

# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDDS)

## 2014 PERFORMANCE REPORT



### High Country Council of Governments

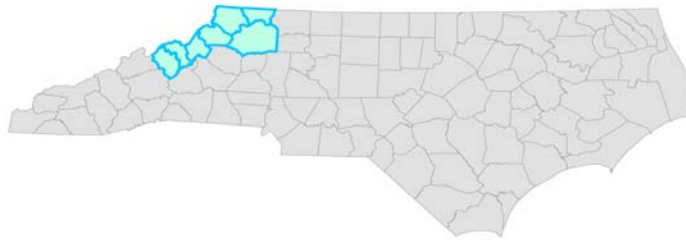
**August 18, 2014**

High Country Council of Governments  
468 New Market Boulevard  
Boone, NC 28607  
828-265-5434  
Website: [www.regiond.org](http://www.regiond.org)

**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



## TABLE OF CONTENTS

<b>Introduction.....</b>	<b>4</b>
<b>Analysis of Regional Economy.....</b>	<b>5</b>
<b>Employment and Demographics .....</b>	<b>7</b>
<b>Goals and Objectives Performance Report .....</b>	<b>8</b>
<b>Vital Projects Performance Report.....</b>	<b>10</b>
<b>Performance Measures.....</b>	<b>11</b>

## **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 20, 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 2013 labor force was 91,865, down 2,887 from 2012.

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 two decades the manufacturing sector of the region's economy has been in decline, with 66 fewer manufacturing jobs in the region in 2013 compared to 2012. Government jobs account for 14.3% of employment in the region, with healthcare, retail trade, and hospitality industries also providing large shares of employment.

There were 190 new jobs reported in the region in 2013, and \$65m announced investment.

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. Interest in expanding the local food economy grew in 2013, with potential for entrepreneurial development strong in the agricultural sector.

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 2012 data regarding economic impact of tourism in the region.

### TOURISM IMPACT, 2012 (most recent data available)

County	Expenditures	Payroll	Jobs	State and Local Tax Receipts from Tourism
Alleghany	\$21.94 million	\$3.78 million	110	\$2.44 million
Ashe	\$46.55 million	\$6.58 million	370	\$4.79 million
Avery	\$103.73 million	\$22.78 million	1,190	\$9.54 million
Mitchell	\$20.96 million	\$3.06 million	160	\$1.78 million
Watauga	\$210.99 million	\$44.71 million	2,490	\$18.41 million
Wilkes	\$63.55 million	\$8.95 million	490	\$4.57 million
Yancey	\$31.69 million	\$4.94 million	230	\$3.59 million

SOURCE: NC Dept. of Commerce

Tourism figures for 2012 are very similar to 2011, with an overall slight increase in expenditures, and slight decrease in tax revenues.

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 \$441,567,901 in 2012, an increase of 7.5% from 2011 (NC Department of Agriculture & Consumer Services). Wilkes has by far the largest agricultural economy in the region, ranking 7th statewide in total cash receipts. Alleghany ranks 2nd statewide in burley tobacco production, and 4th statewide in milk cow production. Ashe ranks 4th, and Avery 6th, in nursery and

Christmas tree production. Wilkes ranks 2nd statewide for broilers, 3rd for cattle, and 2nd for hay.

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 2010-11	Total Taxable Sales 2011-12	Total Taxable Sales 2012-13
Alleghany	\$62,359,000	\$61,905,000	\$58,282,301
Ashe	\$179,253,000	\$186,617,000	\$180,561,624
Avery	\$178,466,000	\$176,832,000	\$179,786,863
Mitchell	\$122,217,000	\$130,086,000	\$122,249,020
Watauga	\$611,846,000	\$629,687,000	\$633,572,655
Wilkes	\$432,658,000	\$478,407,000	\$477,045,774
Yancey	\$96,197,000	\$98,554,000	\$99,926,831

**SOURCE: NC Dept. of Revenue**

## Employment and Demographics

### Unemployment Rate, 2010, 2011, and 2012

County	2011 Annual	2012 Annual	2013 Annual	May 2014
Alleghany	12.1%	10.6%	8.9%	7.6%
Ashe	11.7%	11.5%	10.2%	7.6%
Avery	11.2%	11.2%	9.3%	7.3%
Mitchell	11.2%	11.8%	10.6%	7.5%
Watauga	8.7%	8.3%	7.2%	6.3%
Wilkes	12.0%	10.8%	9.3%	7.5%
Yancey	11.5%	11.1%	9.8%	7.1%

Source: NC Department of Commerce

### Per Capita Income, 2010, 2012

County	Per Capita Income, 2012 (Projected)	Per Capita Income, 2013 (Projected)
Alleghany	\$19,640	\$19,474
Ashe	\$18,978	\$21,888
Avery	\$18,527	\$18,908
Mitchell	\$22,465	\$18,950
Watauga	\$22,904	\$21,546
Wilkes	\$18,556	\$18,858
Yancey	\$19,611	\$19,675

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 (RDCC), 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, staff serviced a \$4.7m loan portfolio.
- Assisted Alleghany County and Town of Sparta in development of a countywide Economic Development Plan. Plan anticipated to be completed in August 2014.
- Assisted the Mitchell County Economic Development Commission in development of a countywide Economic Development Plan. Plan anticipated to be completed in January 2015.
- Facilitated a retreat of Town of Burnsville Town Council, Yancey County Commissioners, and Yancey Economic Development Commission. The retreat focused on prioritizing economic development projects for the coming year.
- Developed successful grant application to EDA for funding to develop marketing campaign for the Toe River Arts Council.
- Completed the High Country Regional Bike Plan. Project involved working with NC Department of Transportation staff and local stakeholders to develop a plan identifying roadway improvements to accommodate cyclists. Plan also identified seven recreational routes, intended to promote tourism in the region. Plan has been adopted by the seven Counties, Town of Boone, and High Country RPO.
- Developed Strategic Plan for Blue Ridge Seeds of Change, a 5-County effort to develop a local food system. Plan addresses marketing, production, and distribution.

## **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
- Developed grant application to Golden LEAF Foundation for Mitchell County for funding for site improvements to Mitchell County's Industrial Site (former Henredon site)
- Continued to assist Mitchell County in securing ARC funds to improve access road to Mitchell County's Industrial Site (former Henredon site)
- Developed CDBG-Infrastructure grant application for Town of West Jefferson. Project was funded, and involves replacing deteriorated water and sewer lines in low-income neighborhoods.
- Continued to assist Town of Ronda in securing funding to extend waterline to homes with contaminated wells. Project will also improve service to Louisiana-Pacific and



Certain. Work in FYE 2014 included developing grant applications to ARC and NC DENR's UST Section.

- Created digital map files of the Town of North Wilkesboro's stormwater infrastructure
- Created digital map files of the Town of Blowing Rock's sanitary sewer system
- 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. During FYE 2014, the High Country RPO developed methodology and project ranking to comply with new state legislation.
- Continued work on the Avery County Comprehensive Transportation Plan
- Completed Locally Coordinated Plan Updates for transit agencies in Ashe, Avery, and Wilkes Counties
- Continued to administer Town of Crossnore's new wastewater treatment plant construction
- Assisted Wilkes County in administering \$1.34 million in grant funds for water and sewer extensions to business park at county airport

**Goal #3: Create Revitalized and Vibrant Communities**

Actions

- Updated maps of the AppalCART transit system routes
- Continued work on a Growth Management Plan for Wilkes County
- Administered grants to construct new Senior Center in Yancey County
- Administered six countywide CDBG Scattered Site Housing projects. Program provides funding to rehabilitate or replace housing for low-income households.
- Developed grant applications to NC Housing Finance Agency for Single-Family Rehabilitation funds to repair homes in three counties
- Developed grant applications to NC Housing Finance Agency for Urgent Repair funds to repair homes in four counties
- Administered Urgent Repair grant funds in two counties
- Assisted Town of Wilkesboro in analyzing current property addressing system, recommending changes to inconsistent/unclear addresses, and creating process for assigning new addresses. Project will improve emergency response service in the town.
- Began work on Corridor Management Plan for Mt. Mitchell Scenic Drive in Yancey County. Plan is prerequisite to applying for Federal Scenic Byway designation and funding.
- Developed application to the Liveable Communities Program for Town of West Jefferson
- Participated in Town of North Wilkesboro's Liveable Communities planning process
- Assisted Town of West Jefferson in reviewing Land-Use Plan and recommending updates

**Goal #4: Develop Healthy and Innovative People**

Actions

- Met with governing boards of Watauga County, Town of Boone, Town of Blowing Rock, Town of Beech Mountain, Town of Seven Devils, and Appalachian State University to plan for future intergovernmental retreats
- Began work on Greenway Master Plan for Mitchell County
- Developed NC Parks and Recreation Trust Fund (PARTF) application for Town of Wilkesboro to fund improvements to Cub Creek Park
- Developed NC Parks and Recreation Trust Fund (PARTF) application for Mitchell County to fund greenway trail in Grassy Creek
- Developed map of cycling routes in Mitchell and Yancey Counties
- 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.
- During FYE 2014, 13,995 job seekers were assisted at the seven County career centers, and 14,745 direct service request responses were provided to employers.
- 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 FYE 2014, 210 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 FYE 2014, 243 individuals who have lost their jobs due to economic reasons and 1,219 other adults were provided services (300 individuals received Intensive Training Services).
- In Wilkesboro, two career centers were integrated into a single NCWorks Career Center to better serve the public.
- In Boone, the Employment Security Commission Office was closed and a new NCWorks Career Center was opened at the Appalachian Enterprise Center offering services to jobseekers, small businesses, and entrepreneurs.
- The HCWDB is involved in reviewing and developing career pathways through the Pathways to Prosperity initiative. This initiative seeks to connect the K-12 education system with local employers. Through this increased connection the Career and Technical Education programs in area high schools are reviewing their current programs of study and working to align these programs with the needs of business.
- Career Guidance and counseling has also become more important to steering our high school students toward occupations available in the high country. Staff from the HCWDB worked closely with Avery County school officials to develop and deliver a day long career education and exploration workshop for all Avery County 8th grade students.

## Vital Projects Performance Report

- Alleghany County's draft Economic Development Plan includes strategy to lobby NC Utilities Commission for extension of natural gas service
- Sparta Western Loop project (NCDOT TIP Project R-4060) was submitted to High Country RPO and included on the RPO's Priority Needs List.
- Ashe County Airport improvements – construction is underway, scheduled for completion in Fall 2014
- Ashe Food Incubator – project is identified in Blue Ridge Seeds of Change 5-county plan. Funds are being sought to hire manager and to develop sustainability plan.
- New internet service provider (NC Wireless) was recruited to Avery County by leasing space on county-owned telecommunications tower
- Avery County business incubator is operational in former Banner Elk Elementary School
- US 19E widening through Mitchell County is comprised of two NCDOT projects. Project R-2519B west of Town of Spruce Pine is scheduled to begin construction in 2015. Project R-2520A east of Town of Spruce Pine is unfunded, but is included on the High Country RPO's current Priority Needs List.
- Town of Spruce Pine is developing grant applications to fund water and sewer improvements to serve PRC Industries and Mitchell Industrial site.
- 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 2014 included permitting
- Former Watauga High School demolished; property currently listed for sale
- US 321 widening through Blowing Rock is under construction; completion scheduled for Spring 2016.
- Expansion of Wilkes County Landfill included in County's Solid Waste Management Plan; scheduled for 2018
- Town of Wilkesboro is lead entity on the W. Kerr Scott Reservoir intake project. Project is anticipated to begin construction within one year.
- Wilkes County Law Enforcement Center – property has been acquired for the project and architectural plans are complete
- Burnsville's water system has been extended closer to Micaville, with grant applications submitted to fund the remaining distance
- US 19E widening through Yancey County is comprised of two NCDOT projects. Project R-2519A is under construction. Project R-2519B is scheduled to begin construction in 2015.
- The TRACTOR farm product aggregation center is in operation in Yancey County. During FY 2014, grant applications were developed for funding to increase staffing and conduct feasibility study on expanding market.

## Performance Measures

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

### Number of jobs created

190

### Number of jobs retained

0

### Amount of private investment leveraged for projects in the region

\$65,180,000

### Unemployment rate

As the figures in the Unemployment Table (page 7) illustrate, unemployment rates decreased by at least 1% in all counties from 2012 to 2013. These rates generally exceed state and national unemployment rates.

### Per capita income

Ashe County experienced increase in per capita income between 2012 and 2013; Watauga and Mitchell experienced decreases. The other four counties' PCI remained relatively constant (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.