

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

2020 UPDATE

October 1, 2019 – September 30, 2020



High Country Council of Governments

November 16, 2020

High Country Council of Governments
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Introduction

The most recent CEDS developed by HCCOG was adopted on August 15, 2016. The next full CEDS update is planned for 2021. The High Country Workforce Development Board (HCWDB) serves as the Strategy Committee to assist HCCOG staff in developing the CEDS. The HCWDB is comprised primarily of private-sector representatives.

The 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 Update discusses changes to the CEDS document and process, and provides update on the CEDS implementation.

Adjustment to the Strategy

There are no adjustments to the 2016 High Country Council of Governments CEDS.

There are no changes to the capacity of the EDD to implement the CEDS.

COVID-19 Impacts

The COVID-19 pandemic has had the following economic impacts in the district:

- Small business closures
- Decline in small business revenue
- Increase in unemployment
- Loss of gas tax revenue for NC Department of Transportation
- Increase in home sales

The following programs established following the COVID-19 Pndemic are available to assist with economic recovery:

- Paycheck Protection Program (PPP), implemented by the US Small Business Administration. Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities
- Caronavirus Relief Fund (CRF) – North Carolina program that provides federal CARES Act money to local governments. Can be used for small business relief/assistance
- Mortgage, Utility and Rent Relief (MURR) Program – North Carolina program that provides assistance to businesses that have experienced extraordinary business disruption and not been able to open due to the pandemic

- CDBG-CV Program - North Carolina program that is designed to help units of local government respond to and recover from the health and economic impacts of COVID-19. Includes a focus area to assist small businesses with economic recovery.

Report on Economic Development Activities

Significant economic development initiatives in the District in FFY 2020 include:

- Completion of the Sparta Streetscape project
- Creation of the Alleghany Chamber for Economic Development
- Purchase of 41 acres by Ashe County for development of Ashe Industrial Park
- Continued development and promotion of Downtown Wilkesboro
- Improvements to Wilkes County Airport (runway, taxi, hangars)
- Construction of Agricultural Services Building at Heritage Park in Avery County
- Redevelopment of the Pinebridge Complex in Town of Spruce Pine by Mayland Community College
- Construction of new building on Wilkes Community College's Ashe County Campus
- Completion of Yancey County Economic Development Plan
- Development of Boone Underground (high-tech co-working facility) in Town of Boone
- Expansion of Altec Industries in Yancey County

Major activities undertaken by High Country COG staff in FFY 2020 to support implementation of the CEDS include:

- Continued administration of the High Country Rural Transportation Planning Organization (RPO)
- Maintained GIS data for Town of Wilkesboro
- Maintained GIS data for Town of North Wilkesboro
- Revised zoning ordinance for Town of North Wilkesboro
- Maintained E911 road and address data for Watauga, Wilkes, and Yancey Counties
- Developed Capital Improvement Plan for Town of Crossnore
- Developed ARC applications for the following projects:
 - Town of West Jefferson WiFi
 - Avery County Broadband Expansion – Phase 2
 - Ashe County Industrial Park Infrastructure
- Facilitated retreat of Ashe County Commissioners
- Facilitated retreat of Town and County officials in Ashe County
- Assisted Alleghany County with establishment of Fire Tax Districts
- Developed grant application to NCDEQ for the Town of Sparta Bledsoe Creek Sewerline project

- Continued administration of the following projects:
 - PRC Water and Sewer Improvements
 - Mulberry School CDBG
 - Micaville Waterline
 - Browns Ford Water Improvements
 - Town of Spruce Pine WWTP Bar Screen
 - Mayland Community College Welding Training Facility
 - Town of Burnsville Peterson Trailer Park Sewer
 - Town of Burnsville Indian Trail sewer project
 - Town of Burnsville OMC Pump Station
 - Town of Burnsville Water Treatment Plant Improvements
 - Town of Bakersville Water System Improvements
 - Avery County Broadband Expansion
 - Watauga County Broadband Expansion
 - Banner Elk Downtown WiFi
 - Town of Boone Deck Hill Water Tank CDBG
 - Ashe County Building Reuse Project Conductor

Evaluation of Progress on Action Plan and Goals

The 2016 High Country Council of Governments CEDS contains the following goals (with example project from 2020 in District):

1. Connect employers to a skilled workforce
 - Certification of the NC Works Career Centers in Ashe, Mitchell, Watauga, Wilkes, and Yancey Counties
2. Maintain and improve the district's infrastructure to meet future demand
 - Completion of US Highway 19E widening project in Yancey and Mitchell Counties
3. Increase tourist visitation to the district
 - Completion of Bluffs Restaurant renovation on Blue Ridge Parkway
4. Increase industrial and commercial activity in the district
 - Structall Building Systems repurposing of former IRC facility in Town of Newland
5. Expand entrepreneurial activity in the district
 - 2020 Scale Up WNC Program
6. Increase agricultural output
 - Expansion of High Country Food Hub

The EDD's work in FFY 2020 directly addressed each of the six goals.

The 2016 High Country Council of Governments CEDS contains the following performance measures:

- Announced job creation
- Announced private-sector investment
- Increases in average household wages and income
- Number of new businesses
- Federal, state, and local investment in the district
- Educational attainment
- Work Ready Community designations
- Number of self-employed
- Retail sales
- Tourism revenue
- Agricultural impact
- Number of CEDS strategies advanced or accomplished

During FFY 2020, there were 107 new jobs and \$88.3m in private investment announced in the District (Economic Development Partnership of NC).

Following the onset of the COVID-19 pandemic, the April 1, 2020 **statewide** economic indicators of

- 1) the volume of hours worked by employees; and
- 2) the number businesses open; and
- 3) the number of employees working

all dropped to approximately 60% below that of March 1, 2020. By July 1, 2020 and through September 2020, the same indicators **statewide** have rebounded and remained steady at approximately 20% below that of March 1, 2020 (Homebase/Pioneer Works, 2020).

The following tables depict recent data at county level that illustrate effects of the COVID-19 pandemic in the District:

Unemployment Rates, January 2019 through September 2020 – NC Department of Commerce

	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
Jan-19	5.6%	4.8%	4.4%	5.8%	4.1%	4.5%	4.4%
Feb-19	5.1%	4.5%	4.4%	5.2%	3.9%	4.4%	4.2%
Mar-19	5.1%	4.3%	4.3%	4.9%	3.9%	4.2%	3.9%
Apr-19	4.6%	3.5%	3.7%	4.3%	3.1%	3.7%	3.3%
May-19	4.6%	3.7%	3.7%	4.6%	3.6%	4.0%	3.7%
Jun-19	5.0%	4.0%	3.9%	5.0%	4.0%	4.5%	4.1%
Jul-19	5.0%	3.9%	3.8%	5.1%	4.0%	4.4%	4.2%
Aug-19	4.9%	3.8%	3.8%	4.9%	3.9%	4.4%	4.0%
Sep-19	4.0%	3.0%	3.0%	3.8%	3.0%	3.6%	3.2%
Oct-19	4.4%	3.0%	3.2%	4.1%	3.0%	3.8%	3.3%
Nov-19	4.2%	3.0%	3.3%	3.9%	2.8%	3.5%	3.3%
Dec-19	4.5%	3.0%	3.4%	4.0%	2.7%	3.6%	3.4%
Jan-20	5.6%	4.2%	4.3%	5.4%	3.4%	4.4%	4.4%
Feb-20	5.2%	3.9%	3.9%	5.0%	3.1%	4.0%	4.0%
Mar-20	6.0%	4.5%	4.4%	5.3%	3.8%	4.7%	4.5%
Apr-20	10.4%	10.5%	10.3%	12.5%	11.2%	11.5%	10.6%
May-20	10.9%	10.2%	9.5%	12.1%	11.1%	11.0%	11.3%
Jun-20	6.3%	5.4%	5.7%	7.8%	6.0%	6.6%	7.0%
Jul-20	6.9%	6.8%	6.6%	8.6%	6.5%	7.4%	7.6%
Aug-20	6.0%	5.0%	5.0%	6.4%	4.6%	5.6%	5.6%
Sep-20	6.3%	5.1%	5.1%	6.8%	4.6%	5.9%	5.7%

Taxable Sales, January 2019 through August 2020 – NC Department of Revenue

	<u>Alleghany</u>	<u>Ashe</u>	<u>Avery</u>	<u>Mitchell</u>	<u>Watauga</u>	<u>Wilkes</u>	<u>Yancey</u>
	Taxable Sales	Taxable Sales	Taxable Sales	Taxable Sales	Taxable Sales	Taxable Sales	Taxable Sales
Jan-19	\$6,198,583	\$23,959,437	\$24,782,490	\$14,007,843	\$80,360,154	\$70,969,424	\$13,994,209
Feb-19	\$8,639,216	\$19,558,551	\$20,480,720	\$11,273,326	\$66,002,178	\$50,118,401	\$11,116,117
Mar-19	\$5,947,881	\$20,267,565	\$22,408,912	\$9,954,939	\$60,383,673	\$52,330,670	\$10,915,680
Apr-19	\$6,725,692	\$24,301,400	\$20,224,188	\$11,867,701	\$70,872,933	\$69,258,537	\$11,670,205
May-19	\$6,381,166	\$25,025,174	\$20,730,750	\$11,723,594	\$76,550,626	\$59,609,489	\$12,020,483
Jun-19	\$7,145,781	\$26,976,833	\$25,544,086	\$12,323,174	\$78,429,640	\$58,348,883	\$11,820,619
Jul-19	\$7,351,706	\$27,280,202	\$31,813,090	\$13,305,230	\$83,266,866	\$62,659,174	\$13,598,899
Aug-19	\$8,186,256	\$25,724,733	\$32,643,907	\$13,192,610	\$93,232,615	\$58,491,102	\$11,966,513
Sep-19	\$7,558,318	\$25,677,021	\$30,430,680	\$13,220,147	\$93,318,192	\$57,274,940	\$12,217,398
Oct-19	\$8,441,541	\$28,072,402	\$30,040,489	\$13,497,233	\$93,228,770	\$63,112,116	\$14,546,768
Nov-19	\$7,995,252	\$27,684,128	\$29,465,705	\$12,480,185	\$95,047,410	\$60,683,352	\$12,508,229
Dec-19	\$7,503,971	\$27,042,430	\$24,505,401	\$12,302,071	\$86,357,006	\$60,037,538	\$11,386,244
Jan-20	\$7,856,540	\$28,798,966	\$26,275,009	\$13,671,882	\$91,806,346	\$77,909,914	\$13,056,159
Feb-20	\$6,836,074	\$22,428,143	\$30,467,676	\$12,524,365	\$75,039,865	\$51,918,347	\$10,623,202
Mar-20	\$6,028,960	\$20,701,916	\$24,033,338	\$10,410,690	\$65,907,284	\$52,959,408	\$9,656,229
Apr-20	\$7,558,278	\$24,444,642	\$24,298,848	\$10,710,953	\$64,289,708	\$64,194,442	\$12,854,631
May-20	\$7,572,930	\$23,825,524	\$18,595,066	\$11,014,970	\$52,157,107	\$71,526,483	\$11,930,834
Jun-20	\$8,285,123	\$28,644,285	\$23,995,782	\$13,208,455	\$64,346,823	\$73,494,361	\$13,821,623
Jul-20	\$8,654,976	\$33,603,373	\$35,867,906	\$15,940,490	\$90,626,093	\$81,528,632	\$16,535,463
Aug-20	\$9,472,147	\$30,730,459	\$36,513,278	\$14,289,598	\$96,423,783	\$68,865,921	\$15,366,367

The table below shows most current available data from NC Commerce on certain CEDS performance measures.

County	2018 MHI	2018 Self Employed	Tourism Expenditures, 2019 (\$M)	Jobs from Tourism, 2019
Alleghany	\$39,735	615	\$26.98	200
Ashe	\$41,864	1,209	\$64.92	450
Avery	\$41,701	519	\$140.78	1,410
Mitchell	\$43,967	358	\$25.13	190
Watauga	\$48,489	2,226	\$284.73	2,970
Wilkes	\$44,080	2,413	\$83.72	570
Yancey	\$44,756	615	\$43.83	280

Schedule of Goals for the Next Year

For FFY 2021, the High Country COG will work on the following strategies:

1. Update CEDS to include a focus on pandemic recovery based on the existing and anticipated COVID-19 impact
 - Update will include Increased focus on resiliency
 - Update will include diversification of regional economy
 - Stakeholder outreach will include public health officials and local hospital administrators
 - Will align with workforce development efforts coordinated by High Country Workforce Development Board

CEDS update will help respond to economic injury as a result of coronavirus by:

- quantifying economic impacts of coronavirus (unemployment, sales tax, income)
- developing resiliency strategies for business and industry, and healthcare providers
- identifying current and future workforce development needs

2. Direct technical assistance and capacity building to member local governments and stakeholders impacted by coronavirus

- FEMA reimbursement
- COVID-specific grant application/administration
- Economic Development planning
- Economic Development grant application/administration
- Local government administration assistance due to local government reduction in staff

The Technical Assistance will help respond to economic injury as a result of coronavirus by:

- Leveraging State and Federal funding for local economic development projects
- Connecting local businesses to coronavirus relief funds
- Augmenting local government capacity necessary due to expanded demands, redirection of staff, and lack of local funding for hiring