

# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs)

## 2015 PERFORMANCE REPORT



### High Country Council of Governments

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## **Introduction**

High Country Council of Governments (HCCOG) was designated an Economic Development District (EDD) by the Economic Development Administration (EDA) on March 23, 1976. As a requirement of the EDD designation, HCCOG 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 HCCOG was adopted on August 20, 2012. The next full CEDs update is planned for 2016. 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 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.

The HCWDB recommended approval of the HCCOG CEDs 2015 Annual Performance Report (APR) on July 15, 2015. The APR was made available for public review for 60 days prior to approval by the HCCOG Executive Board on August 17, 2015.

## Analysis of Regional Economy

The region's January 2015 labor force was 92,590, up 1,146 from 2013. Unemployment rates at the regional level fell from a 2013 annual rate of 9.0%, to a January 2015 rate of 6.2%.

Manufacturing accounted for 10% of regional employment in 2014. Government jobs account for 13% of employment in the region in 2014 (down 1% from 2013), with healthcare, retail trade, and hospitality industries also providing large shares of employment.

All of the counties in the region are tourist destinations, 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, 2013 (most recent data available)

County	Expenditures	Payroll	Jobs	State and Local Tax Receipts from Tourism
Alleghany	\$22.00 million	\$3.84 million	180	\$2.48 million
Ashe	\$47.71 million	\$6.83 million	370	\$4.93 million
Avery	\$104.97 million	\$23.32 million	1,180	\$9.73 million
Mitchell	\$21.06 million	\$3.11 million	160	\$1.8 million
Watauga	\$216.72 million	\$46.45 million	2,520	\$18.96 million
Wilkes	\$67.48 million	\$9.62 million	510	\$4.82 million
Yancey	\$32.78 million	\$5.17 million	230	\$3.71 million

SOURCE: NC Dept. of Commerce

All Counties saw an increase in tourism expenditures and tax revenues from 2012 to 2013.

Agriculture remains a major component of the region's economy, specifically Christmas Tree and livestock production. The most recent Census of Agriculture is for 2012. Total cash receipts for agricultural products sold for all seven counties in 2012 are included in the table below for comparative purposes.

### TOTAL CASH RECEIPTS FOR COMMODITIES, 2012

County	Receipts (includes livestock, dairy, poultry, and government payments)
Alleghany	\$46.05 million
Ashe	\$46.21 million
Avery	\$26.15 million
Mitchell	\$6.14 million
Watauga	\$6.58 million
Wilkes	\$303.11 million
Yancey	\$7.33 million

SOURCE: NC Dept. of Agriculture & Consumer Services

The service industry plays a dominant role in the economy of the HCCOG 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 2011-12	Total Taxable Sales 2012-13	Total Taxable Sales 2013-14
Alleghany	\$61,905,000	\$58,282,301	\$61,431,825
Ashe	\$186,617,000	\$180,561,624	\$185,386,598
Avery	\$176,832,000	\$179,786,863	\$191,625,082
Mitchell	\$130,086,000	\$122,249,020	\$126,840,182
Watauga	\$629,687,000	\$633,572,655	\$682,189,368
Wilkes	\$478,407,000	\$477,045,774	\$508,402,082
Yancey	\$98,554,000	\$99,926,831	\$97,630,995

**SOURCE: NC Dept. of Revenue**

## 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, staff serviced a \$4.7m loan portfolio.
- Completed the Alleghany County and Town of Sparta Economic Development Plan
- Continued work on the Mitchell County Economic Development Plan
- Developed mapping program to assist Ashe County Economic Development Commission in evaluating properties for commercial/industrial development potential
- Developed mapping program to assist Town of North Wilkesboro in evaluating existing and available commercial properties in downtown
- Developed CDBG Economic Development and EDA Public Works grant applications for funding to improve water and sewer service to PRC Industries in Mitchell County, facilitating business expansion
- Developed NC Commerce and NC GoldenLEAF Foundation grant applications for funding to retrofit building for American Emergency Vehicles in Ashe County, facilitating business expansion
- Developed EDA Public Works grant application for funding to improve water service to multiple beneficiaries in Town of Wilkesboro, facilitating business expansion
- Coordinated solicitation and ranking of local projects for consideration by the Appalachian Regional Commission (ARC) in its new Emerging Opportunities Program

### **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 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 Certainteed. Work in FYE 2015 included grant administration.
- 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 2015, the High Country RPO developed a Priority Needs List of transportation projects in the region used by NCDOT in statewide project ranking.
- Completed the Avery County Comprehensive Transportation Plan
- Began work on the Wilkes County Comprehensive Transportation Plan

- Developed TIGER grant application for Town of Blowing Rock for funds to construct Middle Fork Greenway
- Developed EFLAP grant application for Town of Blowing Rock for funds to construct sidewalk connecting downtown to Blue Ridge Parkway
- Updated the Town of West Jefferson's water, sewer, and zoning GIS data
- Completed administration of Town of Crossnore's new wastewater treatment plant construction
- Developed ARC grant application for Town of Beech Mountain to fund improvements to Buckeye Creek Road
- Developed ARC grant application for Town of West Jefferson to fund town-wide water and sewer system improvements

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

#### Actions

- Updated maps of the AppalCART transit system routes
- Administered Community Development Block Grant (CDBG) to construct new Senior Center in Yancey County
- Administered four countywide CDBG Scattered Site Housing projects. Program provides funding to rehabilitate or replace housing for low-income households.
- Administered three county-level NC Housing Finance Agency Single-Family Rehabilitation grants
- Developed grant applications to NC Housing Finance Agency for Urgent Repair funds to repair homes in three counties
- Developed grant applications to NC Housing Finance Agency for Single-Family Rehabilitation funds to repair homes in three counties
- Administered Urgent Repair grant funds in six counties
- Began administration of two CDBG Infrastructure grants for the Town of West Jefferson. Projects consist of water and sewer system rehabilitation in two low-income neighborhoods
- Assisted Wilkes County in updating E-911 property addressing system, recommending changes to inconsistent/unclear addresses, and importing data into Planning, Fire, Dispatch, and EMS Departments. Project will improve emergency response service in the county.
- Continued 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.
- Created ARC GIS Online web apps for Town of Wilkesboro to provide the public with data on civic operations
- Developed FEMA grant application for the Town of North Wilkesboro for funds to purchase new aerial fire truck

- Facilitated retreat of Town of Wilkesboro and Town of North Wilkesboro administration and elected boards to discuss development of joint development regulations for the two towns

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

Actions

- Developed CDBG Commerce Fellows Grant application for Ashe County. Grant will provide funding for Ashe County staff to obtain training in Community and Economic Development
- Completed Greenway Master Plan for Mitchell County
- Developed NC Parks and Recreation Trust Fund (PARTF) application for Town of Elk Park to fund improvements to existing park
- Developed NC Parks and Recreation Trust Fund (PARTF) application for Town of Seven Devils to fund development of Otter Falls Park
- Developed ARC grant application for Wilkes County Schools to fund the Project ADMIT, which will expand technology training in High Schools
- 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 Innovation and Opportunity Act (WIOA), which also funds WIOA activities. HCCOG staff administer the WIOA funds.
- During FYE 2015, 10,981 job seekers throughout the region accessed the NCWorks system while there were approximately 23,000 visits at the seven NCWorks Career Centers in the District.
- Employers were served with postings of 1,848 jobs totaling more than 6,600 job openings.
- During FYE 2015, 157 youth in the region participated in WIA youth services activities.
- During FYE 2015, 166 individuals who have lost their jobs due to economic reasons and 2,633 other adults were provided services to include occupational skills training, counseling, and career services through the Adult and Dislocated Worker program.
- Assisted the Career Centers in all seven counties with earning certification as NCWorks Career Centers under the NCWorks Commission guidelines.
- Facilitated career pathways initiatives in the region which will connect the K-12 education system, community college system and career centers with local employers.
- Assisted Ashe, Wilkes, and Watauga Counties in pursuing designation as NCWorks Certified Work Ready Communities

## Vital Projects Performance Report

- Alleghany County's 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) is included in the NCDOT STIP, scheduled for construction in 2016.
- 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.
- Avery County has formed Telecommunications Committee with the goal of expanding service in the county
- Town of Banner Elk has purchased former Banner Elk Elementary School, and is considering use of part of the building for business assistance
- Crossnore's new wastewater treatment plant is complete
- US 19E widening through Mitchell County (Project R-2519B) is under construction
- Town of Spruce Pine has secured funding for 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 2015 included right of way acquisition
- Former Watauga High School demolished; property currently listed for sale
- US 321 widening through Blowing Rock is under construction; completion scheduled for 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
- US 19E widening through Yancey County is comprised of two NCDOT projects. Both projects (R-2519A and R-2519B) are under construction.
- The TRACTOR farm product aggregation center is in operation in Yancey County. Current needs include recruiting more growers, expanding product base, and increasing staff.

## Performance Measures

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

### Number of jobs created

235

### Number of jobs retained

631

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

\$21,966,300

### Unemployment rate

The region had a 2013 unemployment rate of 9%. The unemployment rate for the region in January 2015 was 6.2%.

### Income

Average household incomes for the region dropped from \$49,230 in 2013 to \$47,640 in 2014.

### 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.