

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs)

2013 PERFORMANCE REPORT



High Country Council of Governments

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**Comprehensive Economic Development Strategy
For the North Carolina High Country Council of Governments (COG)
Economic Development District**

NORTH CAROLINA HIGH COUNTRY COG MEMBER GOVERNMENTS

Alleghany County	Town of Sparta
Ashe County	Town of Jefferson Town of Lansing Town of West Jefferson
Avery County	Town of Banner Elk Town of Crossnore Town of Elk Park Town of Newland Village of Sugar Mountain
Mitchell County	Town of Bakersville Town of Spruce Pine
Watauga County	Town of Beech Mountain Town of Blowing Rock Town of Boone Town of Seven Devils
Wilkes County	Town of North Wilkesboro Town of Ronda Town of Wilkesboro
Yancey County	Town of Burnsville

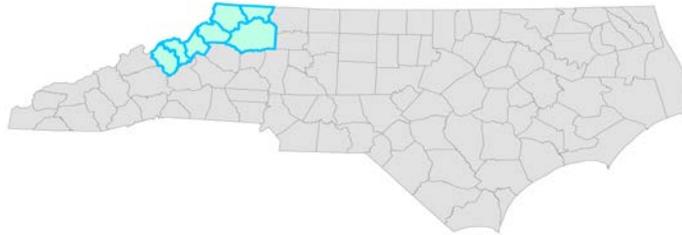


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Introduction

High Country COG was designated an Economic Development District (EDD) by the Economic Development Administration (EDA) on March 23, 1976. As a requirement of the EDD designation, High Country COG periodically develops Comprehensive Economic Development Strategies (CEDS) that meet EDA criteria. CEDS serve as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources.

The most recent CEDS developed by High Country COG was adopted on August 8, 2012. The next full CEDS update is planned for 2017. The High Country Workforce Development Board serves as the Strategy Committee to assist High Country COG staff in developing the CEDS.

The High Country COG CEDS analyzes regional demographics, infrastructure, economic sectors, and economic development efforts. It also identifies economic development goals and objectives, local economic development projects, projects deemed vital to the region, and performance measures by which to gauge implementation of the CEDS.

This Performance Report discusses the current economic conditions in the region, provides updates on the CEDS goals and objectives, and provides status reports of the vital projects identified in the CEDS.

Analysis of Regional Economy

The region's 2012 labor force was 94,752.

Due to factors such as steep terrain, distance to Interstates, and the relatively small labor pool, the District has historically trailed much of North Carolina in manufacturing. Over the past decade, the manufacturing sector of the region's economy has been in decline, with numerous layoffs and plant closings. Since 2008, this trend has increased.

With the decline in the manufacturing sector in the region, entrepreneurial development has received increased attention in recent years. Entrepreneurial development has been recognized as a major component of economic development efforts at the federal, state, and local level.

All of the counties in the region have become tourist destinations for North Carolina and the Southeast, and tourism is a major component of the regional economy. The table below contains 2011 data regarding economic impact of tourism in the region.

TOURISM IMPACT, 2011 (most recent data available)

County	Expenditures	Payroll	Jobs	State and Local Tax Receipts from Tourism
Alleghany	\$21.62 million	\$3.76 million	180	\$2.52 million
Ashe	\$45.34 million	\$6.46 million	370	\$4.84 million
Avery	\$98.38 million	\$21.77 million	1,160	\$9.55 million
Mitchell	\$20.48 million	\$3.01 million	160	\$1.81 million
Watauga	\$197.56 million	\$42.17 million	2,400	\$18.16 million
Wilkes	\$62.33 million	\$8.85 million	490	\$4.65 million
Yancey	\$31.04 million	\$4.87 million	230	\$3.68 million

SOURCE: NC Dept. of Commerce

Compared to 2010 data, all counties saw an increase in tourism-related expenditures and payroll in 2011. However, some counties experienced flat job growth and flat or declining tax receipts in 2011. Four counties experienced increases in tax receipts.

Agriculture remains a major component of the region's economy, specifically Christmas Tree and livestock production. Total cash receipts for agricultural products sold for all seven counties were \$410,936,306 in 2011, an increase of 27% from 2009 (NC Department of Agriculture & Consumer Services). Wilkes has by far the largest agricultural economy in the region, ranking seventh statewide in total cash receipts.

The service industry plays a dominant role in the economy of the High Country Council of Governments Economic Development District. Encompassing retail trade, health services, food service, lodging, business services, finance, and real estate, the service industry represents the largest employment sector in all seven counties. The tourism economies of all seven counties contribute significantly to the region's service economy.

Retail sales are a common indicator of commercial activity at the county level. The table below provides data on taxable sales in the District based on sales tax data.

Taxable Sales

	Total Taxable Sales 2009-10	Total Taxable Sales 2010-11	Total Taxable Sales 2011-12
Alleghany	\$57,492,000	\$62,359,000	\$61,905,000
Ashe	\$162,408,000	\$179,253,000	\$186,617,000
Avery	\$168,215,000	\$178,466,000	\$176,832,000
Mitchell	\$116,499,000	\$122,217,000	\$130,086,000
Watauga	\$591,464,000	\$611,846,000	\$629,687,000
Wilkes	\$401,275,000	\$432,658,000	\$478,407,000
Yancey	\$93,404,000	\$96,197,000	\$98,554,000

SOURCE: NC Dept. of Revenue

Employment and Demographics

Unemployment Rate, 2010, 2011, and 2012

County	2010 Annual	2011 Annual	2012 Annual	March 2013
Alleghany	11.5%	12.1%	10.6%	10.9%
Ashe	12.3%	11.7%	11.5%	12.1%
Avery	10.8%	11.2%	11.2%	12.2%
Mitchell	11.7%	11.2%	11.8%	13.7%
Watauga	8.0%	8.7%	8.3%	8.6%
Wilkes	13.5%	12.0%	10.8%	10.3%
Yancey	11.9%	11.5%	11.1%	11.4%

Source: Employment Security Commission of NC

Per Capita Income, 2010, 2012

County	Per Capita Income, 2010	Per Capita Income, 2012 (Projected)
Alleghany	\$21,370	\$19,640
Ashe	\$20,056	\$18,978
Avery	\$18,979	\$18,527
Mitchell	\$19,476	\$22,465
Watauga	\$22,371	\$22,904
Wilkes	\$20,812	\$18,556
Yancey	\$19,431	\$19,611

Source: NC Department of Commerce

Goals and Objectives Performance Report

Goal #1: Build on the Region's Competitive Advantage and Leverage the Marketplace Actions

- High Country COG continues to staff the Region D Development Corporation (RDDC), which provides US Small Business Administration (SBA) loans to eligible small businesses. The Development Corporation is governed by a Board comprised of government, lending, and business professionals in the seven-county region. During the past year, the RDDC approved one SBA loan for \$569,000 that will help create 13 new jobs
- Provided input on the Statewide CEDS through the NC Tomorrow Initiative.
- Assisted Alleghany County and Town of Sparta in beginning development of a countywide Economic Development Plan

Goal #2: Establish and Maintain a Robust Regional Infrastructure

Actions

- Participated in the NC Source Water Collaborative, a statewide effort to engage various governmental agencies in protecting drinking water supplies
- Continued work on the High Country Regional Bike Plan. Project involves working with NC Department of Transportation staff and local stakeholders to develop a plan identifying roadway improvements to accommodate cyclists. Work during the year included developing route network, recommending specific improvements, and prioritization of improvements
- Created digital map files of the water and sewer systems for the Towns of North Wilkesboro, Ronda, Crossnore, and Lansing. Projects will assist the towns in management, operation, and future planning of their water systems.
- Updated maps of the AppalCART transit system routes
- Continued operation of the High Country Rural Transportation Planning Organization (RPO). One of the key functions of the RPO is to advocate for highway projects in the region
- Completed the Watauga County Comprehensive Transportation Plan
- Began work on the Avery County Comprehensive Transportation Plan
- Completed Locally Coordinated Plan Updates for transit agencies in Alleghany, Mitchell, Watauga and Yancey counties
- Completed new water intake on the New River for Alleghany County and Town of Sparta
- Town of Boone is developing a new raw water intake. Financing is completed; currently working with federal agencies to obtain permits
- Construction of the Town of Crossnore's new wastewater treatment plant is underway
- A new well has been drilled for the Town of Crossnore
- Expansion of the Town of Spruce Pine's water treatment plant is underway

- Burnsville’s water system has been extended closer to Micaville, with grant applications submitted to fund the remaining distance
- Assisted Wilkes County in administering \$1.34 million in grant funds for water and sewer extensions to business park at county airport. Project will create up to 80 jobs

Goal #3: Create Revitalized and Vibrant Communities

Actions

- Created map and brochure of the Yadkin River Greenway system
- Wilkes County is participating in the GoldenLEAF Foundation's Community Assistance Initiative. Program will identify key projects in the counties for GoldenLEAF funding
- Administered six countywide CDBG Scattered Site Housing projects. Program provides funding to rehabilitate or replace housing for low-income households
- Town of Sparta is developing a Greenway system that will provide recreation opportunity as well as promote foot traffic to downtown businesses
- A section of the Middle Fork Greenway Trail (which will link Boone and Blowing Rock and bolster tourism) has been constructed
- The historic Appalachian Theater in downtown Boone is being renovated
- High Country COG is working with Town of Spruce Pine in development of a Downtown Master Plan. Major focus will be on small business development
- Assisted Yancey County in administering CDBG grant for new Senior Center
- Assisted the Town of North Wilkesboro in administering a Building Re-use grant from the North Carolina Rural Center

Goal #4: Develop Healthy and Innovative People

Actions

- Facilitated two retreats of elected officials and staff from Watauga County, Town of Boone, Town of Blowing Rock, Town of Beech Mountain, Town of Seven Devils, and Appalachian State University. Retreats during FY 2013 focused on local government finance, transportation, and coordinated emergency services dispatching
- Facilitated work of the Appalachian District Health Department’s Environmental Health Improvement Committee. Committee consisted of Local Government staff, Health Department staff, homebuilders, and realtors from Ashe and Watauga Counties. Committee met seven times to develop strategies to improve well and septic permitting, and public relations. High Country COG staff facilitated the meetings, provided meeting summaries, and developed post-project documents
- High Country COG will continue to help local governments plan and secure funding for recreational projects. During FY 2013, High Country COG developed two applications on behalf of local governments for the NC Parks and Recreation Trust Fund
- High Country COG staff assisted Towns of Lansing and Sugar Mountain with ordinance revisions to achieve more efficient regulatory systems
- Banner Elk town park expansion is underway

- Workforce development efforts in the region are overseen and coordinated by the High Country Workforce Development Board (HCWDB). Workforce Development Boards are authorized under the federal Workforce Investment Act (WIA), which also funds WIA activities. In the High Country region, WIA funds and activities are administered by High Country Council of Governments staff. The HCWDB provides workforce policy guidance, helps align workforce resources in the region, and advocates systemic solutions to regional workforce challenges.
- The HCWDB has identified high growth industries and directs contracted Workforce Investment Act service providers to tailor the majority of training efforts to those industries.
- The HCWDB oversees the WIA Youth Services, which provide technical and financial assistance to youth to help them obtain a high school diploma, a GED, advanced educational degrees, or occupational skills training. During the past year, 227 youth in the region participated in WIA youth services activities.
- The HCWDB oversees the WIA Adult and Dislocated Worker program, which provides career assessment, training assistance, and job search/retention assistance. During PY 2012, 292 individuals who have lost their jobs due to economic reasons and 365 other adults were provided services.
- The HCWDB has been administering two grants associated with federal economic recovery efforts since 2010. The State Energy Sector Partnership grant addressed skill needs of workers and businesses related to energy conservation, green building, and renewable energy. Throughout the grant period, over 300 workers participated in classroom training, paid work experiences and/or paid on-the-job training. The second grant, a federally funded National Emergency Grant assisted displaced workers obtain employment through paid on-the-job training activities. During the grant period, 70 displaced workers received paid training.

Vital Projects Performance Report

- Ashe County Airport improvements - site preparation is underway to lengthen the runway from 4,300 feet to 5,000 feet
- Expansion of Wilkes County Landfill included in County's Solid Waste Management Plan
- Former Watauga High School demolished; property currently listed for sale
- High Country Council of Governments GIS Program expansion - High Country COG continues to operate its GIS Program. During the past year, services provided to local governments included water and sewer system mapping, and transportation system mapping
- Completed a stormwater management plan that consisted of identifying 30 sites throughout the region where runoff is affecting water quality. A detailed plan was developed for each site to reduce the stormwater flow, which will enable the local government to apply for implementation funding
- Additional water supply well for the Town of Lansing - project is complete

- Additional water supply (intake) for the Town of Boone - The Town is in the process of developing a new water intake on the New River; work during FY 2012 included reclassification of the New River to allow for water supply
- Widen US 221 from US 421 in Watauga County to US Business/NC 88 in Jefferson to four lanes, divided – right-of-way acquisition is currently underway with construction proposed to begin in 2015
- Raw Water Intake on W. Kerr Scott Reservoir – FONSI has been issued; project financing is underway
- Development of new raw water intake to supply the Town of Sparta - Joint project under the governance of the Virginia/Carolina Water Authority is complete
- Burnsville's water system has been extended closer to Micaville, with grant applications submitted to fund the remaining distance
- Construction of the Town of Crossnore's new wastewater treatment plant is underway.
- The TRACTOR farm product aggregation center is in operation in Yancey County
- Widening of US Highway 19E in Yancey, Mitchell, and Avery Counties - project is phased, from west to east; construction is underway
- US 321 widening through Blowing Rock is currently under construction
- Construction of the Sparta Western Loop (US Highway 21 Bypass) - project is included in the State's Transportation Improvement Program, with construction scheduled to begin in 2015
- Development of Industrial Sites - Wilkes County has completed improvements to its industrial site at the Wilkes County Airpark (building pad development and utility improvements)
- US 19E widening – Section B of NCDOT Project R-2519 scheduled to begin construction in 2015
- Food Incubator at Ashe Family Central – hired part-time Manager; is back in operation
- Wilkes County Law Enforcement Center – continuing in planning phase/location identification
- Avery County has had communication with private sector telecoms regarding internet service in un-served parts of the county
- Newland has new sidewalk to serve Linville Cove assisted living facility

Performance Measures

The following performance measures and associated figures are used to evaluate implementation of the CEDS:

Number of jobs created

279

Number of jobs retained

45

Amount of private investment leveraged for projects in the region

No data available

Unemployment rate

As the figures in the Unemployment Table (page 7) illustrate, unemployment rates have remained fairly constant between 2010, 2011, and through July 2012. These rates generally exceed state and national unemployment rates.

Per capita income

Per capita income in the district has generally decreased; in a few counties it has increased slightly (page 7).

Number of new business starts

No data available

Increase in municipal water supply and wastewater treatment capacity

The Town of Sparta/Independence, VA water intake project has resulted in 1.0mgd new water capacity.

The Town of Boone water intake project will increase the Town's capacity by 1.5mgd.