drawing that shows the same. This illustration shows the new windows that could be added to Building 09 and a portion of the glass curtain walls that could be added to Building 11.



**The Wooden Floor Over Building 10 “As Is”**

**The “Envisioned”  
Open-Air Atrium &  
Courtyard between  
Bldgs 09 & 11**



# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

## Building 11

The main asset provided by Building 11 is that its construction could allow for many uses, including those that might involve heavy floor loads. Its limitation is its lack of windows and natural lighting. As indicated in the previous subsection, this could be overcome by the creation of an open-air 3-story atrium on the footprint of Building 10 and the installation of glass curtain walls facing the atrium. The space could also benefit from the addition of more windows to its exterior cement block/brick walls, a proposition that might be challenging to get approved by VDHR in that this would represent a major change to the building's appearance from one of the major vantage points for viewing the building, U.S. Route 58.

Adaptation of Building 11's interior could be by-passed in the initial phases of bringing the Vaughan Furniture Building back to life or could be used for an intermediate term as an indoor climate-controlled storage facility. A very viable longer-term use is as business incubator space. This use is put forward because of the ability to adapt and configure the space into multiple configurations over time as needed to support various start-up businesses.

The image of a business incubator is typically several people working together in an informal space or around a conference room tables with their laptops open. While this type of use could easily be accommodated in Building 11, the space could also accommodate business start-ups that require larger spaces and that can handle heavier equipment. Because the space adjoins the other uses identified for the Vaughan complex, "noisier" uses could not be accommodated, but quieter, low-impact industrial and other production uses could be.

Several examples of creative uses of former indoor factory space that are catching on include:

- Indoor aquaculture.
- Indoor agriculture.
- Research and laboratory facilities.
- Classroom space.
- Various type of maker spaces.



**Ideal Fish Indoor Aquaculture Facility  
Housed in a Former Button Factory  
in Waterbury, CT  
Source: [hardfordcurrent.com](http://hardfordcurrent.com)**



**Aero Farms Indoor Agriculture Facility in  
a Newark, NJ Industrial Park  
(Pictured Above and Below)  
Source: [aerofarms.com](http://aerofarms.com)**



## 8.3 EXPLORATION OF USES – PART 2

Having completed Part 1 of exploring the uses for the various building components in the Vaughan Furniture Building, additional detail can be added that posits the square footage of each use and more specific locations within the Vaughan Furniture Building. The following table and conceptual floor plans provide that detail.







The heading for the table suggests a name for the adapted Vaughan Furniture Building - “The Vaughan Center” and a suggested tag line – “Live, Work, and Play.” While these are by no means written in stone, they do put forward two key concepts. First, given the history of the Vaughan Furniture Building, the Vaughan Company, and the Vaughan family and their long-standing ties to the Galax community, using the Vaughan name for the revitalized facility has much merit. Keeping the name attached to the building does in some small way keep that history alive.

Second, the tag line of “Live, Work, and Play” gives abeyance to the concept that the intended revitalization of the building is truly mixed use. It would be entirely possible for a young adult to live in one of the apartments, work in the restaurant, and spend a couple of evenings per week enjoying the indoor recreational offerings available right down the hall. It would also be entirely possible for a retired couple to live in one of the apartments or perhaps a condominium unit and take their bicycle ride on the New River Trail, ride up to the Blue Ridge Parkway in the afternoon to enjoy the fall leaves, and return home to a nice dinner in the complex’s restaurant before settling in for the evening.

Utilizing the existing logo for the Vaughan Furniture Company that is seen on the side of the Vaughan Furniture Building, these two concepts might look like the illustration to the right.






## The Vaughan Center - "Live, Work, and Play" Uses, Descriptions, Square Footages

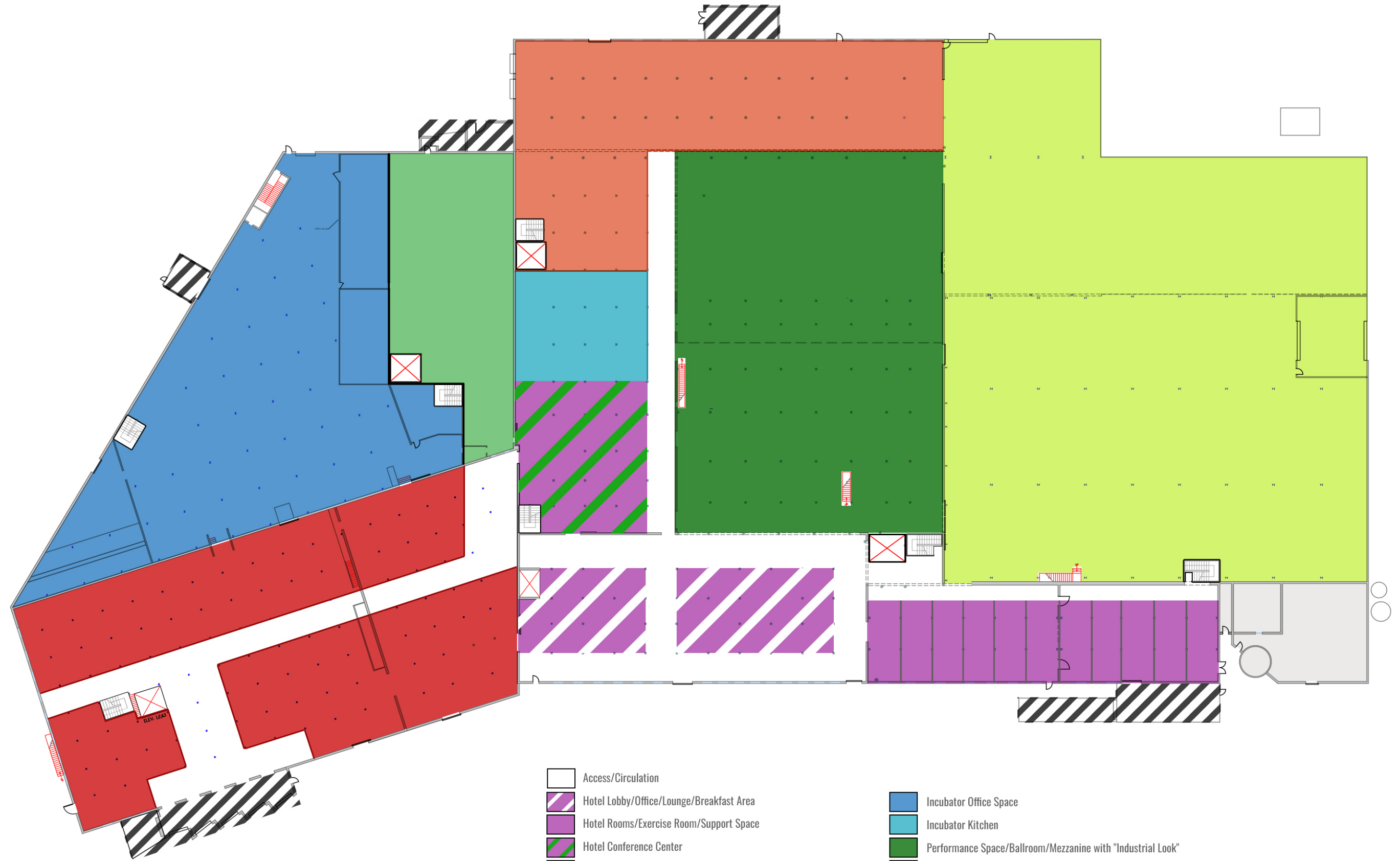
Usage	Description	Appr. Square Footage (Inc. Circulation)
	Hotel Lobby/Office/Lounge/Breakfast Area  The Hotel Lobby would be very open with functional spaces in the middle to show off the building's construction, history, and front facing windows. Lounge, Breakfast Area, and other spaces would utilize "pony" walls in order to maintain the openness. The space would serve as the "crossroads" for the building with access to various functional areas of the building.	13,300
	Hotel Rooms/Exercise Room/Support Space  The Hotel space allows for 49 rooms (1st floor - 11; 2nd floor - 22; 3rd floor - 16). Some of the rooms on the 3rd floor would be smaller where a double row of rooms is possible because of rear facing windows.	64,000
	Hotel Conference Center  The Hotel Conference Center would include multiple moveable "accordion" walls to allow the space to be used as a single Conference Room or as many as 4 smaller Conference Rooms.	4,900
	Retail  Retail space can be subdivided as needed, but there will be significant advantage to adding wall systems that allow natural light to penetrate the rear of this section as much as possible. The space includes spacious front and rear entrance lobbies to allow for "pop up" retailers to set up for special events.	30,400
	Restaurant/Restaurant Kitchen  Spanning the width of the back of Buildings 08 & 09, with the addition of windows as hopefully allowed by VDHHR, the Restaurant will have an extensive view of Chestnut Creek. There could be a patio on the back of the building for outside dining in good weather. The majority of the interior walls of the restaurant adjoining the Performance Space should be movable "accordion" walls as much as feasible. The Restaurant Kitchen is the space inside building 09.	15,800
	Apartments/Condominiums  Apartments/Condominiums of varying sizes are shown ranging from about 500 SF studio units, to 900 SF (1-bedroom/1-bath), and up to approximately 2,000 SF (2 or 3-bedrooms/2-baths). As shown, there are 42 apartments. The apartments in Building 09 would require windows to be punched in on the east side overlooking the Open-Air Atrium described below. VDHHR approved the construction of seven interior courtyards with windows in an old Richmond railroad warehouse that had no existing windows that is currently being converted to apartments with Historic Tax Credits. The apartments in Building 09 could alternatively be 2-story loft apartments of approximately 1,800 SF.	68,300

## The Vaughan Center - "Live, Work, and Play" Uses, Descriptions, Square Footages

Usage	Description	Appr. Square Footage (Inc. Circulation)
 Apartment/Condominium Common Space	The interior spaces of Buildings 01, 02, and 09 with no windows are shown as Common Space that could include a management office, laundry for the smaller apartments, and storage cubicles. One of the amenities that allows for smaller apartments is dedicated on-site storage space for each apartment and for those who are outdoor enthusiasts - a place to put the kayak, roof rack, and bicycle.	17,100
 Incubator Space	The Incubator Space would be outfitted in support of new business start-ups as demand for the space develops. Even once outfitted, the space should remain as flexible as possible to allow for different future uses/configurations. The space should be used by as many businesses and as many uses as feasible without creating any nuisance issues. The construction of Building 11 is such that it can carry significant floor loads, such loads only being limited by the fairly low ceiling heights. Consideration should be given to outfitting the first floor in the initial construction phase. Temporary uses such as climate-controlled storage could be considered for the upper two floors, with conversion to a higher use as demand for the space increases. Adjoining the Open-Aired Atrium described below, this space would have a 3-story glass curtain wall overlooking the Atrium and have a glass elevator for access. Along with punching in new windows on the exterior of Building 11, this glass wall would help open up the building to natural light.	78,300
 Incubator Kitchen	Adjoining the Restaurant Kitchen and utilizing some of the same exhaust shafts, the Incubator Kitchen would serve to support the start-up new food-based businesses and restaurants in Galax. Food and/or meals prepared in the Incubator Kitchen could easily be served in the Open-Air Atrium, Performance Space, or Hotel Conference Center for "tastings" or as full meals.	3,500
 Performance Space/Ballroom with a Mezzanine	The open and flexible Performance Space/Ballroom/Mezzanine will have an "Industrial Look" which is much sought after these days. It is across the hallway from the Restaurant Kitchen and Incubator Kitchen for access to food service. It is adjacent to the Restaurant for performances where the Restaurant's moveable glass partitions can be opened up, giving diners access to the performance. The existing Mezzanine could be shortened to provide more open space, but some portion should be maintained to create a standing lounge area overlooking events even while the 1st floor space might be filled with chairs and tables. A portion of this space would need to be dedicated to storage for tables, chairs, a moveable stage, lighting and sound equipment, etc. It will also require acoustic dampening due to the many hard surfaces.	27,300

## The Vaughan Center - "Live, Work, and Play" Uses, Descriptions, Square Footages

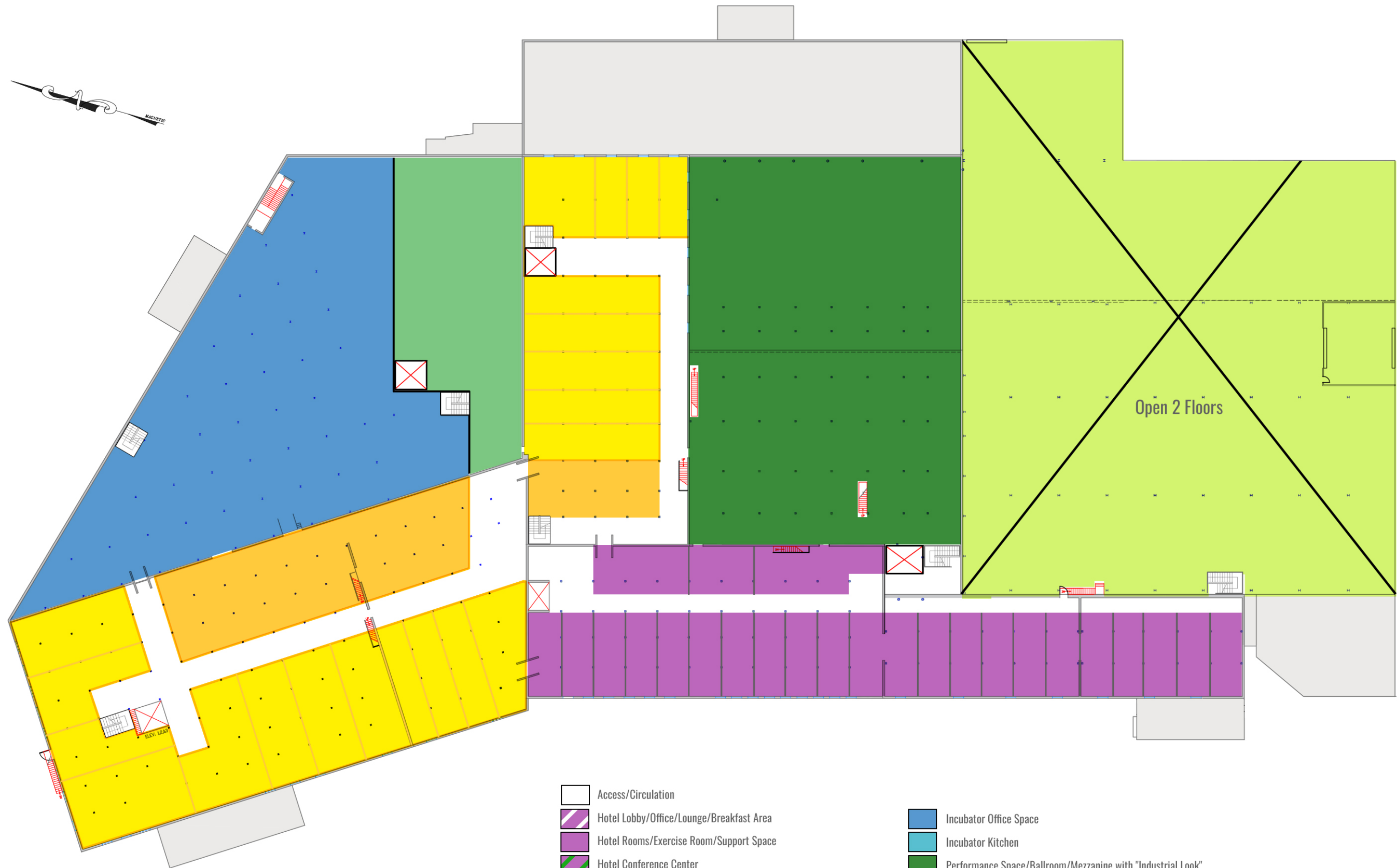
Usage	Description	Appt. Square Footage (Inc. Circulation)
	<p>Open-Air 3-Story Atrium &amp; Courtyard</p> <p>The old office building (Building 10) that has been surrounded by other additions would be demolished as would the flooring material above and the roof. The steel posts, beams, and girders would remain to create a 3-story Open-Air Atrium with an Industrial Look and a ground level courtyard. The back wall would remain in place except for adding windows in keeping with those added to the side and back of Building 11, so that the Atrium is "hidden" and the back wall of the complex is not significantly altered. Windows punched in for the apartments in Building 09 and the glass wall of the Incubator Space would look into the Atrium and provide much needed natural light through the open-air arrangement.</p>	9,300
	<p>Indoor Recreation</p> <p>Building 07 would be improved and maintained as is for use as an Indoor Recreation space. As an engineered steel building, the steel posts, beams, and girders will have to remain without alteration which does limit the building's adaptability. The space should be seen as a community asset and as such, utilized by local residents, hotel guests, and the "in-house" apartment dwellers. Some of the space could be maintained as an small indoor athletic field, but as a necessity, emphasis would need to be put on revenue generating indoor recreation uses. Examples include a collection of climbing walls for various skill levels, an indoor putt-putt golf course, a trampoline park, a large-scale, themed children's "jungle gym," a parkour/ninja warrior course, laser tag, a go-kart track, or all of the above. Such facilities have the advantage of being for "members" who pay a monthly or annual fee and 1-time users who pay a premium for their use. The size of the space also creates an additional incubator opportunity where entrepreneur(s) can lease space and set up various indoor recreation businesses within the space.</p>	51,500
	<p>Access /Circulation</p> <p>The layout of Access/Circulation space for an adaptive reuse of the Vaughan Furniture Building will need to be substantial because of the complex's multiple interior spaces that do not currently have adequate fire/emergency egress. An additional challenge is that the various floors of the several buildings do not line up and will require ramping at key junctures, particularly as related to handicap accessibility. A significant number of elevators and stairways will need to be added to meet building/fire codes.</p>	Included Above
<p><b>Total Square Footage for Adaptive Reuse</b></p> <p><b>Plus Boiler Room</b></p> <p><b>Plus Lumber Stacker (Separate Building)</b></p> <p><b>Add Back In Lost 2nd &amp; 3rd Floor Space above Atrium Floor</b></p> <p><b>Grand Total</b></p>		<p><b>383,700</b></p> <p><b>3,500</b></p> <p><b>2,325</b></p> <p><b>18,600</b></p> <p><b>408,125</b></p>



-  Access/Circulation
-  Hotel Lobby/Office/Lounge/Breakfast Area
-  Hotel Rooms/Exercise Room/Support Space
-  Hotel Conference Center
-  Retail
-  Restaurant/Restaurant Kitchen
-  Apartments/Condominiums
-  Apart./Condo. Common Space - Mgmt. Office, Storage, Laundry

-  Incubator Office Space
-  Incubator Kitchen
-  Performance Space/Ballroom/Mezzanine with "Industrial Look"
-  Open-Air 3-Story Atrium with "Industrial Look" & Courtyard
-  Indoor Recreation
-  Unusable Space/Roof Below
-  To Be Potentially Demolished

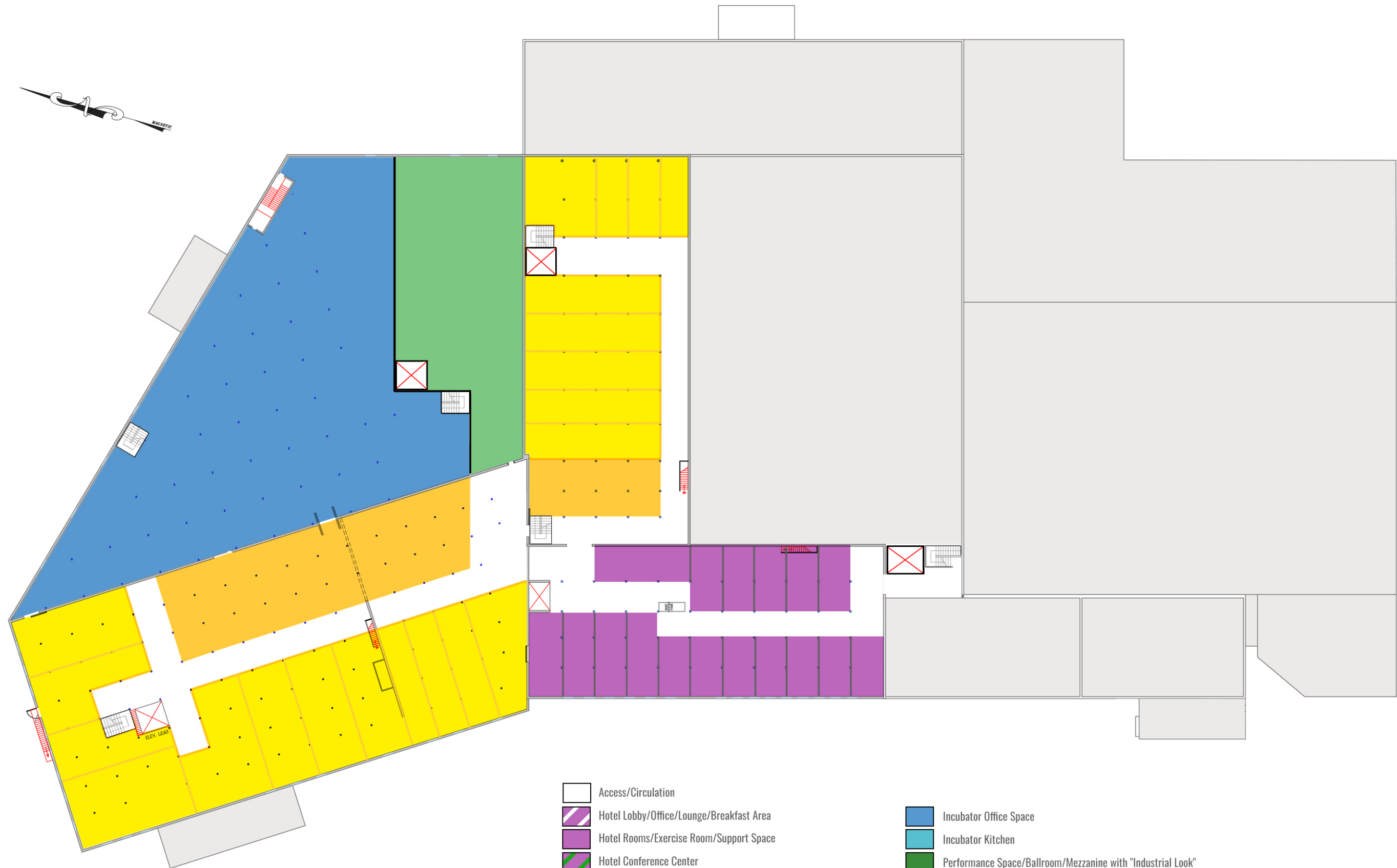
VAUGHAN FURNITURE BUILDING, GALAX, VA  
CONCEPTUAL FLOOR PLAN  
GROUND FLOOR



- Access/Circulation
- Hotel Lobby/Office/Lounge/Breakfast Area
- Hotel Rooms/Exercise Room/Support Space
- Hotel Conference Center
- Retail
- Restaurant/Restaurant Kitchen
- Apartments/Condominiums
- Apart./Condo. Common Space - Mgmt. Office, Storage, Laundry

- Incubator Office Space
- Incubator Kitchen
- Performance Space/Ballroom/Mezzanine with "Industrial Look"
- Open-Air 3-Story Atrium with "Industrial Look" & Courtyard
- Indoor Recreation
- Unusable Space/Roof Below
- To Be Potentially Demolished

VAUGHAN FURNITURE BUILDING, GALAX, VA  
CONCEPTUAL FLOOR PLAN  
SECOND FLOOR



VAUGHAN FURNITURE BUILDING, GALAX, VA  
CONCEPTUAL FLOOR PLAN  
THIRD FLOOR

- Access/Circulation
- Hotel Lobby/Office/Lounge/Breakfast Area
- Hotel Rooms/Exercise Room/Support Space
- Hotel Conference Center
- Retail
- Restaurant/Restaurant Kitchen
- Apartments/Condominiums
- Apart./Condo. Common Space - Mgmt. Office, Storage, Laundry

- Incubator Office Space
- Incubator Kitchen
- Performance Space/Ballroom/Mezzanine with "Industrial Look"
- Open-Air 3-Story Atrium with "Industrial Look" & Courtyard
- Indoor Recreation
- Unusable Space/Roof Below
- To Be Potentially Demolished

## 8.4 EXPLORATION OF USES – PART 3

In addition to a conceptual floor plan, it is also important to conceptualize how the exterior of the building might be used in support of the uses that are envisioned for the Vaughan Furniture Building. To that end, a conceptual site plan was assembled and follows this page.

The complex is sited on two parcels. The larger one (Parcel #45-66) is 5.20 acres. The smaller parcel (Parcel #45-59) is the former Norfolk Southern right-of-way and is 2.24 acres. This gives the complex control of nearly the entire site bounded by East Stuart Drive (U.S. 58) to the north, Chestnut Creek to the east, East Webster Street to the south, and T. George Vaughan Jr. Avenue to the west. The exception is a small 0.19-acre parcel adjoining the north-east corner of T. George Vaughan Jr. Avenue and East Webster Street (Parcel #45-58) owned by Hills Rental Company. Assuming that this parcel would be acquired and added to the holdings of the complex, there is one more calculation that needs to be factored in. The parcel that is the former Norfolk Southern right-of-way extends across and south of East Webster Street, which necessitates subtracting approximately 0.76 acres. Making these adjustments yields an area of approximately 8.39 acres of which 4.64 acres are occupied by the main Vaughan Furniture Building itself.

The conceptual site plan was undertaken with a goal of creating 400 parking spaces in order to provide capacity that would provide for apartment dwellers, guests at the hotel and/or restaurant, event goers at the indoor performance space, indoor recreation participants, and several entrepreneurs using the incubator space to all be on-site simultaneously. Unfortunately, the site as described above can not accommodate that many parking spaces. However, directly west of T. George Vaughan Jr. Avenue are two larger parcels that are currently vacant. Parcel #45-61,62,63,64 comprised of 1.43 acres and adjacent to East Stuart Drive has

also been owned by the Vaughan Furniture Company for many years and once served as parking for factory employees. The conceptual site plan shows this parcel used for additional parking in to order to achieve the 400-space count. However, it would have to potentially be acquired via a separate transaction by the developer of the Vaughan Furniture Building. An additional parcel west of T. George Vaughan Jr. Avenue (Parcel #45-6) comprised of 1.76 acres is owned by the Montvale Realty Corporation out of Columbus, Ohio and could also potentially be acquired for parking.

In addition to the parking and associated catchment basins, the conceptual site plan includes several features worth noting:

- A walking path that connects across East Stuart Drive to the New River Trail State Park, continuing along Chestnut Creek, and eventually crossing the creek via a foot-bridge. This path intentionally connects the complex to the New River Trail, an important community and tourism asset. This new trail is in keeping with the City of Galax Comprehensive Plan that envisions additional greenways along the City's creeks and connections to recreational assets via linear parks and trails.
- A sizeable patio area behind the planned restaurant and adjacent to Chestnut Creek that can be used for outside dining by the restaurant and general use by anyone visiting the complex.
- A repositioned loading dock to serve all of the uses in the building and allowing for the current roll-up door at the rear of Building 07 to be used as direct access to the patio and vice versa.
- Three main entrances to the complex, one at Building 01 where an existing loading dock is located, a new entrance to Building 03, and an entrance to Building 07 where an existing "air-lock" entrance exists.



VAUGHAN FURNITURE BUILDING, GALAX, VA  
CONCEPTUAL SITE PLAN

## 9 COST ESTIMATE

### 9.1 COST DRIVERS

Adapting the Vaughan Furniture Building for the future uses envisioned in this study is a challenging task. Additional measuring of the building with a digital scanner, further investigation of the existing conditions found at the complex, and preliminary designs with additional details would all be required to firm up a more exact cost estimate. Even at that, when adaptively reusing a building the age of the Vaughan complex, any cost estimate can go by the wayside as soon as the first unneeded element is pulled away or the first nail is hammered, potentially revealing a previously unforeseen condition.

At the same time, it is possible to assemble a reasonable “order of magnitude” cost estimate based on approximate square footages and prevailing costs for similar work as long as any special conditions are noted and added to the bottom line as necessary and any special features are accounted for.

The following cost estimate was assembled with a number of factors considered:

- Basic square footage costs specific to each section/use in the building were developed in consultation with the Summit architect involved in the project. Those range from \$50/SF over three levels for the removal of Building 10 and opening up the space for the open-air atrium to \$300/SF for the restaurant and its accompanying kitchen.
- The recent and ongoing increase in construction costs in the United States, particularly the cost of lumber, a trend that is expected to continue into the future and perhaps even go additionally higher as the country comes out of the COVID-19 pandemic and a more robust

economic recovery falls into place. A construction inflation report by Construction Analytics predicts annual non-residential construction to increase at a 4% rate for the next several years and residential construction to increase at a 5% to 6% rate. With the Vaughan Furniture Building project likely not breaking ground until one year after this study is complete and to take two or more years to build-out over perhaps several phases, constructions costs could jump 10% to 12% from the date of this study to final build-out.

- A review of a number of different online resources about what adaptive reuse is costing in comparison to new construction in today’s construction environment. In a very informative review of costs by Oliver Fox, Vice President of MGAC, a firm specializing in construction cost estimating and management, Mr. Fox indicated that in the mid-Atlantic market the cost differential between new commercial construction and adaptive reuse commercial construction was basically zero, with both costing between \$225 and \$300 per square foot. Being eligible for Historic Tax Credits, brings the overall cost of the adaptive reuse for a historic structure down and serves a greater good, but that is a calculation saved for the development pro forma as a part of the “stack” of capital financing that determines a project’s ultimate financial feasibility.
- Current pricing for construction per on-the-ground projects and other data. Cummings Insights, a major tracker of construction costs reported that apartment construction costs ran on average of \$330/SF in the Raleigh-Durham mar-

ket, retail construction ran \$264/SF, and hotel construction ran \$392 in 2020. An apartment building in downtown Greensboro that Summit Design and Engineering has been involved with is about to go under construction at a hard construction cost of \$196/SF and total of \$264/SF once architectural/engineering costs, initial financing costs, a developer fee, and other up-front costs are added in. Another project that received technical assistance through funding from Opportunity Appalachia, the adaptive reuse of an old canal warehouse into mixed-use space in Chillicothe, OH, is using a cost estimate of \$200/SF for the adaptive reuse of an old canal warehouse into mixed-use space.

- The likelihood that some of the expertise and labor needed for this project will have to come from outside of the immediate area. This will be a pretty challenging adaptive reuse in a market where something of this scale and complexity has never been undertaken. Even if only 25% of the workforce needed to construct the project has to come from elsewhere, that will drive up the costs.
- The fact that a large majority of the flooring on the second and third floors of the older “T” section of the building will have to be replaced and leveled. Much of the flooring and a major part of the subflooring are damaged beyond reuse due to a combination of the heavy equipment that was placed on them, the movement of heavy objects across them, water damage on the upper floor, and the original construction of the building where pretty green beams were used (an observation made by Summit’s structural engineer involved in the project and affirmed by a member of the Vaughan family). The greenness of the beams contributed to the bowing of the majority of them as they settled in and aged, particularly when heavy equipment was put on them. They still have structural integrity, but the bowing and damaged floors combined will make it very hard to get level floors without starting from scratch with new flooring, significant shimming where the flooring could be preserved (something that would likely have to be done over time to let each shimmed movement settle in), the use of leveling concrete (which creates its own issues related to the additional weight involved), or some combination of the three.
- Similar to the above, though fortunately not a majority, a number of the posts in these buildings will have to be replaced or reinforced. For some reason, there are several dozen of the posts that are in two parts, with a second smaller part added to the top. They are subject to shearing, particularly in a building that does not have lateral beams, and their reinforcement at this point is only boards nailed onto the posts. (Also as above, per observation made by the structural engineer.)
- While a lot of open space does create a nice blank canvass on which to be creative, it does mean lots of walls will have to be built. Many adaptive reuses that are cheaper to accomplish already have many of the walls in the right place, such as converting an old downtown hotel into apartments or vice versa. Plus, while many of the walls can be put in as non-load bearing walls, any public space will require that load bearing walls be constructed beneath it in order to carry the maximum weight that there could be. For example, hallways and gathering places above the ground floor have to be supported by load bearing walls. Typically, an apartment or hotel

hallway might have only a few people in it at any time, but it has to be designed to allow for 100 people crushed together trying to escape a fire.

- The limited amount of the right kind of plumbing throughout the building. It is pretty amazing that a factory the size of the Vaughan Furniture Building was operated without very many bathrooms. There is plenty of water coming into the building and it is distributed throughout the building in large pipes, but mainly not in the sizes or places needed for apartments, hotel rooms, restaurant kitchens, public restrooms, etc. The wastewater plumbing is extremely limited, only distributed to the small number of bathrooms, each of which is pretty small. Plumbing the building for water and wastewater, one of the highest cost factors for any construction job, will not likely be much, if any cheaper, than it would be for new construction.
- The fact that the entire building will need new HVAC systems. Again, no real cost savings vs. new construction.
- A number of the roofs still need to be replaced or remain unevaluated at this time. It was noted that in Buildings 04 and 05 an investment was made by replacing the roof on one while the other is still leaking significantly. Now the roof joists and boards in both buildings (by earlier leaks in one and by current leaks in the other) are severely damaged.
- Even with the lack of windows on the one section of the building, there are a lot of windows, all of which are in poor condition. VDHR will require that they be kept in order for the project to be eligible for Historic Tax Credits. Most are industrial windows with metal mullions/muntins that will have to be scraped, repaired, and repainted in place with many panes needing to be replaced as well. Also, a number of the windows are no longer secure to the building due to the deterioration of the mortaring and bricks that surround them due to the penetration of water.
- Also in regard to windows, though not very noticeable from street level, there is a solid row of clerestory windows (simple 6-pane sashes) running the entire length of Buildings 01, 02, 03. There are only a few of the actual windows remaining, though the framing for each is still there. Most of the windows are missing and boarded, with a few of the openings having exhaust fans in them. VDHR will likely want all of them put back. But apart from VDHR requirements, they are one of the architectural features of the building that should be kept. They can serve as a means of getting additional light into the back half of each of the third stories of those buildings where the original rear exterior windows were eliminated when additions were made to the building.
- A significant amount of brick repointing. Some of this is because of major cracks, particularly in the northwest corner of the complex where the oldest building (Building 01) joins the newer building (Building 11) creating unique stresses at their juncture and a lengthy stairstep crack in Building 11 (none continuing to expand per the structural engineer, but needing to be fixed nevertheless). But added to this is the fact that most of the old brick walls need repointing nearly in their entirety. The mortar can be removed with your fingers in places where there has not been some repointing since the buildings were constructed. Old mortar does eventually lose its cohesive character,

particularly if it was made with locally sourced sand as was almost always the case for older buildings. “Rounded” river sand, like that which would be found in the plain of a river or other major waterway does not hold up as well as “jagged” sand that has not experienced the tumbling effect created by flowing down a waterway. Chances are that when the oldest Vaughan buildings were constructed, mortar was mixed on site, perhaps using sand deposited in the area by Chestnut Creek.

### 9.2 LAYOUT OF THE COST ESTIMATE

The cost estimate delineated in the table that follows this page has been set up as a basic order of magnitude cost estimate by major area of use (hotel, retail, etc.) with additional columns dedicated to special allowances per several of the key cost drivers referenced in the previous subsection. These extra columns cover:

- Additional costs associated with the major restoration of existing windows and exterior doorways.
- Additional costs associated with adding new windows to the structure as needed for bringing in natural light to the uses and areas within the building that currently have no access to natural light or that will lose their access to natural light as new walls are added into the building.
- Additional costs associated with repairing major cracks in the exterior walls and repointing the majority of the older buildings in the complex.
- Additional costs associated with the installation of new roofs.

The cost estimate also includes:

- Architectural services at 8% of construction costs.

- Engineering services at 2% of construction costs.
- The cost for constructing five elevators with fifteen landings at \$60,000 per landing (\$900,000 total).
- The cost of constructing parking for 400 cars at \$8,000 per parking space (\$3.2 million total).
- A landscaping allowance equal to 10% of the cost of the parking (\$320,000).
- An allowance for miscellaneous demolition and the removal of the remaining industrial fixtures (\$250,000).
- A 10% contingency applied to all uses and common costs.
- \$35,000 for permitting and fees.

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

## The Vaughan Center – “Live, Work, and Play” Cost Estimate

Area / Use	Appr. Square Footage (Inc. Circulation)	Building # / Date / Type	Estimated Basic Cost / Square Foot	Subsection	Number of Existing Exterior Openings	Estimated Cost / Existing Exterior Opening	Estimated Cost for Existing Exterior Openings	Number of New Exterior Openings	Estimated Cost / New Exterior Opening	Estimated Cost for New Exterior Openings	Linear Footage of Exterior Walls by Floor	Square Footage (Linear Ft. x 14 Ft.)	Estimated Cost / SF of Exterior Brick Wall Repointing	Estimated Cost for Exterior Brick Wall Repairs	Square Footage of Roof Replacement	Estimated Cost / Square Foot of New Roof	Estimated Cost for New Roofs	Estimated Costs per Area / Use
Hotel Lobby/Office/Lounge/Breakfast Area	13,300	03 / 1923 Section of "Original" T	\$250	N/A	20	\$2,000	\$40,000	2	\$3,000	\$6,000	180	2,520	\$15	\$37,800	N/A	12	\$0	\$3,408,800
Hotel Rooms/Exercise Room/Support Space	64,000	03, 04, & 05 1923-1929 Sections of "Original" T	\$225	Building 03 Building 04 Building 05	90 13 9	\$2,000 \$2,000 \$2,000	\$180,000 \$26,000 \$18,000	0 5 3	\$3,000 \$3,000 \$3,000	\$0 \$15,000 \$9,000	557 200 168	7,798 2,800 2,352	\$15 \$15 \$15	\$116,970 \$42,000 \$35,280	13,860 5,200 N/A	\$12 \$12 \$12	\$166,320 \$62,400 \$0	\$14,863,370 \$145,400 \$62,280
Hotel Conference Center	4,900	09 / 1956 Section of "Original" T	\$250	N/A	0	\$2,000	\$0	2	\$3,000	\$6,000	N/A	0	\$15	\$0	N/A	\$12	\$0	\$1,230,900
Hotel Subtotals	82,200						\$264,000			\$36,000				\$232,050			\$228,720	\$19,710,750
<div>Hotel Totals</div>																		Total with 10% Contingency Architecture at 8% Engineering at 2% Share of Common Costs Total Costs
Retail	30,400	01 & 02 1923-1938 Sections of "Original" T	\$175	Building 01 Building 02	28 4	\$2,000 \$2,000	\$56,000 \$8,000	0	\$3,000	\$0	178	2,492	\$15	\$37,380	N/A	12	\$0	\$5,413,440
Retail Subtotals	30,400						\$64,000			\$0				\$48,930			\$0	\$5,432,990
<div>Retail Totals</div>																		Total with 10% Contingency Architecture at 8% Engineering at 2% Share of Common Costs Total Costs
Restaurant/Restaurant Kitchen	15,800	08 / 1965 09 / 1956 Sections of "Original" T	\$300	Building 08 Building 09	16 0	\$2,000 \$2,000	\$32,000 \$0	8	\$3,000	\$24,000	221	3,094	\$15	\$46,410	8,010	12	\$96,120	\$4,938,630
Restaurant/Kitchen Subtotals	15,800						\$32,000			\$30,000				\$46,410			\$96,120	\$4,944,630
<div>Restaurant Totals</div>																		Total with 10% Contingency Architecture at 8% Engineering at 2% Share of Common Costs Total Costs
Apartments/Condominiums	68,300	01 & 02 1923-1938 and 09 / 1956 Sections of "Original" T	\$225	Building 01 Building 02	99 25	\$2,000 \$2,000	\$198,000 \$50,000	1	\$3,000	\$3,000	356	4,984	\$15	\$74,760	20,470	\$12	\$245,640	\$15,888,820
Apartments/Condominium Common Space	17,100	01 & 02 1923-1938 and 09 / 1956 Sections of "Original" T	\$175	Included Above Building 09 Buildings 01 / 02 / 09	20 N/A	\$2,000 \$2,000	\$40,000 \$0	16	\$3,000	\$48,000	166	2,324	\$15	\$34,860	16,020	\$12	\$192,240	\$180,500 \$315,100
Apartments/Condominium Subtotals	85,400						\$288,000			\$54,000				\$132,720			\$542,280	\$2,992,500
<div>Apt/Condo Totals</div>																		Total with 10% Contingency Architecture at 8% Engineering at 2% Share of Common Costs Total Costs

# The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

## The Vaughan Center – “Live, Work, and Play” Cost Estimate

Area / Use	Appr. Square Footage (Inc. Circulation)	Building # / Date / Type	Estimated Basic Cost / Square Foot	Subsection	Number of Existing Exterior Openings *	Estimated Cost / Existing Exterior Opening	Estimated Cost for Existing Exterior Opening	Number of New Exterior Openings	Estimated Cost / New Exterior Opening	Estimated Cost for New Exterior Opening	Linear Footage of Exterior Walls by Floor	Square Footage of Linear Ft. x 14 ft.)	Estimated Cost / SF of Exterior Wall Repointing	Estimated Cost for Exterior Brick Wall Repairs	Square Footage of Roof Replacement	Estimated Cost / Square Foot of New Roofs	Estimated Costs per Area/Use
Incubator Space	78,300	11 / 1965 Steel/ Concrete CMU with Brick Veneer	\$75	Building 11	19	\$2,000	\$38,000	24 Glass Curtain Wall 7,000 SF	\$3,000 \$105 / SF	\$72,000 \$735,000	Allowance for Stabilization, Major Cracks	\$100,000	N/A	\$100,000	N/A	\$12	\$6,082,500
Incubator Subtotals	78,300						\$38,000			\$807,000				\$100,000			\$735,000
<div>Incubator Office Space</div> <div>Total with 10% Contingency</div> <div>Architecture at 8%</div> <div>Engineering at 2%</div> <div>Share of Common Costs</div> <div>Total Costs</div>																	
Incubator Kitchen	3,500	09 / 1956 Section of "Original" T	\$300	Building 09	0	\$2,000	\$0	2	\$3,000	\$6,000	N/A	0	\$15	\$0	N/A	\$12	\$1,056,030
<div>Incubator Kitchen Totals</div> <div>Total with 10% Contingency</div> <div>Architecture at 8%</div> <div>Engineering at 2%</div> <div>Share of Common Costs</div> <div>Total Costs</div>																	
Performance Space/Ballroom/Mezzanine	27,300	08 / 1965 Steel/Concrete	\$250	Building 08	0	\$2,000	\$0	0	\$3,000	\$0	0	0	\$15	\$0	N/A	\$12	\$6,824,930
<div>Performance / Ballroom Totals</div> <div>Total with 10% Contingency</div> <div>Architecture at 8%</div> <div>Engineering at 2%</div> <div>Share of Common Costs</div> <div>Total Costs</div>																	
Open-Air 3-Story Atrium & Courtyard	27,900	10 1960-1965 Various	\$50	Building 10	0	\$2,000	\$0		\$3,000	\$0	0	0	\$15	\$0	N/A	\$12	\$1,395,000
<div>Open Air Atrium Totals</div> <div>Total with 10% Contingency</div> <div>Architecture at 8%</div> <div>Engineering at 2%</div> <div>Share of Common Costs</div> <div>Total Costs</div>																	

# The Vaughan Center – “Live, Work, and Play” Cost Estimate

Area / Use	Appr. Square Footage (Use Circulation)	Building # / Date / Type	Estimated Basic Cost / Square Foot	Estimated Basic Cost	Subsection	Number of Existing Exterior Openings *	Estimated Cost / Existing Exterior Opening	Estimated Cost for Existing Exterior Openings	Number of New Exterior Openings	Estimated Cost / New Exterior Opening	Estimated Cost for New Exterior Openings	Linear Footage of Exterior Walls by Floor	Square Footage (Linear Ft. x 14 ft.)	Estimated Cost / SF of Exterior Wall Repointing	Estimated Cost for Exterior Brick Wall Repairs	Square Footage of Roof Replacement	Estimated Cost / Square Foot of New Roof	Estimated Cost for New Roofs	Estimated Costs per Area / Use
Indoor Recreation	51,500	7 / 1995 Engineered Steel Bldg.	\$75	\$3,862,500	Building 07	8	\$2,000	\$16,000	0	\$3,000	\$0	N/A	0	\$15	\$0	N/A	\$12	\$0	\$3,878,500
<div>Indoor Recreation Totals</div>																			
Total with 10% Contingency																			\$4,266,350
Architecture at 8%																			\$341,308
Engineering at 2%																			\$85,327
Share of Common Costs																			\$727,849
Total Costs																			\$5,420,834
Subtotals All Areas / Uses	402,300			\$66,375,020				\$702,000			\$933,000				\$560,110			\$867,120	\$69,437,250
<div>Grand Total All Areas / Uses</div>																			
Total with 10% Contingency																			\$76,380,975
Architecture at 8%																			\$6,110,478
Engineering at 2%																			\$1,527,620
Common Costs																			\$5,685,700
Total Costs																			\$89,704,773

\* Freight doors are counted as 2 openings to account for their size.

## Common Costs Apportioned by Square Footage to Areas / Uses

Elevators @ \$60,000 / Landing for 5 Elevators with 15 Landings	\$900,000
Allowance for Miscellaneous Demolition / Equipment Removal	\$250,000
Parking / C & G / Stormwater BMP @ \$8,000 / Space for 400 Spaces	\$3,200,000
Landscaping / Outdoor Amenities Allowance @ 10% of Parking Lot Cost	\$320,000
Contingency @ 10% of Common Costs	\$467,000
Architecture @ 8% of Common Costs	\$410,960
Engineering @ 2% of Common Costs	\$102,740
Permitting/Fees	\$35,000
Total of All Common Costs	\$5,685,700

## The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

## 10 DEVELOPMENT PRO FORMA

A Development Pro Forma in its simplest form is a delineation of the “uses” for the dollars involved in a project and a delineation of the sources of those dollars, or in other words, the means by which the project will be financed. The bulk of the uses were defined in the previous section via the cost estimate, with only the cost of construction financing to be added in. The “sources” is where it gets complicated for a project like the adaptive reuse of the Vaughan Furniture Building because of the potential use of Historic Tax Credits, low-cost financing available to the project because of its location in both a New Market Tax Credit qualified Census tract and an Opportunity Zone, and local and state grants and tax incentives.

In addition to a Sources and Uses Budget, a Development Pro Forma also frequently looks out at as many as ten years to project how the project cash flows – what revenue is likely to come in, what operating costs are expected, the cost of ongoing debt service, and potentially the value of a sale of the property at some point (illustrated by a sale at the end of the ten years). By their very design, such cash flow projections are pretty complicated and must take into account a period of stabilization in the beginning as revenues ramp up. Utilizing a 10-year horizon is particularly true for projects that may utilize Opportunity Zone financing, which requires a 10-year “hold” period in order to take advantage of the full tax benefits.

Depending on the interest of the developer/development team chosen for the adaptive reuse of the Vaughan Furniture Building, the final design, uses, and potential costs established by the developer for the building, and the requirements of the investors, the development pro forma could vary significantly. Additionally, it is possible for the project to be undertaken in phases in order to spread the costs out

over a number of years and potentially involve several developers, each undertaking a piece of the project within his/her area of expertise as part of a master developer/component developer arrangement.

For the purpose of this study and to simplify the presentation of the finances for the project, the development pro forma assumes a single developer who undertakes the entire project without phases based on the uses, conceptual layout, and cost estimate as put forward in this study. However, in addition to these broad assumptions, there are a number of more specific assumptions particularly related to the finances of the project.

### 10.1 ASSUMPTIONS - SOURCES

The assumptions utilized in developing the sources of financing for the adaptive reuse of the Vaughan Furniture Building are as follows:

- **Bank Lending** – Bank loans of all kinds continue to be available at some of the lowest interest rates in decades. Even with the risk associated with a challenging project like the Vaughan Furniture Building (which shows up as additional cash requirements and/or a somewhat higher interest rate), a bank loan or loans will likely continue to be a viable source of financing for the project.
- **New Markets Tax Credit Lending** – Lending from a New Markets Tax Credit (NMTC) Community Development Entity (CDE) could provide a better interest rate and more favorable terms. The Vaughan Furniture Building is in a NMTC qualified census tract. Individuals or corporations investing in a fund managed by a CDE are able to take full advantage of the associated tax credit (39% over seven years) and can therefore

cope with receiving a lower interest rate on their investment. This discount is then passed along to projects borrowing from the fund as a discounted interest rate. Most of the CDE's (and even various funds held by a single CDE) provide targeted lending for specific purposes (such as healthcare to underserved populations or economic development in distressed communities) and/or geographic areas (such as a given state or region of the United States).

Without overly complicating this narrative, it needs to be said that the NMTC program comes with a 7-year "hold" period requiring an investor to keep his/her investment in the NMTC fund (and hence in the projects it funds) in order to take full advantage of the tax credits. The Development Pro Forma assumes a hold of ten years.

At stabilization (Year 2), a debt service coverage ratio of 1.2 is achieved rising to 1.6 in Year 10 in the Development Pro Forma as presented.

- **City of Galax and Galax IDA Grants/Incentives:**

- **Enterprise Zone Local Real Estate Tax Abatement** – These tax abatements equal 100% of the Real Property Tax at Galax's current tax rate of \$0.92/\$100 in Years 1 to 5 decreased by 20% per year until reaching 0% in Year 10 based on the implied property value calculated for each operating year in the pro forma. The Real Property Tax is shown as an expense in the Development Pro Forma and the abatement is accounted for in the net operating income at the appropriate percentage over the first ten operating years (Years 1 – 10).

- **Real Estate Historic Tax Credit** – These tax credits equal 100% of the improved value of the property (current assessment minus implied property value for Years 1 to 12), but they cannot overlap with the Enterprise Zone Local Real Estate Tax Abatement above. The credit would be 0% in Years 1 to 5, increased by 20% per year until reaching 100% in Years 10 to 12. As above, the Real Property Tax is shown as an expense in the Development Pro Forma and the credit is accounted for in the net operating income at the appropriate percentage over the first twelve operating years (only Years 0 to 10 are included in the Development Pro Forma).

- **Capital Investment Program** – This grant available through the Galax IDA is budgeted at its maximum of \$350,000 for construction (Year 0), however, the City may require that it be disbursed in installments over several years. The expectation is that the City will experience additional tax revenue at least equal to the grant amount.

- **Commonwealth of Virginia Grants/Incentives:**

- **State Enterprise Zone Real Property Investment Grant** – This grant is budgeted at its maximum of \$200,000 for construction (Year 0).
- **Tobacco Region Opportunity Fund** – Galax is located in the Southwest Region of Virginia's Tobacco Region Revitalization Commission and is therefore eligible for a Tobacco Commission Opportunity Fund grant. This grant is budgeted at its maximum of \$500,000 for construction (Year 0).

- **Industrial Revitalization Fund** – The Industrial Revitalization Fund (IRF) program is operated by the Virginia Department of Housing and Community Development. Typically provided as a grant to a unit of local government and converted to a loan when applied to a private project, given the size, scope, and impact of the Vaughan Furniture Building project, leadership should request that this funding be provided as a grant. Given the leverage in the project and potential return on an IRF grant as realized through ongoing economic development in Galax and the surrounding area, this would be a reasonable request. This grant is budgeted at its maximum of \$600,000 for construction (Year 0).
- **Historic Tax Credits** – The use of Federal (20%) and State (25%) Historic Tax Credits is budgeted for construction (Year 0) at \$30,176,000. This figure is derived on the basis that, after removing known ineligible expenses, 95% of the construction costs will be accepted as Qualified Restoration Expenditures and that the HTC's will yield \$0.80 on the dollar once syndicated and sold. As changed by the Jobs and Tax Act of 2017, investors buying the Historic Tax Credits have to stay in a project for five years to realize the full value of the credits where previously they could pull their capital back out of a project once it came on line and still receive the full value of the associated Historic Tax Credits.
- **Investor/Opportunity Zone Equity** – Determining the amount of investor equity in a project is a balancing act between carrying the debt needed to fully capitalize the project and pulling in the investor equity that once invested in the

project, can bring a reasonable rate of return after the anticipated revenue, operating costs, and debt service are accounted for. Investor equity could come into the project as direct investments through an established Qualified Opportunity Fund (QOF) or through a new locally- or regionally-established QOF (see next paragraph). With Opportunity Zone investments, equity investors may accept a lower pre-tax return because they receive tax benefits that make the post-tax return more attractive.

It is feasible to establish a local or regional QOF with a single large-scale project in mind or several related projects. The adaptation of the Vaughan Furniture Building could be such a project, particularly as a means to incentivize local or regional investment.

As above, to not overly complicate this narrative, the Opportunity Zone program comes with a specific “hold” period requiring investors to stay in a project over an extended length of time so as to take full advantage of the tax benefit. The Development Pro Forma assumes a hold of ten years.

## 10.2 ASSUMPTIONS – USES

As indicated earlier, the majority of the uses have already been established – the estimated hard and soft costs of constructing the adaptive reuse for the Vaughan Furniture Building. One additional item needs to be added to the list of uses and an explanation about how the costs are assigned need to be explained:

- **Construction Lending** – Construction lending is included in the development pro forma with an interest only rate of 5.0% and a 1.0% loan fee for a 1-year construction period (Year 0).

## The Feasibility of Adaptively Reusing

the T. G. Vaughan Building, Galax, VA

- **Allocation of Costs by Basic Use** – To create a basic and easy to view Sources and Uses Budget, the various costs are broken down into only three use categories – Hotel, Residential, and Commercial – with all of the common costs including parking proportionally assigned to each of the three categories based on the percentages of each use.

Furniture Building. Additional detail for this budget can be found in Appendix C.

Shown below is the Development Costs sorted by basic use categories and the Sources and Uses Budget for the adaptive reuse of the Vaughan

### Potential Development Costs

(\$ in 000s)	Hotel	Residential	Commercial	Total
Hard Cost	\$22,731	\$22,405	\$36,381	\$81,518
Soft Cost	\$2,311	\$2,280	\$3,746	\$8,337
Financing Cost	NM	NM	NM	\$2,589
<b>Total Cost</b>	<b>\$25,042</b>	<b>\$24,685</b>	<b>\$40,128</b>	<b>\$92,444</b>
Square Feet	82,200	85,400	234,700	402,300
<b>Cost / SF</b>	<b>\$305</b>	<b>\$289</b>	<b>\$171</b>	<b>\$230</b>

### Potential Sources & Uses

Uses	\$ in 000s	%	Sources	\$ in 000s	%
Hard Cost	\$81,518	88%	NMTC/Other Financing	\$43,147	47%
Soft Cost	\$8,337	9%	Grants	\$1,650	2%
Financing Cost	\$2,589	3%	HTC Equity	\$30,171	33%
			OZ/Investor Equity	\$17,475	19%
<b>Total Uses</b>	<b>\$92,444</b>	<b>100%</b>	<b>Total Sources</b>	<b>\$92,444</b>	<b>100%</b>

## 10.3 ASSUMPTIONS - OPERATIONS

A number of operational assumptions are included in the Development Pro Forma that are used to calculate the cash flow over the 10-year period. They include:

- **Hotel Revenue** – Rack room rates are assumed to be \$110/night in Year 1. The conference room(s) associated with the hotel are expected to earn \$1,000/month in Year 1. A 75% occupancy factor and a 3% compounded annual growth rate were applied to both the room rates and the conference rooms over the 10-year periods. It is also assumed that the developer is the operator of the hotel and is able to capture the full amount of the hotel and conference room revenue.
- **Apartment Rental Revenue** – Apartments would rent at \$14/SF/Year in Year 1 with a compounded annual growth rate of 3%. At that rate, a 500 SF apartment would initially rent for \$583 per month and 1,200 SF apartment would initially rent for \$1,400 per month. Rental of associated apartment storage space would be at \$5/SF/Year. Vacancy for both the apartments and storage space are assumed to be 20% in Year 1 and then 8% for Years 2 through 10.
- **Commercial Rental Revenue** – Commercial rents and occupancy rates would vary by use per the following list, with an overall weighted rate of \$5/SF/Year in Year 2 and a compounded annual growth rate of 6%:
  - **Restaurant** - \$12/SF/Year.
  - **Incubator Office Space** – A rate that starts at \$6/SF/Year and eventually goes to \$12/SF/Year as the start-up business stabilizes.
  - **Incubator Kitchen** – Priced by use and assuming 1.5 uses per week at \$200 for each use.

- **Performance Space/Ballroom/Mezzanine** – Priced by use and assuming approximately 1.5 uses per week at \$1,000 per use.
- **Indoor Recreation Space** – This space would likely have multiple vendors offering various indoor recreational opportunities, but they would never fill the entire space in order to allow for egress, perhaps spectators, and community uses. It is assumed that two-thirds of the space would be rented at a rate of \$6/SF/Year.
- **Operating Expenses** – For the purpose of this pro forma, operating expenses were set very conservatively at:
  - **Hotel** – 40% of net operating income (NOI).
  - **Residential** – 65% of NOI.
  - **Commercial** – 80% of NOI.

## 10.4 FINANCIAL PERFORMANCE

There are many different ways to measure financial performance, which if done well takes a broad look at the various available measurements. The complete 10-year outlook is included in Appendix C and the key measurements are summarized on the next page. For a project as challenging as the Vaughan Furniture Building, these are very positive numbers.

### Financial Performance

- An Effective Gross Income (EGI) of \$3.31 million in Year 1 against \$1.09 million in Operating Expenses for a Net Operating (NOI) Income of \$2.22 million.
- An EGI of \$5.18 million in Year 10 against \$1.47 million in Operating Expenses for a NOI of \$3.71 million.
- An EGI of \$9.38/SF/Year in Year 2 across all uses climbing to \$12.88 in Year 10.
- Operating Cash Flow after Reserves of \$2.16 in Year 1 climbing to \$3.62 in Year 10.
- Cash Flow after Debt Service of negative \$449,000 in Year 1 climbing to a positive \$1.43 million in Year 10.
- At stabilization (Year 2), a Debt Service Coverage Ratio of 1.2 rising to 1.6 in Year 10.
- An Annual Return on Investment of 6% over the 10-year term.
- Cash flow to Equity Investors at exit by sale in Year 10 of \$23.8 million.

## 11 MARKETING THE PROJECT

With this feasibility study in place and a prospectus based on this study ready to be distributed, the challenge then becomes getting it front of the right people and capturing their interest in the project. This section explores how the Vaughan Furniture Building adaptive reuse project can be marketed to several different audiences, all of which are needed for a successful project.

### 11.1 TARGET MARKETS

There are three distinct target markets for the Vaughan Furniture Building project. In the order they will need to be targeted they are:

#### Developers

Regional and national developers should be targeted that might reasonably have an interest in leading as a master developer or participating as a component developer in the adaptive reuse of the Vaughan Furniture Building. These should be developers:

- Who have experience with similar adaptive reuse projects with a particular focus on those who have a strong track record of bringing back to life large buildings/building complexes and industrial sites.
- Who have experience using Historic Tax Credits and other complex community development finance programs.
- Who have expertise in the development of specific components of the project such as experience in developing boutique hotels or loft apartments in old industrial buildings.

#### Investors

Targets for active and passive investments in the project should primarily be residents or past residents of the Galax area and the greater South-

west Virginia region. These residents/past residents are committed to the region and know that even with its challenges, much good can happen in the area. These investors include, but are not limited to:

- Prominent and active members of the community (e.g., past and present foundation and nonprofit board members, past and present elected officials, etc.)
- Successful businesspeople and wealthy individuals and families.
- Intermediaries such as wealth managers, lawyers, and accounting firms who may have professional relationships with potential investor targets.

#### Business Operators

Targeted business operators should primarily be enterprises and organizations that may be reasonably interested in relocating to, setting up a new location in, or starting a new business in the Vaughan Furniture Building. Outreach will ultimately depend on the developer's final plan for the building, but the likely business operators will be local, sub-regional, or regional in scope. These business operators should include, but are not limited to:

- Existing sub-regional and regional (Appalachian, Southwest Virginia, Mid-Atlantic, Southeast) multi-location businesses engaged in industries that are relevant to the proposed components of the adapted building (e.g., indoor recreation, an outfitter retail outlet, etc.).
- Existing Galax businesses in industries that are relevant to the proposed building components (e.g., retail or restaurant) that are currently situated in an inferior location.

- Regional colleges and universities with business start-up programs, incubators, or accelerators.

## 11.2 KEY MESSAGING

The Vaughan Furniture Building, the City of Galax, and the surrounding area provide many key messaging themes that can be used to market the property. These include:

- The history of the Vaughan Furniture Building and its importance to the Galax community.
- The building as a “blank canvas” with unlimited potential as a mixed use “Live, Work, and Play” community.
- Galax as a quaint Southwest Virginia city at the foot of the Blue Ridge mountains in the New River Valley that is conveniently located to abundant outdoor recreation activities, has a rich musical heritage, and has a downtown primed for transformational development.
- A motivated and engaged ownership group that is actively seeking development, investment, and operator partners while maintaining a steadfast commitment to the community through its 501(c)(6) partnership with the City of Galax, its City Council, and the City’s Industrial Development Authority.

## 11.3 MARKETING TOOLS & CHANNELS

The Vaughan Furniture Building prospectus will be the primary marketing tool for the project. It can be used for direct outreach by the ownership group under its adopted name of Vaughan Restoration Group, the City of Galax, the Galax IDA, and any consultants working on the project. The prospectus has been posted to the Opportunity Appalachia’s subsite of the Opportunity Exchange website that has the singular purpose of promoting potential Opportunity Zone projects. With the execution of

required fiduciary documentation, it can be posted to Opportunity Virginia’s subsite of the Opportunity Exchange website as well.

Other tools and channels for getting the word out include:

- **Issuance of a formal Request for Qualifications (RFQ) or Proposals (RFP)** – Best done as a 2-step process, first soliciting qualified developers/ development firms and then narrowing the list of respondents and inviting those deemed most qualified to submit a detailed proposal for the project. Such a request would need to be posted in a number of newspapers, including one or more in North Carolina given Galax’s proximity to the state line and several newspapers in Virginia. Additionally, the request should be mailed directly to potential developers with email and/or phone call follow-up to encourage submittals. An example of a Vaughan Furniture Building RFQ is included in Appendix D.
- **“Open House” Event** – In conjunction with an RFQ/RFP and/or done as a series of “stand alone” events, open house(s) should be conducted at the Vaughan Furniture Building through direct invitations and with the support of local and regional economic development groups, local and regional Chambers of Commerce, and other advocacy groups.
- **Direct Mail** – As indicated above, direct mail will be a necessary component of getting the word out. It may seem a bit old fashioned, but an email invitation can be too easy to get lost in the long list of emails people receive on a daily basis. Phone call messages get lost equally as well. Also, even a website (referenced next) will not garner any visits if the

development community has no initial knowledge of the project.

- **Website** – A website is an essential marketing tool in the 21<sup>st</sup> century. Creating a website does not have to be expensive. Tools such as Squarespace offer easy and inexpensive ways to buy a domain name and get a website up and running.
- **Social Media** – Depending on the time resources available, the project can also be promoted through various social media outlets such as Facebook. Because social media is more dynamic than the other tools mentioned above, this tool should not be used unless there is a person or team of persons who can dedicate the time needed to keep content fresh and relevant and respond to online inquiries judiciously.

### 11.4 RECRUITMENT LISTS

In Appendix E is found a list of potential developers and potential investors identified by the consultant team that assembled this feasibility study. In no way are these exhaustive lists, but they should serve as a jumping off place for the efforts at marketing the Vaughan Furniture Building project.

**APPENDIX A**

**PRELIMINARY INFORMATION FORM /**  
**HISTORIC TAX CREDITS PART 1 APPLICATION**



2801 Kensington Avenue, Richmond, Virginia 23221; Telephone: (804) 367-2323; Fax: (804) 367-2391

## PRELIMINARY INFORMATION FORM (PIF) for INDIVIDUAL PROPERTIES

The Preliminary Information Form (PIF) constitutes an application for preliminary consideration of a property for eligibility for the Virginia Landmarks Register and the National Register of Historic Places. The PIF is **not** the same as a nomination to the Registers, but is a means for evaluating the **eligibility** of a property for listing. The PIF is evaluated by Department of Historic Resources (DHR) staff and the State Review Board and their recommendations regarding the property's eligibility will be provided to the property owner in writing.

### Before Preparing a PIF

Contact DHR's Archivist for assistance in obtaining any information DHR may have on file about your property, such as a previous architectural survey record or eligibility evaluation. You are welcome to use this information in preparing your PIF. Contact DHR's Archivist by phone at (804) 482-6102, or by email at [Quatro.Hubbard@dhr.virginia.gov](mailto:Quatro.Hubbard@dhr.virginia.gov).

Staff at one of DHR's three Regional offices are available to answer questions you may have as you begin preparing your PIF. Locations and contact information for each office is at [http://dhr.virginia.gov/regional\\_offices/regional\\_offices.htm](http://dhr.virginia.gov/regional_offices/regional_offices.htm). (You also are welcome to ask DHR's Archivist for the contact information.)

### Preparing a PIF

A PIF consists of three equally important parts:

1. **Form:** Complete the attached form to the best of your ability, using your own research about the property to be evaluated as well as any information that DHR has provided. Remember that DHR's Regional staff also are available to assist you. The form may be completed using Microsoft Word software, typed, or hand-written. If using MS Word, the PIF can be submitted via CD, email, ftp, or other file sharing means.

### **Your PIF will not be evaluated if it is missing any of the following information:**

- Property owner's signature
  - Contact information for the person submitting the form (if different from the property owner)
  - Contact information for the City Manager or County Administrator where the property is located
2. **Photos:** Provide color photographs of your property's exterior and major interior spaces, with emphasis on architectural features instead of furnishings. Photos typically include views of the main building from all sides, as well as important ornamental and/or functional details; any outbuildings or secondary resources; and the property's general setting. Submit photo prints on 4" x 6" glossy photo paper and digital images on CD or other file sharing means approved by DHR's Regional staff.
  3. **Maps:** A minimum of two maps must accompany your PIF:
    - **Location map:** This map shows the exact location of your property. The map can be created using Google Maps, Google Earth, Bing, or other mapping websites. A copy of a road map also may be used as long as the property's exact location and physical address are shown on the map. DHR's Archivist can assist in providing an acceptable location map with boundaries.
    - **Sketch map:** This map shows the locations of all resources on your property, such as the main building; any secondary resources (often referred to as outbuildings); major landscape features such as a stream, formal gardens, driveways, and parking areas, and the road on which the property fronts. The sketch map can be drawn by hand, or an annotated aerial view, tax parcel map or survey map may be used.

### Submitting a PIF

Once you have completed the PIF, submit it to the appropriate Regional office. The Regional staff member will inform you when DHR staff will review your PIF and answer any questions you may have about the evaluation process.

**Note:** All submitted materials become the property of DHR and will be retained in our permanent Archive. In addition, the materials will be posted on DHR's public website for a period of time during the evaluation process.

*Thank you for taking the time to submit this Preliminary Information Form.  
Your interest in Virginia's historic resources is helping to provide better stewardship of our cultural past.*



**PRELIMINARY INFORMATION FORM (PIF) for INDIVIDUAL PROPERTIES**

**DHR No. (to be completed by DHR staff)** \_\_\_\_\_

**Purpose of Evaluation**

Please use the following space to explain briefly why you are seeking an evaluation of this property.

The Vaughan family and the City of Galax are working together to investigate potential new uses for the Vaughan Furniture Company factory buildings located at 100 T George Vaughan Jr Rd in Galax, VA. The Vaughan Furniture Company ceased operations in 2015 after 91 years, and since then, the Company has been investigating potential rehabilitation and adaptive use projects for the factory buildings there. Despite having historical significance, the property was not included in the Galax Commercial Historic District, listed in the National Register of Historic Places in 2002 or in its 2008 boundary increase, as it is located about 0.4 miles from the defined district boundaries. In addition, the Vaughan family may be interested in using historic tax credits in the potential rehabilitation, and so, they are interested in having the property evaluated for its eligibility to be listed individually in the National Register of Historic Places and the Virginia Landmarks Register.

Are you interested in applying for State and/or Federal Rehabilitation Tax Credits? Yes X No \_\_\_\_\_

Are you interested in receiving more information about DHR's easement program? Yes X No \_\_\_\_\_

**1. General Property Information**

Property name: Vaughan Furniture Company Factory

Property address: 100 T George Vaughan Jr Rd.

City or Town: Galax

Zip code: 24333

Name of the Independent City or County where the property is located: Galax

Category of Property (choose only one of the following):

Building X

Site \_\_\_\_\_

Structure \_\_\_\_\_

Object \_\_\_\_\_

**2. Physical Aspects**

Acreage: 5.2 acres

Setting (choose only one of the following):

Urban \_\_\_\_\_ Suburban \_\_\_\_\_ Town X Village \_\_\_\_\_ Hamlet \_\_\_\_\_ Rural \_\_\_\_\_

Briefly describe the property's overall setting, including any notable landscape features:

The Vaughan Furniture Company Factory is located within the Galax independent city boundaries, bordered by U.S. 58/221/E Stuart Dr. to the north, Chestnut Creek to the east, T. George Vaughan Jr. Rd. to the west, and E Webster St. to the south. The factory buildings are immediately surrounded by paved lots, residential and commercial buildings, several small, grassy lots, and Chestnut Creek, a tributary of the New River. The property is located about 0.4 miles from the Galax Commercial Historic District (SW), less than 0.1 mile from the New River Trail State Park (N), and less than one mile from the Twin County Regional Healthcare complex (NE). The City of Galax parcel Tax ID # is 45-66.

### 3. Architectural Description

Architectural Style(s): Commercial Style: Industrial

If the property was designed by an architect, landscape architect, engineer, or other professional, please list here: Original architect unknown; William Roy Wallace, Architect, 1956 and 1965 additions

If the builder is known, please list here: original builder unknown, George Ben Davis and Son, 1965 additions; RC Reedy & Co., mid-1990s addition

Date of construction (can be approximate): 1923-1938; 1956; 1965; mid-1990s

#### **Narrative Description:**

In the space below, briefly describe the general characteristics of the entire property, such as its current use (and historic use if different), as well as the primary building or structure on the property (such as a house, store, mill, factory, depot, bridge, etc.). Include the architectural style, materials and method(s) of construction, physical appearance and condition (exterior and interior), and any additions, remodelings, or other alterations.

Though currently not in use, the Vaughan Furniture Company factory buildings at 100 T George Vaughan Jr. Rd. in Galax served as the primary furniture manufacturing site and office space for the Vaughan Furniture Company, from the time it started in 1923, until it closed operations in 2015. There are eleven (11) buildings that make up the Vaughan Furniture Company factory constructed between 1923 and 1995, totaling approximately 400,000 square feet. Please see attached Sketch Map and Building Layout Index Map, and note that this numbering system is our own; attached 1927, 1931, 1961, and 1969 appraisal maps use a different numbering system. Buildings 1, 2, 3, 4, 5, and 9 make up the original, T-shaped, Vaughan Furniture Company factory, constructed between 1923-1956 (bolded below).

Overall, the factory buildings remain in good condition, though some elements are in need of repair. On the exterior, there is a large crack on the point where Building 11 (1965) meets Building 1 (1923), demonstrating evidence of settling. Repairs have been attempted in previous years, but the crack has not been fully repaired. Building 11 also has a few additional interior wall cracks, the most significant of which is a stair-step crack between two portions of the wall. Portions of the original rear walls of the older buildings were removed to create large openings to the new additions, but there is a sufficient steel supporting the walls, due to the techniques the builders to support the remainder of the walls above. Individual window lights are cracked or missing in window frames throughout the building, though the windows are also in generally good condition on the whole.

On the interior, some of the timber floors show significant sagging from years supporting heavy equipment. Similarly, some of the interior posts have been reinforced with wooden girding at the base and tops.

**Building 1:** This is first building constructed for the factory, starting construction in 1923, ending in 1938. Designed and built in the Commercial Style: Industrial, Building 1 has three stories, with a red-brick exterior, load-bearing masonry walls, and an interior wood post-and-beam construction, regularly spaced between 15-16 feet apart. This building has 54 twelve-light rolled steel pivot windows (some openings have been boarded or taken up by A/C and ventilation units), three doors, a five-bay loading dock, one exterior metal staircase (fire escape), and a full building length set of clerestory windows, recessed from the building façade. The north façade features flush-mounted lettering spelling out “VAUGHAN”. On the interior, the original, unique monorail transportation system remains intact, including a chain drive at the ceiling level and multiple steel and wood trolleys/carriers, which were used to carry materials and furniture as it moved from one work area to the next during the manufacturing process. One freight elevator and one wooden interior staircase provide vertical circulation between the three floors, and there is a steel fire escape staircase on the north side of the building. Additions on the south (Building 2) and east (Building 11) have reduced access to natural light, leaving windows only on the west and north elevations. Building 1’s original east elevation shows original window openings blocked with concrete masonry units (CMU). There is a loading dock on the east façade. Photos 1-3, 6-8, and 15-18 show Building 1.

**Building 2:** Constructed 1930, Commercial Style: Industrial. This building was constructed in 1930 to fill in what was open area between two of the 1923 buildings, with a connecting walkway. Like Building 1, with a red-brick exterior, load-bearing masonry walls, and an interior wood post-and-beam construction, regularly spaced between 13-16 feet apart, as well as

seven twelve-light rolled steel pivot windows (some openings have been boarded or taken up by A/C and ventilation units) and an exterior sliding door. Monorail also in Building 2. Photos 1, 6, 8, and 18 show Building 2.

**Building 3:** Constructed 1923, Commercial Style: Industrial. Like Buildings 1 and 2, this building has three stories, rectangular shape, a red-brick exterior, load-bearing masonry walls, and an interior wood post-and-beam construction, regularly spaced between 13-16 feet apart. Building 3 has 51 twelve-light rolled steel pivot windows (some openings have been boarded or taken up by A/C and ventilation units), a full building length set of clerestory windows recessed from the building façade, and three exterior doors. Monorail also in Building 3. One freight elevator and a wooden interior staircase provide vertical circulation. Photos 1, 6, 9, and 19-21 show Building 3.

**Building 4:** Constructed 1923, Commercial Style: Industrial. Building 4 has two stories, with a red-brick exterior, load-bearing masonry walls, and an interior wood post-and-beam construction, regularly spaced between 13-16 feet apart. Photos 1, 6, 10, and 22 show Building 4.

**Building 5:** Constructed 1929, Commercial Style: Industrial. Building 5 has two stories, with a brick exterior and wood post-and-beam construction. Photos 1, 6, 10, and 23 show Building 5.

Buildings 4&5 have a total of seventeen (17) twelve-light rolled steel pivot windows (some openings have been boarded or taken up by A/C and ventilation units), one exterior door, and one small, one-story blue steel projection.

**Building 6:** Constructed 1965, basic industrial style. Building 6 was the former factory boiler room and is a two-story building with CMU exterior load bearing walls clad with red brick, steel open web joists, five (5) sixteen-light windows, and metal roof decking. There is one sliding door on the first floor (ground level). The building contains two (2) two-story boilers manufactured by Erie City Iron Works, Erie, PA capable of burning sawdust or coal and used for generating steam and electricity for the factory's systems. Between Buildings 5&6 is a silo to the front of the building that stored coal for the boilers and a dust pit to the rear and an associated dust collector and ducts above that stored sawdust for the boilers. Photos 1, 10-11, and 24 show Building 6.

**Building 7:** Constructed 1995, basic industrial style. Building 7 is one-story, undivided building, with non-bearing, metal-clad exterior walls, and an interior construction of steel pipe columns and large steel beams. Photos 4 and 13 show Building 7.

**Building 8:** Constructed 1965, basic industrial style. Building 8 is one-story in its easternmost portion and has two stories in its westernmost portion, and only the eastern wall is visible from the exterior. The exterior wall is nonbearing and clad with red brick, and its interior is built with steel wide flange columns, steel beams, steel metal decking, and concrete floors. Windows are a mix of five (5) six-light and nineteen (19) twelve-light rolled steel pivot. There is a single interior staircase shared with building 9, and exterior openings for loading materials. Attached to the roof is a story-high set of four metal sawdust collectors with attached duct systems. Building 8 also includes a mezzanine level of similar construction that includes an area that was the former maintenance shop, break rooms, restrooms, and the main electrical cabinets for the facility. Photos 2, 4-5, and 25 show Building 8.

**Building 9:** Constructed 1956, basic industrial style. Building 9 is the last addition that creates the original factory's T-shape. It is 250 feet long and 82 feet wide, with red brick exterior load-bearing walls and interior heavy timber columns and beams. It abuts Building 3 to the west, and access to natural light in section three is blocked by Buildings 8 and 11, which were built at later date. On the first floor, steel beams and columns were retrofitted to hold the structural load of the southern load bearing wall and allow the connectivity with building section 5. Columns on section 3 are arranged at a spacing that varies from 13 to 19 feet. The first floor is concrete, while the second and third floors are timber. There is one flight of stairs for access to all 3 floors. The monorail is connected to reach this section on the second and third floors. Photo 26 shows Building 9.

**Building 10:** Constructed in 1960 and 1965, Building 10 is a white-painted, brick-clad, one-story subsection of Building 11 originally constructed as a separate one-story office building. The building has two doors and flush-mounted letting spelling "VAUGHAN". With the construction of Building 11, the office area was expanded to include a showroom, additional offices, and a breakroom and incorporated into Building 11. The original building footprint can be seen on the second floor of building 11 in that the flooring there is wood instead of concrete. Photos 2, 4-5 and 12 show Building 10.

Building 11: Constructed in 1965, basic industrial style. The building is trapezoidal in shape, with exterior non-loading bearing walls built of CMU with brick veneer. There are seven (7) small, four-light rolled steel windows and eleven (11) very small windows, only on the third floor, which significantly limiting access to daylight in this building and in Building 1. The north façade has both painted “Vaughan of Virginia” and “Furniture of Merit” signs, and a flush-mounted letter sign saying “FURNITURE FACTORY WAREHOUSE.” The interior construction is composed of steel, wide-flange columns, beams, girders and open web joists. Floors are mostly concrete on all stories (see information about Building 10 above for an exception), and floor heights of this building do not align with those in Building 1. There are two interior staircases, and the monorail also is connected to this section on the second floor. There are two loading dock openings on the ground floor level. Photos 2-5, 15, and 27-28 show Building 11.

Briefly describe any outbuildings or secondary resources (such as barns, sheds, dam and mill pond, storage tanks, scales, railroad spurs, etc.), including their condition and their estimated construction dates.

The Vaughan Furniture Company Factory has three extant outbuildings on the site. To the east side of the factory (Buildings 8&9: see maps) adjacent to Chestnut Creek, there are an approximately three-story metal water tank and one-story brick fire pump house, which sit close together. The water tank and the fire pump house were constructed between 1931 and 1961; they do not appear on the 1931 appraisal map, but they both appear on the 1961 appraisal map. These were constructed to enable the factory to have access to alternative water sources in case of a fire, instead of having to get water out of the City’s then-low-pressure water lines, or having to drop a hose into the creek and attach it to a fire truck pumper. Both appear to be in relatively good condition. Photo 5 shows the water tank and fire pump building.

To the south of the factory, there is a one-story metal and brick building named on the 1969 appraisal map as a “lumber stacker”, which was used to dry wood before being used for furniture making. Today, that end of the parcel is rented out to a electrical component supplier, and they use the land as storage for these components. This building also appears to be in relatively good condition. Photo 14 shows the lumber stacker.

#### **4. Property’s History and Significance**

In the space below, briefly describe the history of the property, such as significant events, persons, and/or families associated with the property. Please list all sources of information used to research the history of the property. (It is not necessary to attach lengthy articles or family genealogies to this form.)

If the property is important for its architecture, engineering, landscape architecture, or other aspects of design, please include a brief explanation of this aspect.

The Vaughan Furniture Company Factory qualifies for the National Register of Historic Places under Criterion A, for its connection to Galax and Southwest Virginia’s twentieth century labor history as a manufacturing center, particularly for furniture building. It also qualifies under Criterion B for its association with the Vaughan and Bassett families, prominent manufacturing leaders and politicians of the region.

The City of Galax was formally created in 1906, after several settlements near the site gave way to a formally planned community built near a railroad, to service merchants, farmers, and manufacturing interests. Building on the city’s growing manufacturing identity, Taylor G. Vaughan, Sr., and his brother Bunyan C. Vaughan founded the Vaughan Furniture Company in 1923. Because Bunyan’s other furniture factory—Vaughan-Bassett Furniture Company, founded 1919—specialized in bedroom furniture, the Vaughan Furniture Company instead specialized in dining room furniture. T.G. Vaughan was married to Blanche (Bassett) Vaughan, the daughter of J.D. Bassett, himself a prominent furniture manufacturer and one the namesakes of the nearby town of Bassett, another manufacturing center in Southwest Virginia. A World War I veteran, T.G. Vaughan served as a Virginia State Legislator from 1930 until his untimely death in 1940, at the age of 49.

T.G. Vaughan served as the company president during the construction of the earliest Vaughan Furniture Company factory buildings, built between 1923-1930 (Buildings 1, 2, 3, 4, and 5). During the time of T.G. Vaughan’s leadership, the Vaughan Furniture Company expanded from one building to six and employed nearly 270 people. The *Galax Gazette Rotogravure* of March 1937 noted that Galax was the “second largest furniture manufacturing center in the state.” Such was the Vaughan Furniture Company factory’s prominence in Galax mindset and built environment that contemporary newspapers in the 1930s, 1940s, and 1950s use it as a directional landmark in news stories, apartment listings, and advertisements.

Though T.G. Vaughan noted in his campaign ads that Vaughan Furniture Company never reduced wages, by July 1938, it became a financial necessity for the company. In July 1938, company leadership announced a 15% pay reduction for floor workers and 20% pay reduction for office workers, which led to all 268 employees going on strike. The strike then lasted for six weeks, as factory workers created a union and worked with company leadership to attempt to negotiate terms. Instead, in August 1938, company stockholders voted to liquidate the plant and its assets. After months of workers and Galax leaders entreating the company to reconsider, the Vaughan Furniture Company factory reopened in April 1939, with nearly 200 workers returning. Vaughan Furniture Company factory workers voted to unionize later that year, and they remained so until the early 1960s, when they voted to de-unionize.

Upon T.G. Vaughan's death in 1940, Bunyan Vaughan became the Vaughan Furniture Company president, followed by T. George Vaughan, Jr., T.G. and Blanche (Bassett) Vaughan's son, in 1955. Under George Vaughan's leadership, the Vaughan Furniture Company factory and enterprise expanded significantly. In 1956, Building 9 was constructed, adding the final piece of the factory building's "original" T-shape.

In 1960 and 1965, the Vaughan Furniture Company factory expanded yet again, with the construction of Buildings 8, 10, and 11. The construction of these buildings blocked off the rear facades of Buildings 1, 2, 3, 4, and 9, but added significant space for timber processing and furniture building. By the 1960s in Galax, the Vaughan Furniture Company factory was one of six furniture factories, in a town whose manufacturing had progressed to also include a mirror factory, four textile companies, a lumber company, Coca-Cola bottling company, and a creamery.

Vaughan Furniture Company continued to expand under the leadership of subsequent company presidents John Vaughan, Bill Vaughan, Taylor Vaughan, and David Vaughan. During their tenures, the Vaughan Furniture Company purchased the Empire Furniture Corp. of Stuart in 1969, building the B.C. Vaughan Plant in 1973, purchasing half interest in Webb Furniture Enterprises in 1976, building the E.C. Dodson Plant in 1984, building the Chestnut Creek Veneer Plant in 1991. In 1997, Building 7 was constructed, adding a significant, open-plan space for materials storage and drying. In 1998, the company's six plants employed more than 2,200.

By the early 2000s, American furniture manufacturing began to see considerable losses due to stiff competition with furniture makers in China offering furniture at much lower costs. In 2003, Vaughan Furniture Company joined with Basset Furniture and others to advocate that the U.S. Government investigate imported furniture practices. The U.S. Government did find that some Chinese manufacturers were violating international trade laws, and so they collected duties on Chinese companies found to be in violation. The money collected was distributed to participating American furniture manufacturing companies like Vaughan Furniture Company, though it was not enough in the end to save the company from eventually closing the Vaughan Furniture Company, which permanently shut its doors in 2015.

Despite its closure, Vaughan Furniture Company factory buildings are historically significant, both as a representation of Galax's national importance as a manufacturing center and its connection to prominent families who greatly contributed to the Southwest Virginia economy in the twentieth century.

### **Sources of Information:**

#### Newspapers

- *The Carroll News*
- *Danville Bee*
- *Galax Gazette*
- *Newport News Daily Press*
- *Richmond-Times Dispatch*

#### Other

- Macy, Beth. *Factory Man*, 2014
- Nunn, John. *Galax Scrapbook* (online), 2014.
- National Register of Historic Places Nomination Form for the Galax Commercial Historic District, 2001.
- The Vaughan Family
- *Vaughan Furniture Redevelopment Proposal*, prepared by the Virginia Tech Office of Economic Development, 2017.

**5. Property Ownership** (Check as many categories as apply):

Private: X Public\Local \_\_\_\_\_ Public\State \_\_\_\_\_ Public\Federal \_\_\_\_\_

**Current Legal Owner(s) of the Property** (If the property has more than one owner, please list each below or on an additional sheet.)

name/title: John David Vaughan, President

organization: Vaughan Restoration Group LLC.

street & number: P.O. Box 752

city or town: Galax State: VA zip code: 24333

e-mail: [jdvd@vaughanfurniture.com](mailto:jdvd@vaughanfurniture.com) telephone: 276-233-2633

Legal Owner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

In the event of corporate ownership you must provide the name and title of the appropriate contact person.

Contact person: John David Vaughan, President

Daytime Telephone: 276-233-2633

**Applicant Information** (Individual completing form if other than legal owner of property)

name/title: Lindsey Wallace

organization: National Main Street Center, Inc.

street & number: 53 W. Jackson Blvd., Suite 350

city or town: Chicago State: IL zip code: 60604

e-mail: [llwallace@savingplaces.org](mailto:llwallace@savingplaces.org) telephone: 937-657-1067

**6. Notification**

In some circumstances, it may be necessary for DHR to confer with or notify local officials of proposed listings of properties within their jurisdiction. In the following space, please provide the contact information for the local County Administrator or City Manager.

name/title: Keith Barker, City Manager

locality: Galax

street & number: 111 E Grayson St

city or town: Galax State: VA zip code: 24333

telephone: 276-236-5773

e-mail: [kbarker@GalaxVa.com](mailto:kbarker@GalaxVa.com)



## HISTORIC PRESERVATION CERTIFICATION APPLICATION PART 1 – EVALUATION OF SIGNIFICANCE

**Instructions:** This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form takes precedence. A copy of this form will be provided to the Internal Revenue Service.

**NPS Project Number**

**1. Historic Property Name** Vaughan Furniture Company Factory Site

Street 100 T. George Vaughan Jr. Rd.

City Galax County Independent City State VA Zip 24333

Name of Historic District or National Register property Eligible for individual listing, confirmed by VA DHR, 12/10/20

☐ National Register district ☐ certified state or local district ☐ potential district ☐ National Register property

**2. Nature of Request** (check only one box)

- ☐ certification that the building contributes to the significance of the above-named historic district or National Register property for rehabilitation purposes.  
☐ certification that the building contributes to the significance of the above-named historic district for a charitable contribution for conservation purposes.  
☐ certification that the building does not contribute to the significance of the above-named district or National Register property.  
☒ preliminary determination for individual listing in the National Register.  
☐ preliminary determination that a building located within a potential historic district contributes to the significance of the district.  
☐ preliminary determination that a building outside the period or area of significance contributes to the significance of the district.

**3. Project Contact** (if different from applicant)

Name Lindsey Wallace Company Consultant/National Main Street Center

Street 53 W Jackson Blvd., Suite 350 City Chicago State IL

Zip 60604 Telephone (312) 610-5605 Email Address lwallace@savingplaces.org

**4. Applicant**

I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable]:

- ☒ I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or  
☐ if I am not the fee simple owner of the above described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011).

For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.

Name John David Vaughan Signature (Sign in ink) \_\_\_\_\_ Date \_\_\_\_\_

Applicant Entity Vaughan Restoration Group, LLC SSN \_\_\_\_\_ or TIN 86-1601110

Street 115 Country Club Lane City Galax State VA

Zip 24333 Telephone (276) 233-2633 Email Address jdv@vaughanfurniture.com

**NPS Official Use Only**

The National Park Service has reviewed the Historic Preservation Certification Application – Part 1 for the above-named property and has determined that the property:

- ☐ contributes to the significance of the above-named district or National Register property and is a "certified historic structure" for rehabilitation purposes.  
☐ contributes to the significance of the above-named district and is a "certified historic structure" for a charitable contribution for conservation purposes.  
☐ does not contribute to the significance of the above-named district or National Register property.

**Preliminary Determinations:**

- ☐ appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer according to the procedures set forth in 36 CFR Part 60.  
☐ does not appear to meet the National Register Criteria for Evaluation and will likely not be listed in the National Register.  
☐ appears to contribute to the significance of a potential historic district, which will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer.  
☐ appears to contribute to the significance of a registered historic district if the period or area of significance as documented in the National Register nomination or district documentation on file with the NPS is expanded by the State Historic Preservation Officer.  
☐ does not appear to qualify as a certified historic structure.

Date \_\_\_\_\_

National Park Service Authorized Signature (Sign in ink) \_\_\_\_\_

☐ NPS Comments Attached

# HISTORIC PRESERVATION CERTIFICATION APPLICATION

## PART 1 – EVALUATION OF SIGNIFICANCE

Historic Property Name Vaughan Furniture Company Factory Site NPS Project Number \_\_\_\_\_

Property Address 100 T. George Vaughan Jr. Rd., Galax, VA

### 5. Description of Physical Appearance

The Vaughan Furniture Company factory complex site (the "site") at 100 T. George Vaughan Jr. Rd. in Galax served as the primary furniture manufacturing site and office space for the Vaughan Furniture Company, from the time it started in 1923, until it closed operations in 2015. The site is located within the Galax independent city boundaries, immediately surrounded by paved lots, residential and commercial buildings, several small, grassy lots, and Chestnut Creek, a tributary of the New River. The property is located about 0.4 miles from the Galax Commercial Historic District (SW).

The site was built over the course of 70 years, and it remains a quality representative of its type. The building and its ten(10) contiguous additions make up the site, totaling approximately 400,000 square feet. (Please note that in the Preliminary Information Form, these contiguous additions are referred to as "buildings", but they are not separate buildings.) The original factory building dates from 1923-1938, designed in the in the Commercial Style: Industrial style, with contiguous additions constructed in 1923, 1929, 1930, 1956, 1960, 1965, and 1995, serving to help the Vaughan Furniture Co. meet the expanding demand it experienced well into the 1990s. The original building and all ten contiguous additions are contributing to the site's historical and architectural significance.

The original building (1) and additions 2, 3, 4, 5, and 6 (see attached Sketch Map and Building + Additions Layout Index Map) are prominently visible from public rights-of-way, while additions 7, 8, 9 and 11 are partially visible. Addition 10 is barely visible from any public right-of-way.

On the interior, some of the timber floors show significant sagging from years supporting heavy equipment. Similarly, some of the interior posts have been reinforced with wooden girding at the base and tops. Due to its large scale and multiple additions, much of the building interior currently has little access to natural light, except from the windows of the original building and Additions 2-5. Overall, the original building and contiguous additions that make up this site retain much of the original historic fabric and architectural detail, though some elements (including an exterior wall crack and missing window lights) are in need of repair.

Date(s) of building(s) 1923-1938 Date(s) of alteration(s) 1923-1930, 1956, 1960, 1965, 1995

Has building been moved? ☒ No ☐ Yes, specify date \_\_\_\_\_

### 6. Statement of Significance

In December 2020, the Virginia Department of Historic Resources State Review Board unanimously approved the Vaughan Furniture Company factory complex site as eligible for individual listing in the National Register of Historic Places under Criterion A, for its connection to Galax and Southwest Virginia's twentieth century manufacturing history, particularly furniture building, and Criterion C for its architectural significance as an example of the Commercial Style: Industrial. During its nearly 100 years in production, the site was home to one of the most significant furniture producers in Virginia. Under Criterion A, the site was the original location and served as the lynchpin manufacturing facility for the Vaughan Furniture Co. throughout its years producing and retailing furniture(1923-2015)and served as the company's headquarters until a separate office building was constructed nearby in 1999. The site was also the location of the Vaughan Furniture Co.'s first expansions in the 1950s, then additional expansions through the 1990s. Under Criterion C, the site maintains many of its original architectural features, making it a fine extant example of Commercial Style: Industrial. Though constructed with less architectural detail, the historic additions from the 1950s and 1960s and the 1995 addition contribute to the site's significance as well, physically demonstrating the company's expansion through the decades. The Period of Significance runs from its original construction in 1923 until 1995, when its latest and last addition was constructed during a period of growth in the 1990s.

**HISTORIC PRESERVATION CERTIFICATION APPLICATION**  
**PART 1 – EVALUATION OF SIGNIFICANCE**

Historic Property Name Vaughan Furniture Company Factory Site NPS Project Number \_\_\_\_\_

Property Address 100 T. George Vaughan Jr. Rd., Galax, VA

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**7. Photographs and Maps.** Send photographs and map with application.

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**APPENDIX B**  
**COMMUNITY SURVEY**

**Community Survey**  
**The Future of the Vaughan Furniture Building**  
**and Downtown Galax**

The City of Galax, the Vaughan Family, and a consultant team made up of Summit Engineering & Design/Opportunity Virginia/Main Street America staff are exploring opportunities for new uses for the Vaughan Furniture Company building complex within the context of a revitalizing downtown Galax.

**Crucial to this exploration is hearing from YOU.** Please take a few minutes to complete this survey. We kindly ask that you complete the survey by X DATE. Please note that your answers will remain anonymous. Thank you!

1. When thinking about downtown Galax what are two positive words that come to mind? (please limit to one-word answers)
2. When thinking about downtown Galax what are two challenges that come to mind? (please limit to one to three-word answers)
3. Which businesses do you most often patronize in downtown Galax? (list top three)
4. What 3 business types would you like to see within the downtown district that are not currently present? (List top three)
5. When thinking about downtown Galax, beyond retail shopping opportunities, what amenities, services, recreational/leisure activities, event spaces, and cultural venues would encourage you to spend more time in downtown Galax? (please limit to one to three-word answers)
6. How can this mixed-use rehabilitation of the Vaughan Furniture Company building help meet some of these needs for all of our community members? (Open-Ended)
7. What time of the day do you most typically do your shopping (not just in downtown Galax)?
  - 7-9am
  - 9-11am
  - 11am-1pm
  - 1-5pm
  - After 5pm
8. What day of the week do you most frequently shop (not just in downtown Galax)?
  - Monday
  - Tuesday
  - Wednesday
  - Thursday
  - Friday
  - Saturday
  - Sunday

9. If you are a business owner or entrepreneur, would you be interested in leasing space in a new mixed-use rehabilitation located in the Vaughan Furniture Company building complex? (If you answer “yes” or “maybe”, please also answer question #10.)
- Yes
  - No
  - Maybe
  - N/A
10. If you are a business owner or entrepreneur, what factors are most important to you in determining whether or not you would lease space in a new mixed-use rehabilitation located in the Vaughan Furniture Company building complex?
- Available square footage
  - Availability of a commercial kitchen
  - Availability of pop-up retail/short-term business space
  - Leasing cost
  - Historic character and architectural features
  - Proximity to Chestnut Creek
  - Proximity to downtown district
  - Proximity to an event space
  - Proximity to a hotel
  - Proximity to residential units
  - Unique site
  - Wifi
  - Other (please specify)
11. Would you live in the downtown Galax if you could?
- Yes
  - No
  - Unsure
  - Already live downtown
12. If yes, what type of housing would you need or be interested in?
- An affordable apartment unit (eligible for housing assistance)
  - A small (studio or 1-bedroom) market rate apartment
  - A larger (2 to 3-bedroom) market rate apartment on one floor
  - A loft market rate apartment on two floors
  - I’d prefer a condominium unit of one of the sizes listed above
  - A single-family house
13. If you answered no to #11, why? (Open-Ended)
14. How might the project leadership for the Vaughan Furniture Company building complex make best use of this project to engage the widest range of our community members? (Open-Ended)

15. Where do you live?

- In downtown Galax
- Elsewhere in Galax
- Elsewhere in Grayson County
- Elsewhere in Carroll County
- Outside Grayson and Carroll Counties

16. Where do you work?

- In downtown Galax
- Elsewhere in Galax
- Elsewhere in Grayson County
- Elsewhere in Carroll County
- Outside Grayson and Carroll Counties
- I work at home
- I'm a student
- I'm retired
- I'm unemployed
- I'm unable to work

17. How old are you?

- Under 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74
- 75 or over
- Prefer not to answer

**APPENDIX C**

**COMPLETE PROJECT PRO FORMA**

**Vaughan Furniture Building**  
*Assumptions*

**SOURCES & USES**

*\$ in 000s other than \$/sf*

	Hotel			Residential			Commercial			TOTAL		
	\$	\$/room	\$/sf	\$	\$/unit	\$/sf	\$	\$/unit	\$/sf	\$	\$/sf	%
<b>USES</b>												
Hard Costs	\$22,731	\$464	\$277	\$22,405	\$533	\$262	\$36,381	NM	\$155	\$81,518	\$203	88%
Soft Costs	\$2,311	\$47	\$28	\$2,280	\$54	\$27	\$3,746	NM	\$16	\$8,337	\$21	9%
Financing Costs										\$2,589	\$6	3%
<b>Total Uses</b>	<b>\$25,042</b>	<b>\$511</b>	<b>\$305</b>	<b>\$24,685</b>	<b>\$588</b>	<b>\$289</b>	<b>\$40,128</b>	<b>NM</b>	<b>\$171</b>	<b>\$92,444</b>	<b>\$230</b>	<b>100%</b>

**SOURCES**

Construction Loan										\$43,147	\$107	47%
Grants										\$1,650	\$4	2%
Historic Tax Credit Equity										\$30,171	\$75	33%
Opportunity Zone/Other Investor Equity										\$17,475	\$43	19%
<b>Total Sources</b>										<b>\$92,444</b>	<b>\$230</b>	<b>100%</b>

**OPERATING**

*\$ in 000s other than \$/sf*

	Hotel			Residential			Commercial			TOTAL		
	Y2 (Stab.)	Y10 (Exit)	CAGR	Y2 (Stab.)	Y10 (Exit)	CAGR	Y2 (Stab.)	Y10 (Exit)	CAGR	Y2 (Stab.)	Y10 (Exit)	CAGR
<b>INCOME &amp; EXPENSES</b>												
Nightly Rate / \$/sf	\$113.30	\$143.53	3%	\$14.42	\$18.27	3%	\$7.33	\$11.40	6%	NM	NM	NM
Occupancy % / (Vacancy %)	75%	75%	NM	-8%	-8%	NM	-26%	-25%	NM	NM	NM	NM
EGI \$ / sf	\$18.60	\$23.56	3%	\$11.34	\$14.36	3%	\$5.44	\$8.59	6%	\$9.38	\$12.88	4%
Operating Cash Flow \$	\$566	\$717	3%	\$619	\$787	3%	\$1,008	\$1,593	6%	\$2,550	\$3,606	4%
Operating Cash Flow %	37%	37%	NM	64%	64%	NM	79%	79%	NM	68%	70%	NM

Note: Total may not equal sum of Hotel, Residential, and Commercial due to real estate tax incentives, which are not allocated.

**FINANCING - NEW MARKET TAX CREDIT LENDING/CONVENTIONAL LOANS**

Construction to Perm.		Historic Tax Credits		Exit	
DSCR Target @Stab.	1.20x	Federal %	20%	Y0 Cap Rate	NM
Const. Interest	5.00%	State %	25%	Y10 Cap Rate	6.50%
Const. Loan Fees	1.00%	\$ / Credit	\$0.80	Transaction Costs	1.00%
Const. Amortization	IO				
Perm. Interest	3.00%				
Perm. Loan Fees	1.00%				
Perm. Amortization	30				

Vaughan Furniture Building Cash Flow Projections (\$ in 000s)												
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>INCOME</b>												
<b>Hotel</b>												
Rooms	--	\$1,476	\$1,520	\$1,565	\$1,612	\$1,661	\$1,711	\$1,762	\$1,815	\$1,869	\$1,925	\$16,915
Conference Center	--	\$9	\$9	\$10	\$10	\$10	\$10	\$11	\$11	\$11	\$12	\$103
<b>Hotel EGI</b>	--	<b>\$1,485</b>	<b>\$1,529</b>	<b>\$1,575</b>	<b>\$1,622</b>	<b>\$1,671</b>	<b>\$1,721</b>	<b>\$1,773</b>	<b>\$1,826</b>	<b>\$1,881</b>	<b>\$1,937</b>	<b>\$17,018</b>
<b>Residential</b>												
Apartments	--	\$765	\$911	\$938	\$967	\$995	\$1,025	\$1,056	\$1,088	\$1,120	\$1,154	\$10,020
Storage	--	\$48	\$57	\$59	\$61	\$62	\$64	\$66	\$68	\$70	\$72	\$629
<b>Residential EGI</b>	--	<b>\$813</b>	<b>\$968</b>	<b>\$997</b>	<b>\$1,027</b>	<b>\$1,058</b>	<b>\$1,090</b>	<b>\$1,122</b>	<b>\$1,156</b>	<b>\$1,191</b>	<b>\$1,226</b>	<b>\$10,649</b>
<b>Commercial</b>												
Retail	--	\$261	\$317	\$333	\$350	\$367	\$386	\$405	\$425	\$447	\$469	\$3,761
Restaurant	--	\$152	\$195	\$201	\$207	\$213	\$220	\$226	\$233	\$240	\$247	\$2,136
Incubator Office Space	--	\$376	\$469	\$507	\$547	\$591	\$639	\$690	\$745	\$804	\$869	\$6,237
Indoor Recreation	--	\$165	\$200	\$210	\$221	\$232	\$243	\$255	\$268	\$282	\$296	\$2,371
Incubator Kitchen	--	\$9	\$15	\$16	\$16	\$17	\$17	\$18	\$18	\$19	\$20	\$166
Performance Space	--	\$45	\$79	\$83	\$87	\$91	\$96	\$101	\$106	\$111	\$116	\$913
<b>Commercial EGI</b>	--	<b>\$1,008</b>	<b>\$1,276</b>	<b>\$1,350</b>	<b>\$1,428</b>	<b>\$1,512</b>	<b>\$1,600</b>	<b>\$1,695</b>	<b>\$1,795</b>	<b>\$1,902</b>	<b>\$2,017</b>	<b>\$15,584</b>
<b>Total EGI</b>	--	<b>\$3,305</b>	<b>\$3,774</b>	<b>\$3,922</b>	<b>\$4,078</b>	<b>\$4,241</b>	<b>\$4,411</b>	<b>\$4,590</b>	<b>\$4,777</b>	<b>\$4,974</b>	<b>\$5,180</b>	<b>\$43,251</b>
<b>OPERATING EXPENSES</b>												
Hotel OpEx	--	\$891	\$917	\$945	\$973	\$1,002	\$1,033	\$1,064	\$1,095	\$1,128	\$1,162	\$10,211
Residential OpEx	--	\$285	\$339	\$349	\$360	\$370	\$381	\$393	\$405	\$417	\$429	\$3,727
Commercial OpEx	--	\$202	\$255	\$270	\$286	\$302	\$320	\$339	\$359	\$380	\$403	\$3,117
<b>Subtotal OpEx</b>	--	<b>\$1,377</b>	<b>\$1,512</b>	<b>\$1,564</b>	<b>\$1,618</b>	<b>\$1,675</b>	<b>\$1,734</b>	<b>\$1,795</b>	<b>\$1,859</b>	<b>\$1,926</b>	<b>\$1,995</b>	<b>\$17,055</b>
+ OpEx Reserve	--	\$29	\$3	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$42
- Real Estate Tax (Incentive)	--	(\$303)	(\$358)	(\$373)	(\$390)	(\$408)	(\$426)	(\$445)	(\$466)	(\$487)	(\$510)	(\$4,165)
<b>Total OpEx</b>	--	<b>\$1,103</b>	<b>\$1,157</b>	<b>\$1,192</b>	<b>\$1,230</b>	<b>\$1,269</b>	<b>\$1,309</b>	<b>\$1,351</b>	<b>\$1,395</b>	<b>\$1,440</b>	<b>\$1,486</b>	<b>\$16,048</b>
<b>Net Operating Income</b>	--	<b>\$2,202</b>	<b>\$2,617</b>	<b>\$2,730</b>	<b>\$2,848</b>	<b>\$2,972</b>	<b>\$3,102</b>	<b>\$3,239</b>	<b>\$3,382</b>	<b>\$3,534</b>	<b>\$3,694</b>	<b>\$27,203</b>
<b>CAPEX</b>												
Hotel Reserves	--	\$45	\$46	\$47	\$49	\$50	\$52	\$53	\$55	\$56	\$58	\$511
Residential Reserves	--	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$105
Commercial Reserves	--	\$10	\$13	\$13	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$156
<b>Total CapEx</b>	--	<b>\$65</b>	<b>\$69</b>	<b>\$71</b>	<b>\$73</b>	<b>\$76</b>	<b>\$78</b>	<b>\$81</b>	<b>\$83</b>	<b>\$86</b>	<b>\$89</b>	<b>\$771</b>
<b>Operating Cash Flow</b>	--	<b>\$2,137</b>	<b>\$2,548</b>	<b>\$2,659</b>	<b>\$2,775</b>	<b>\$2,896</b>	<b>\$3,024</b>	<b>\$3,158</b>	<b>\$3,299</b>	<b>\$3,448</b>	<b>\$3,605</b>	<b>\$26,432</b>
<b>ACQUISITION / DEVELOPMENT</b>												
<b>Hard Costs</b>												
Hotel	(\$22,731)	--	--	--	--	--	--	--	--	--	--	(\$22,731)
Residential	(\$22,405)	--	--	--	--	--	--	--	--	--	--	(\$22,405)
Commercial	(\$36,381)	--	--	--	--	--	--	--	--	--	--	(\$36,381)
<b>Total Hard Costs</b>	<b>(\$81,518)</b>	--	--	--	--	--	--	--	--	--	--	<b>(\$81,518)</b>
<b>Soft Costs</b>												
Hotel	(\$2,311)	--	--	--	--	--	--	--	--	--	--	(\$2,311)
Residential	(\$2,280)	--	--	--	--	--	--	--	--	--	--	(\$2,280)
Commercial	(\$3,746)	--	--	--	--	--	--	--	--	--	--	(\$3,746)
<b>Total Soft Costs</b>	<b>(\$8,337)</b>	--	--	--	--	--	--	--	--	--	--	<b>(\$8,337)</b>
<b>RESIDUAL VALUE</b>												
Sale Proceeds	--	--	--	--	--	--	--	--	--	--	\$56,846	\$56,846
Selling Costs	--	--	--	--	--	--	--	--	--	--	(\$568)	(\$568)
Reserves	--	--	--	--	--	--	--	--	--	--	\$42	\$42
<b>UNLEVERAGED NET CASH FLOW</b>	<b>(\$89,855)</b>	<b>\$2,137</b>	<b>\$2,548</b>	<b>\$2,659</b>	<b>\$2,775</b>	<b>\$2,896</b>	<b>\$3,024</b>	<b>\$3,158</b>	<b>\$3,299</b>	<b>\$3,448</b>	<b>\$59,924</b>	<b>(\$3,987)</b>

Vaughan Furniture Building  
Cash Flow Projections (\$ in 000s)

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
FINANCING												
Construction Loan	\$43,147	--	--	--	--	--	--	--	--	--	--	\$43,147
Construction Loan Fees	(\$431)	--	--	--	--	--	--	--	--	--	--	(\$431)
Construction Loan Interest	(\$2,157)	(\$2,157)	--	--	--	--	--	--	--	--	--	(\$4,315)
Construction Loan Repayment	--	(\$43,147)	--	--	--	--	--	--	--	--	--	(\$43,147)
Permanent Loan	--	\$43,147	--	--	--	--	--	--	--	--	--	\$43,147
Permanent Loan Fees	--	(\$431)	--	--	--	--	--	--	--	--	--	(\$431)
Permanent Loan Interest	--	--	(\$1,282)	(\$1,255)	(\$1,226)	(\$1,197)	(\$1,167)	(\$1,137)	(\$1,105)	(\$1,072)	(\$1,038)	(\$10,479)
Permanent Loan Amortization	--	--	(\$901)	(\$928)	(\$956)	(\$986)	(\$1,016)	(\$1,046)	(\$1,078)	(\$1,111)	(\$1,145)	(\$9,167)
Permanent Loan Repayment	--	--	--	--	--	--	--	--	--	--	(\$33,980)	(\$33,980)
Historic Tax Credits	\$30,171	--	--	--	--	--	--	--	--	--	--	\$30,171
Grants	\$1,650	--	--	--	--	--	--	--	--	--	--	\$1,650
LEVERAGED NET CASH FLOW	(\$17,475)	(\$452)	\$365	\$476	\$592	\$713	\$841	\$975	\$1,116	\$1,265	\$23,761	\$12,177

Permanent DSCR1.2x1.2x1.3x1.3x1.4x1.4x1.5x1.6x1.7x

INTERNAL RATES OF RETURN	
Unleveraged Cash Flow	-1%
Leveraged Net Cash Flow	6%

## **APPENDIX D**

### **EXAMPLE REQUEST FOR QUALIFICATIONS**

# REQUEST FOR QUALIFICATIONS

Master Developer/Developer  
Qualifications for the Redevelopment and  
Adaptive Reuse of the Vaughan  
Furniture Building in Galax, VA

Requested by the Vaughan Restoration Group  
and the Galax Development Corporation

*Submission  
Deadline:*

*5:00 p.m.  
October 29,  
2021*

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## **I. PURPOSE & BACKGROUND**

- A. The Vaughan Restoration Group LLC is made up of former owners of the Vaughan Furniture Company and other investors interested in seeing the Vaughan Furniture Building in Galax, VA revitalized and put back into productive use. Though it is a private entity, Vaughan family members and the Vaughan Furniture Group have worked very closely with elected and staff leadership from the City of Galax as well as Opportunity Appalachia, a wing of Appalachian Community Capital, to push forward the Vaughan Furniture Building Redevelopment Project. Opportunity Appalachia recently funded the research and development of a feasibility study for this project including the assembly of a prospectus for marketing the building to potential developers and investors. It is the intention of the Vaughan Restoration Group to be a partner in the redevelopment of the Vaughan Furniture Building with the chosen master developer/developer.
- B. The purpose of this Request for Qualifications (RFQ) is to solicit Statements of Qualifications from experienced developers (Offerors) interested in partnering with the Vaughan Restoration Group LLC for the purpose of redeveloping the Vaughan Furniture Building. The Group is seeking through this RFQ to select one or several qualified firms with a proven track record in serving as the master developer/developer for the redevelopment of industrial, warehouse, and other large buildings as mixed-use complexes. Firms chosen by this RFQ process will be invited to attend a Pre-Proposal Conference and submit specific development proposals by October 29, 2021. The Group intends to enter into negotiations with the firm providing the winning proposal and have a Master Development/Development Agreement in place by June 30, 2022. The target date for beginning construction is the September 1, 2022 with build-out by the close of calendar year 2023.
- C. The Vaughan Furniture Building is a 408,000 square foot former furniture factory comprised of eleven (11) contiguous building components located at the northeast corner of East Stuart Drive (U.S. Route 58) and T. George Vaughan, Jr. Ave., and adjoining Chestnut Creek in the City of Galax. The earliest part of the complex was constructed in 1923 with several additions through 1938 during the early years of the business. Further additions were constructed in 1956, 1965, and 1995 to bring the building's layout to the configuration seen today. The buildings up to 1956 were constructed with wood posts and beams, brick walls, concrete floors on the first floor, and wood flooring on the second and third floors. The additions in the 1960's were constructed mainly with cement block, brick and steel. The last addition in 1995 is a large pre-engineered metal building in two parts with a concrete slab floor.

- D. The City of Galax is a vibrant Southwest Virginia small city best known for its Old Time Mountain and Bluegrass Music and for being the home of the Old Fiddler's Convention held every summer in downtown Galax since 1935. It is located 8 miles from the Blue Ridge Parkway, 23 miles from I-77, and 41 miles from I-81 via I-77. Galax is also home to one of the two southern terminuses of the New River Trail State Park with the Galax terminus being directly across East Stuart Drive from the Vaughan Furniture Building. Galax is within an easy drive of many of North Carolina's major metro areas as well as much of Virginia.
- E. Development concepts for the adaptive reuse of the Vaughan Furniture Building include a number of uses in a mixed-use environment:
1. A boutique hotel with a small conference center.
  2. Apartments and/or condominiums.
  3. Leasable retail space.
  4. Restaurant space.
  5. A ballroom/performance hall.
  6. Indoor recreation uses such as mini-golf, laser tag, and indoor soccer fields.
  7. A business incubator for office-based businesses or light, non-noxious industry.
  8. Accompanying parking and landscaping including outdoor dining space.
- F. The Vaughan Furniture Building has been approved by the Virginia Department of Historic Resources for the state and federal Historic Registers and will be eligible for Historic Tax Credits. Additionally, the building is in an Enterprise Zone, an Opportunity Zone, and a New Market Tax Credit (NMTC) eligible Census Tract and as such should be able to secure the applicable grants, equity investments, and low-interest financing through these programs. The project could be eligible for a number of grants through the Commonwealth of Virginia including Virginia Tobacco Commission funding, a State Enterprise Zone Real Property Investment Grant, and/or an Industrial Revitalization Fund grant/loan. The City of Galax has a number of economic development incentives that can be applied to the project, most notably real estate tax abatements associated with improvements to the complex.
- G. Additional information about the Vaughan Furniture Building Redevelopment Project including a feasibility Study by Summit Design & Engineering Services and a prospectus can be found at: [www.xxxxxxxxxx.com](http://www.xxxxxxxxxx.com).

H. There are two dates and times set aside for any potential Offerors to tour the Vaughan Furniture Building prior to the submission date for Statements of Qualifications. Attendance at one of these tours is strongly encouraged. Offerors should contact Mr. David Vaughan of their planned attendance via the contact information provided below. The tour dates/times are:

- XXXXXXXX, XX, 2021, 2:00 p.m.
- XXXXXXXX, XX, 2021, 10:00 a.m.

## **II. PREPARATION OF STATEMENT OF QUALIFICATIONS & SUBMISSION INSTRUCTIONS**

A. The deadline for submission of Statements of Qualifications is on or before 5:00 p.m., October 29, 2021. One (1) original and five (5) printed copies of the completed SOQ and one digital, complete Adobe PDF copy must be submitted in a sealed envelope clearly marked with “Master Developer/Developer, Vaughan Furniture Building” to the address listed below. Failure to submit the appropriate number of copies or all information requested shall result in the SOQ being considered non-responsive. Facsimile or electronically transmitted proposals will not be accepted. Offerors assume sole and full responsibility for the cost and timely delivery of the SOQ. Late SOQs will not be considered.

David Vaughan, President  
Vaughan Restoration Group LLC  
P.O. Box 752  
Galax, VA 24333

B. The Vaughan Restoration Group LLC reserves the right to reject any and all SOQs and to waive any informalities in the submission of SOQs. All submitted SOQs will become the property of Vaughan Restoration Group LLC except for information and material designated in writing in the SOQ as a trade secret or proprietary information and the reason for protection is explained. An entire SOQ can not be designated as a trade secret or proprietary information. Any SOQ entirely designated as a trade secret or proprietary information will be considered non-responsive.

C. Questions regarding this RFQ and for indicated attendance at one of the tours referenced above should be directed to David Vaughan, 276-233-2633/ [jdv@vaughanfurniture.com](mailto:jdv@vaughanfurniture.com). Any addendums to this RFQ will be provided directly to any vendor specifically solicited by the Group or any vendor that has self-identified an interest in the project a

minimum of three (3) days prior to the deadline for submissions. Any addendum that may be issued is considered an official part of this RFQ and must be signed and returned with the Offeror's SOQ.

D. The Vaughan Restoration Group LLC does not discriminate against any person or faith-based organization on the basis of race, color, religion, sex, national or ethnic origin, disability, age, marital status, genetic information, or any other protected characteristic or factor prohibited by state or federal law.

E. General Statement of Qualifications Requirements:

1. The SOQ shall be signed by an authorized representative of the Offeror via the Statement of Interest / General Qualifications (described under F-1 that follows). Such signature shall certify that all information contained in the SOQ is true to the best knowledge and belief of the signer.
2. The SOQ should be prepared simply and economically, providing a straight-forward and concise description of the Offeror's interest and capabilities.
3. The SOQ should be organized in the order outline in item F below and generally be of the length indicated.

F. Specific Statement of Qualifications Content:

1. Statement of Interest / General Qualifications. A statement of interest and general description of the qualifications, capabilities, and organization of the Offeror. Include the same information about any development team members other than the Primary Offeror. (3 – 6 pages)
2. Resumes of Potential Development Team Leadership. Resumes of Offeror staff most likely to be assigned to the Vaughan Furniture Building Redevelopment Project and the role each would play in the project. Include resumes for staff of any development team members other than the primary Offeror that are most likely to be assigned to the project. (3 – 9 pages)
3. Specific Examples of Previous Relevant Development. A minimum of four (4) specific examples of where the Offeror was involved in the redevelopment and adaptive reuse of industrial, warehouse, or other large buildings as mixed-use projects. To be included in each example: a) description of the project with graphic representations; b) role of Offeror in project; and c) a summary of the development budget and sources of financing. Additional consideration will be given to Offerors whose experience includes serving as the master developer coordinating the efforts of a team of developers. (2 pages each)

4. Specific Experience in Utilizing Local, State, and Federal Grants, Incentives, and Financing. A description of at least two (2) occasions where the Offeror utilized state and federal Historic Tax Credits as well as other local, state, and federal grants, incentives, and financing to bring a project on line. Include specific information about how the various funding sources were stacked and leveraged, including information regarding how the Offeror was able to overcome any time-related logistical issues or physical barriers within the property itself so as to allow the project to utilize the several funding sources. (2 pages each) If one of the projects presented in this section overlap with a project presented under #3 above, please provide a statement indicating the overlap and provide additional financial details only.
5. References. Provide a list of four (4), but not more than six (6) past or current development partners in projects similar to that envisioned for the Vaughan Furniture Building. The list should include name, title, organization, address, telephone number, fax number, and e-mail address. One from each of the following categories must be provided:
  - a. Construction lender or permanent lender.
  - b. General contractor on a comparable development.
  - c. Prior joint development partner on a comparable development.
  - d. Representative of a local government or local government entity such as an Economic Development Authority with which the Offeror has worked on a comparable development.
6. Ability to Perform in a Timely Manner. The firms chosen by this RFQ process will be invited to attend a Pre-proposal Conference and submit specific development proposals by November 30, 2021. The Vaughan Restoration Group intends to enter into negotiations with the firm providing the winning proposal and have a Master Development/Development Agreement in place by June 30, 2022. The target date for beginning construction is October 1, 2022 with 100% build-out by the close of calendar year 2023 unless a phased development is determined to be prudent and of benefit to all parties involved in the project. The Offeror should provide a statement that it will be able to serve as the master developer/developer for the Vaughan Furniture Redevelopment Project on the schedule as described above. Included should be a description of other projects currently underway or planned that could potentially complement or detract from the Offeror's ability to perform the development functions needed to accomplish build-out within the specified time. (1 – 2 pages)

7. Statement of Financial Responsibility. Provide summary financial statements for the past three (3) years. Financial statements excerpted from an Offeror's annual report or annual audit are sufficient for meeting this requirement and can be included as an appendix with a different format from the main body of the SOQ. (3 – 4 pages each).

### III. EVALUATION CRITERIA AND SELECTION PROCESS

- A. SOQs shall be reviewed and scored by the Vaughan Restoration Group LLC with assistance provided by persons of its choosing, including, but not limited to, its project consultant, using the following criteria:

Criteria	Maximum Points
Statement of Interest / General Qualifications	10
Resumes of Potential Development Team Leadership	10
Specific Experience in Utilizing Local/State/Federal Grants, Incentives, and Financing	20
Specific Examples of Previous Relevant Development	20
References	10
Ability to Perform in a Timely Manner	20
Statement of Financial Responsibility	10
<b>Total Base Points Available</b>	<b>100</b>

- B. Although the Vaughan Restoration Group reserves the right to enter into discussion with one or more Offeror(s) in person, by phone, or via digital platforms, the Group may select one or several Offeror(s) to move to the next step on the basis of the written SOQs only.
- C. One or several Offeror(s) will be invited to attend a Pre-Proposal Conference and subsequently submit a specific development proposal. It is the goal of the Group to make selections within three (3) weeks of SOQ submittal with the Pre-Proposal Conference to follow within three (3) weeks of the selection date.

## **APPENDIX E**

### **POTENTIAL DEVELOPERS & LOCAL INVESTORS**

Potential Developers

Project Information			Developer			Address			Contact Information				
Project Name	City	State	First Name	Last Name	Title	Company	Address Line 1	Address Line 2	City	State	Zip	Email/Contact Form	Phone
Academy Lofts of Adair Park	Atlanta	GA	Stan	Sugarman	Agent	711 Catherine Developers & Stryant Investments LLC	1939 Hosea L. Williams Dr. S1-		Atlanta	GA	30317	-	-
Belville (in progress)	Beville	NC	Lance	Robbins	CEO	Urban Smarth Growth	1005 Main St	#1220	Pawtucket	RI	02860	contact@urbansmartgrowth.net	401-722-0752
The Bindery	Staunton	VA	Robin	Miller	Principal	Miller & Associates	116 E. Franklin St.	-	Richmond	VA	23235	https://robinmillerasociates.com/contact-us/	804-643-6435
Blackburn Inn	Staunton	VA	Robin	Miller	Principal	Miller & Associates	116 E. Franklin St.	-	Richmond	VA	23235	https://robinmillerasociates.com/contact-us/	804-643-6435
Brookdale Condominiums	Staunton	VA	Robin	Miller	Principal	Miller & Associates	116 E. Franklin St.	-	Richmond	VA	23235	https://robinmillerasociates.com/contact-us/	804-643-6435
High Street Lofts Phases I & II	Petersburg	VA	Robin	Miller	Principal	Miller & Associates	116 E. Franklin St.	-	Richmond	VA	23235	https://robinmillerasociates.com/contact-us/	804-643-6435
HSL3	Petersburg	VA	Robin	Miller	Principal	Miller & Associates	116 E. Franklin St.	-	Richmond	VA	23235	https://robinmillerasociates.com/contact-us/	804-643-6435
Lee School Lofts	Richmond	VA	Robin	Miller	Principal	Miller & Associates	116 E. Franklin St.	-	Richmond	VA	23235	https://robinmillerasociates.com/contact-us/	804-643-6435
Old Manchester Lofts	Richmond	VA	Robin	Miller	Principal	Miller & Associates	116 E. Franklin St.	-	Richmond	VA	23235	https://robinmillerasociates.com/contact-us/	804-643-6435
One Monument Avenue	Richmond	VA	Robin	Miller	Principal	Miller & Associates	116 E. Franklin St.	-	Richmond	VA	23235	https://robinmillerasociates.com/contact-us/	804-643-6435
Shockoe Valley Lofts	Richmond	VA	Robin	Miller	Principal	Miller & Associates	116 E. Franklin St.	-	Richmond	VA	23235	https://robinmillerasociates.com/contact-us/	804-643-6435
The Billy Byrd	Vinton	VA	Dave	McCormack	Founder	Waukeshaw Development	398-300 4th St.	-	Petersburg	VA	23803	hello@waukeshaw.com	-
Blackstone Lofts	Blackstone	VA	Dave	McCormack	Founder	Waukeshaw Development	398-300 4th St.	-	Petersburg	VA	23803	hello@waukeshaw.com	-
The Bosco	Petersburg	VA	Dave	McCormack	Founder	Waukeshaw Development	398-300 4th St.	-	Petersburg	VA	23803	hello@waukeshaw.com	-
Trapezium Brewery	Petersburg	VA	Dave	McCormack	Founder	Waukeshaw Development	398-300 4th St.	-	Petersburg	VA	23803	hello@waukeshaw.com	-
Whirligig Station	Wilson	NC	Dave	McCormack	Founder	Waukeshaw Development	398-300 4th St.	-	Petersburg	VA	23803	hello@waukeshaw.com	-
Bolling Wilson Hotel	Whytheville	VA	Bill	Smith	Founder	Smith Enterprises	295 Chapman Road	-	Wytheville	VA	24382	-	276-228-5985
Boury Lofts (Warehouse)	Wheeling	WV	Jeffery	Woda	Principal	Woda Cooper Companies	500 S. Front Street	-	Columbus	OH	43215	https://www.wodagroup.com/contact-form/	-
Bristol Hotel	Bristol	VA	Marcus	McCall	President	McCall Capital LLC	531 S. Main Street	Suite 207	Greenville	SC	29601	http://mccallcap.com/contact.html	864-370-0037
CARITAS Center	Richmond	VA	karen	Stanley	President & CEO	CARITAS	-	-	Richmond	VA	-	kstanley@caritasva.org	804-887-1577
Copley Memorial Hospital	Aurora	IL	John	Davis	Director of Project Development	Fox Valley Developers	506-532 Lincoln Ave.	-	Aurora	IL	-	https://foxvalleydevelopers.com/contact/	-
Craddock Terry Hotel	Lynchburg	VA	Hal	Craddock	Owner	Creative Boutique Hotels LLC	-	-	Roanoke	VA	-	-	-
Creative Class Lofts	Fall River	MA	Alan	Batember	President & CEO	Main Street Projects, LLC	-	-	Fall River	MA	-	-	-
Eagle Cotton Mill	Madison	IN	Ron	Bateman	Founder	Riverton, LLC	-	-	Madison	IN	-	-	-
First Ward School Apartments	Elkin	WV	Holly	Wiedemann	President & Owner	AU Associates	159 Old Georgetown Street	-	Lexington	KY	40508	-	859-233-2009
Foundation Hotel	Detroit	MI	Kevin	Robinson	Co-Founder	Aparium Hotel Group	833 W Washington Blvd.	Second Floor	Chicago	IL	60607	info@aparium.com	312-275-1080
Golden Rule	Belington	WV	Dave	Clark	Executive Director	Woodlands Development Group	316 Railroad Avenue	Suite 310	Elkins	WV	26241	dclark@wdgww.gov	303-404-2909
Hoeh Lithograph Building Complex	Baltimore	MD	Bill	Struever	Principal & CEO	Cross Street Partners	2101 E. Biddle St.	Suite 1201	Baltimore	MD	21213	info@crossstreetpartners.com	443-573-4066
Hotel Bristol	Bristol	VA	Walter	Redfearn	President	Commonwealth Architects	101 Shockoe Slip	3rd Floor	Richmond	VA	23219	-	804-648-5040
Imperial Lofts	South Boston	VA	Edwin	Gaskins	-	Echelon Resources, Inc.	700 Watkins Avenue	#100	South Boston	VA	24592	info@echelonresourcesinc.com	804-767-5990
Jackson Park Inn	Pulaski	VA	David	Hagan	Owner	Shah Development	-	-	Christiansburg	VA	24073	-	-
Jobs Café at Findlay Market	Cincinnati	OH	Steve	Smith	Principal	The Model Group	1826 Race Street	-	Cincinnati	OH	45202	info@modelgroup.net	513-559-0048
Johnston Mill Lofts	Columbus	GA	-	-	-	PRS Companies	-	-	Roswell	GA	-	-	-
KIPP Durham Charter School	Durham	NC	-	-	-	Self-Help Credit Union Venture Fund Development	301 W. Main St.	-	Durham	NC	27701	https://www.self-help.org/contact-us	-
Lynn Street Lofts	Danville	VA	Jim	Sari	Developer	Sari & Company	-	-	Winston-Salem	NC	-	https://www.linkedin.com/in/jim-sari-90b3665/	336-972-4182
McNeill Building	Elkin	NC	Gene	Rees	-	-	-	-	Mt. Airy	NC	-	gene@f-rees.com	336-374-0992
Olympia Mill	Columbia	SC	Ron	Caplan	President & CEO	PMC Property Group	1608 Walnut Street	Suite 1400	Philadelphia	PA	19103	information@pmcpropertygroup.com	215-241-0200
Palace Furniture	Clarksburg	WV	Steve	Sadd	Owner	Grant Street Commons	-	-	Charleston	WV	25337	-	-
Rocky Mount Mills	Raleigh	NC	Michael	Goodmon	-	Capital Broadcasting Company (Real Estate Division)	2619 Western Blvd.	-	Raleigh	NC	27606	mgoodmon@cbc-raleigh.com	919-433-1568
Saxapahaw Mill	Saxapahaw	NC	John (Mac)	Jordan, Jr.	President & CEO	Jordan Properties	1616 Jordan Drive	-	Saxapahaw	NC	27350	-	-
Stagecoach Inn	Austin	TX	Clark	Lyda	-	-	-	-	Austin	TX	-	-	-
Swann Warehouse	Murray	KY	Joe	Darnall	Developer	Black Pearl Properties	111 Poplar Street	-	Murray	KY	42071	-	270-762-0402
Swift Factory	Hartford	CT	Dave	Foster	Principal	Community Solutions International	PO Box 3524	Church St. Station	New York	NY	10008	dfoster@community.solutions	646-797-4370
The Bowery	Akron	OH	Kevin	Brokaw	Principal	Brokaw Development	-	-	Brecksville	OH	-	-	-
The Hand Trading Building	Pelham	GA	John M. ("Jerry")	Nelson, IV	Chairman/Principal	SCG Development	8245 Boone Boulevard	Suite 640	Tyson's Corner	VA	22182	info@scgdevelopment.com	703-942-6610
The Rose Collaborative	New Orleans	LA	Benjamin	Warnke	Principal	Alembic Community Development	111 John St.	Suite 1710	New York	NY	10038	office@alembiccommunity.com	212-566-8805

# Potential Developers

Project Information			Developer				Address				Contact Information		
Project Name	City	State	First Name	Last Name	Title	Company	Address Line 1	Address Line 2	City	State	Zip	Email/Contact Form	Phone
The Sagamore Pendry Hotel	Baltimore	MD	Marc	Weller	Founding Partner	Weller Development	101 W Dickman St	Suite 200	Baltimore	MD	21230	connect@pc.city	401-962-1500
The Sessions Hotel	Bristol	VA	Kimberly	Christner	President & CEO	Cornerstone Hospitality	115 Bulifants Blvd. B	-	Williamsburg	VA	23185	kimberly.christner@cornerstonehospitality.com	757-345-0051
Western Front Hotel	St. Paul	VA	Kimberly	Christner	President & CEO	Cornerstone Hospitality	115 Bulifants Blvd. B	-	Williamsburg	VA	23185	kimberly.christner@cornerstonehospitality.com	757-345-0051
The Shenandoah	Martinsburg	WV	Brian	Wishneff	Founder & President	Brian Wishneff & Associates	30 W Franklin Rd.	Suite 503	Roanoke	VA	24011	brian@wishneff.com	540-982-1317
The Virginian	Lynchburg	VA	Blair	Godsey	Director of Operations	Altus Construction	101 Mountain Ave.	-	Roanoke	VA	24016	info@altusconstruction.com	540-400-6288
The Virginian	Lynchburg	VA	George	Stanley	Owner	Cityscape LLC	-	-	-	-	-	-	-
Trapezium Brewery	Petersburg	VA	Dave	McCormack	Founder	Waukeshaw Development	398-300 4th St.	-	Petersburg	VA	23803	hello@waukeshaw.com	-
21C Museum Hotel	Durham	NC	Craig	Greenburg	CEO	21C Museum Hotels	710 W. Main St.	3rd Floor	Louisville	KY	-	-	-
Washington Street Condos	Lewisburg	WV	Tyler	Kobick	Principal	Design Draw Build	2866 Webster Street	-	Oakland	CA	94609	info@designdrawbuild.com	510-833-2643
White Furniture Company	Mebane	NC	Mike	Hill	-	D3 Development, Inc.	324 Blackwell Street	Suite 1130	Durham	NC	27701	mikehill@d3-development.com	919-682-2166
White Mill	Danville	VA	Gary E.	Harvey	Principal	Architectural Partners	10 9th Street	-	Lynchburg	VA	24504	https://www.architecturalpartners.com/get-in-touch/	434-846-8465
Wonder Bread Factory	Washington	DC	Douglas	Jemal	Founder & President	Douglas Development	655 New York Avenue	Suite 830	Washington	DC	20001	djemal@douglasdev.com	202-638-6300

Potential Local Investors / Investor Intermediaries

Potential Local Investors / Investor Intermediary Information					Address				Contact Information		
First Name	Last Name	Category	Title	Company	Address Line 1	Address Line 2	City	State	Zip	Email	Phone
Lisa F.	Adams	Intermediary	CPA	Lisa F. Adams, CPA PC	115 East Grayson Street	-	Galax	VA	24333	lisa@ladamscpa.com	276-236-3056
Rodger L.	Adams	Intermediary	CPA	Persinger & Associates, Inc.	203 W. Grayson Street	-	Galax	VA	24333	radams@persingercpa.com	276-236-8135
Barbara	Bartnik	Major Employer	Chairperson	Mount Rogers Community Services	6999 Carrollton Pike	-	Galax	VA	24333	-	276-238-5600
Moir	Beamer	Major Employer	CEO	Virginia Produce Company Inc.	227 Industrial Park Dr.	-	Hillsville	VA	24343	moir@vaproduce.com	276-728-7525
Sara J.	Beasley	Intermediary	CPA	-	159 Quail Ridge Court	-	Galax	VA	24333	beasleys4@yahoo.com	-
Travis	Belton	Major Employer	General Manager	Moog Space and Defense Group	115 Jack Guynn Dr.	-	Galax	VA	24333	-	276-236-4921
Tabatha D.	Blevins	Intermediary	CPA	-	965 Riverside Drive	-	Independence	VA	24348	tabatha_143@yahoo.com	-
Larry C.	Blevins, Jr.	Intermediary	CPA	-	480 Stone Brook Drive	-	Galax	VA	24333	lbec09@gmail.com	-
Mary F.	Bobbitt	Intermediary	CPA	Mary F. Bobbitt CPA	408 E Grayson Street	P.O. Box 1864	Hillsville	VA	24343	mbobbitt@centurylink.net	-
Truman	Bolt	Major Employer	Managing Partner	The Turman Group	555 Expansion Drive	P.O. Box 475	Hillsville	VA	24343	truman@theturmangroup.com	540-639-1250
Doug	Bryant	Intermediary	Financial Advisor	Edward Jones	104 Cranberry Road	Suite 100 B	Galax	VA	24333	-	276-236-4191
Chris	Butler	Active Community Member	Owner	Eagleview Event Center	639 Wagon Wheel Rd.	-	Elk Creek	VA	24326	https://eagleviewevents.com/contact-us	276-768-8511
Kevin	Card	Major Employer	General Manager	Hansen Turbine	1056 Edmonds Road	-	Galax	VA	24333	-	713-304-2672
Dennis	Carroll	Major Employer	Plant Manager	Consolidated Glass & Mirror Corporation/Guardian Industries	110 Jack Guynn Dr.	-	Galax	VA	24333	-	-
Alan K.	Caudell	Intermediary	Attorney	The Law Office of Alan Caudell	104 W. Washington Street	-	Galax	VA	24333	info@galaxlaw.com	276-236-6106
David A.	Cockerham	Intermediary	CPA	-	301 Fox Run Drive	-	Galax	VA	24333	dac3u@virginia.edu	-
Larry E.	Edwards	Intermediary	Financial Advisor	Ameriprise Financial Services, Inc.	7526 Carrollton Pike	-	Galax	VA	24333	larry.e.edwards@ampf.com	276-236-6921
Joe	Ellis	Major Employer	President, CEO	TEDS, Inc.	235 Mountain Empire Road	-	Atkins	VA	-	contact@teds.com	-
John U.	Garnder	Intermediary	CPA	-	311 West Center St.	P.O. Box 276	Galax	VA	24333	jgarner@ls.net	-
Susie D.	Garner	Intermediary	CPA	Susie Dixon Garner & CO PC	311 West Center St.	P.O. Box 276	Galax	VA	24333	susie@dixongarner.net	-
Terri	Gillespie	Foundation	Executive Director	Twin County Community Foundation	-	P.O. Box 1131	Galax	VA	24333	tcfcexecutivedirector@gmail.com	276-601-8011
David	Graf	Major Employer	President	AMR PEMCO, Inc.	P.O. Box 234	12187 N. Scenic Highway	Rocky Gap	VA	24366	https://www.linkedin.com/in/david-graf-77a8729/	800-541-5583
Bob	Graf	Major Employer	CEO	AMR PEMCO, Inc.	P.O. Box 234	12187 N. Scenic Highway	Rocky Gap	VA	24366	-	-
Charlotte	Hanes	Major Employer	Owner and Founder	Grayson Natural Farms	226 Industrial Lane	-	Independence	VA	24348	charlotte@graysonnatural.com	276-773-3712
Edward A.	Hanks	Intermediary	Private Wealth Advisor	Hanks & Associates/Ameriprise Financial Services, Inc.	115 N. Monroe Street	-	Galax	VA	24333	edward.hanks@ampf.com	276-238-2955
Ches R.	Helmic	Intermediary	Financial Advisor	Edward Jones	102 West Grayson Street	Suite 200	Galax	VA	24333	-	276-236-2133
Gus	Hill	Major Employer	-	Hils Coal and Trucking	7338 Carrollton Pike	-	Galax	VA	24333	-	276-745-3507
Joseph C.	Hughes	Major Employer	President	Darco Southern	254 Darco Drive	P.O. Box 454	Independence	VA	24348	salesweb@darcosouthern.com	276-773-2711
Steve	Johnson	Major Employer	President & Founder	Johnson Commercial Development	601 State Street	-	Bristol	VA	24201	-	276-466-2626
Tom	Jones	Active Community Member	Publicity Chairman	Old Fiddlers' Convention	P.O. Box 655	-	Galax	VA	24333	http://www.oldfiddlersconvention.com/lorijonescpa@gmail.com	276-236-8541
Lorie M.	Jones	Intermediary	CPA	-	2869 River Hill Road	-	Galax	VA	24333	-	-
Michael D.	Larrowe	Intermediary	CPA	Larrowe & Company PLC	416 Country Club Lane	P.O. Box 361	Galax	VA	24333	mike.larrowe@larrowe.biz	-
Nikki E.	Larrowe	Intermediary	CPA	Larrowe & Company PLC	416 Country Club Lane	P.O. Box 361	Galax	VA	24333	larrowes@gmail.com	-
Jamie L.	Lewis	Intermediary	CPA	-	392 Long Bow Lane	-	Galax	VA	24333	lewisj2001@yahoo.com	-
Karen L.	Loflin	Intermediary	Attorney	Loflin & Osborne	111 West Grayson St.	-	Galax	VA	24333	rholiday@loftinhandosborne.com	276-236-8531
Nathan H.	Lyons	Intermediary	Attorney	Lyons & Mitchell, P.C.	7338 Carrollton Pike	-	Galax	VA	24333	-	276-236-1181
Raquel A.	Lyons	Intermediary	Attorney	Lyons & Mitchell, P.C.	7338 Carrollton Pike	-	Galax	VA	24333	-	276-236-1181
Bill	McCreary	Major Employer	President	Grayson Natural Farms	226 Industrial Lane	-	Independence	VA	24348	bill@graysonnatural.com	276-773-3712
Renae A.	Mitchell	Intermediary	Attorney	Lyons & Mitchell, P.C.	7338 Carrollton Pike	-	Galax	VA	24333	-	276-236-1181
Marti	Morenings	Major Employer	Founder & Chairman	Universal Companies, Inc.	18260 Oak Park Drive	-	Abingdon	VA	24210	https://www.linkedin.com/in/marti-morenings-46a8609/	800-558-5571
Doug	Morgan	Intermediary	Financial Advisor	Ameriprise Financial Services, Inc.	115 N. Monroe Street	-	Galax	VA	24333	doug.morgan@ampf.com	276-238-2955
Isaac	Murrell	Major Employer	General Manager	Barker Microfarads	205 Mill Street	P.O. Box 697	Hillsville	VA	24343	sales@bmicaps.com	276-728-9121
Edward A.	Musser	Major Employer	Vice President	Musser Lumber Company	200 Shoal Ridge Drive	-	Rural Retreat	VA	24368	ed@musserlumber.com	276 868-5113 Ext 5
Mick	Musser	Major Employer	-	Musser Lumber Company	200 Shoal Ridge Drive	-	Rural Retreat	VA	24368	mick@musserlumber.com	276 868-5113 Ext 6
Mike	Musser	Major Employer	-	Musser Lumber Company	200 Shoal Ridge Drive	-	Rural Retreat	VA	24368	mike@musserlumbercom	276 868-5113 Ext 7
Carolyn V.	Nelson	Intermediary	CPA	-	P.O. Box 568	-	Galax	VA	24333	carolynv@vt.edu	-

Potential Local Investors / Investor Intermediaries

Potential Local Investors / Investor Intermediary Information										Address				Contact Information		
First Name	Last Name	Category		Title		Company		Address Line 1		Address Line 2	City	State	Zip	Email	Phone	
John J.	Nunn	Active Community Member	Owner	Attorney	Buy Galax	Loftin & Osborne	-	P.O. Box 1130	-		Galax	VA	24333	john.nunn@gmail.com	276-233-8613	
Kimberly L.	Osborne	Intermediary	CPA	Attorney	Loftin & Osborne		-	111 West Grayson St.	-		Galax	VA	24333	rholiday@loftinandosborne.com	276-236-8531	
Jane L.	Patton	Intermediary	CPA	CEO	Jane L. Patton CPA, LLC		-	506 Meadow Street	P.O. Box 857		Galax	VA	24333	jpatton@galaxcpa.com	-	
Gregory	Pearson	Major Employer	CEO		Twin County Regional Hospital		-	200 Hospital Drive	-		Galax	VA	24333	-	276-236-8181	
Colin	Peel	Major Employer	Founder & CEO		Camrett Logistics		-	2460 North 4th Street	-		Wytheville	VA	24382	info@camrett.com	276-625-8100	
Chris	Porter	Intermediary	Financial Advisor		Lincoln Financial Securities		-	411 North Main Street	-		Galax	VA	24333	cpporter@securitiesmail.com	276-236-7188	
Earvin	Reedy	Intermediary	CPA		-		-	634 Bluff Lane	-		Whitetop	VA	24292	ecreedy@aol.com	-	
Jeffrey S.	Reeves	Intermediary	CPA		-		-	1669 Davis Knob Road	-		Galax	VA	24333	jsreeves@embarqmail.com	-	
Douglas	Reitzel	Intermediary	CPA		Persinger & Associates, Inc.		-	203 W. Grayson Street	-		Galax	VA	24333	dreitzel@persingercpa.com	276-236-8135	
William	Robinson	Intermediary	CPA		-		-	104 Robinhood Road	-		Galax	VA	24333	billjr99@gmail.com	-	
Laura	Romanowski	Active Community Member	Executive Director		The Arts Council of the Twin Counties		-	P.O. Box 492	-		Galax	VA	24333	info@artsculturalcouncil.org	276-238-1217	
Todd	Shail	Major Employer	SVP of Manufacturing		Mohawk Industries Inc.		-	351 Floyd Pike	-		Hillsville	VA	24343	-	276-728-2141	
Karen	Short	Major Employer	CEO		Universal Companies, Inc.		-	18260 Oak Park Drive	-		Abingdon	VA	24210	-	800-558-5571	
Charles W.	Smith	Intermediary	CPA		-		-	114 Carriage Drive	-		Galax	VA	24333	chcksmith@yahoo.com	-	
Jeanie	Sripling	Active Community Member	Director		Galax Downtown Association		-	P.O. Box 544	-		Galax	VA	24333	galaxdowntown@yahoo.com	276-235-9399	
Tom	Sullivan	Major Employer	President		AmeriPumps		-	371 B Expansion Drive	-		Hillsville	VA	24343	https://ameripumps.com/contact/	276-728-0001	
Brenda R.	Sutherland	Active Community Member	Executive Director		The Crossroads Institute		-	1117 East Stuart Drive	-		Galax	VA	24333	bsutherland@crossroadsva.org	276-236-0391	
Harry C.	Sutherland	Intermediary	CPA		-		-	59 Powder Mill Road	-		Elk Creek	VA	24326	hscspa@earthlink.net	-	
Ricky	Thomas	Major Employer	Executive Director		Thomas Automation Management, Inc.		-	3123 Carrollton Pike	-		Woodlawn	VA	24381	sales@tam.tembo.eu	276-601-7660	
Brian	Utt	Active Community Member	President		Galax Downtown Association		-	P.O. Box 544	-		Galax	VA	24333	galaxdowntown@yahoo.com	276-235-9399	
Laura	Whitt	Active Community Member	Executive Director		Twin County Chamber of Commerce		-	403 N. Main St.	Suite 9		Galax	VA	24333	info@twincountychamber.com	276-236-2184	
Beth R.	Worrrell	Intermediary	CPA		-		-	124 Country Club Lane	-		Galax	VA	24333	beth@bworrellconsulting.com	-	
Christina	Wright	Intermediary	CPA		Persinger & Associates, Inc.		-	203 W. Grayson Street	-		Galax	VA	24333	cwright@persingercpa.com	276-236-8135	