



2013-2017 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Land-of-Sky Regional Council
Region B, North Carolina Economic Development District
Buncombe, Henderson, Madison & Transylvania Counties

September 28, 2012

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EXECUTIVE SUMMARY

Introduction

Land-of-Sky Regional Council (LOSRC) is designated as the lead planning organization for an Economic Development District (EDD) by the United States Department of Commerce Economic Development Administration (EDA). The EDD is comprised of the four counties located in Region B, North Carolina – Buncombe, Henderson, Madison, and Transylvania. LOSRC’s 2013-2017 Comprehensive Economic Development Strategy (CEDS) is the five-year strategic economic development plan for Region B.

The CEDS is organized as a responsive and flexible plan. It can easily be adjusted to meet unanticipated events. With the current economic situation, there is no doubt that the CEDS will need revising in the future.

The LOSRC Board adopted the 2013-2017 CEDS on September 26, 2012. The Board will review and adopt revisions on an annual basis.

Prioritization of Strategic Issues

The CEDS outlines three strategic areas that will be focused upon during the period of the plan. These areas are of utmost importance to the region and ranked as the highest priorities for regional citizens and partners. Therefore, these strategic priorities are the main focus of the CEDS, and in turn the five-year work plan for LOSRC.

Priority 1 – Job Creation. The number one priority for the CEDS is job creation. Specific activities that will be pursued include:

- Coordination of regional economic development efforts;
- Assistance with the development and enhancement of local infrastructure;
- Focus on the development and enhancement of small businesses; and
- Support of the development and enhancement of entrepreneurial efforts, especially in the areas of farm and forest, specialty manufacturing, and energy.

Priority 2 – Workforce Development. Workforce development works hand-in-hand with job creation. Activities pursued in this area will focus on ensuring the training and development of a workforce to meet anticipated job creation demands.

Priority 3 – Quality of Place. Factors other than traditional job creation and workforce development greatly impact our region’s economic competitiveness. These factors are identified as quality of place issues. The CEDS addresses challenges and opportunities related to housing, transportation, and cultural and natural resources.

BACKGROUND

Land-of-Sky Regional Council (LOSRC) is the Economic Development District serving four counties and 16 municipalities in Region B, North Carolina (Buncombe, Henderson, Madison and Transylvania counties). The Council's Comprehensive Economic Development Strategy or CEDS for the period 2013-2017 is the five-year strategic economic development plan for Region B. The CEDS is a required part of our economic development planning grant under the US Department of Commerce, Economic Development Administration (EDA). The LOSRC Board appointed the following Strategy Committee to develop the 2013-2017 CEDS: Robin Cape, George Morosani, Jerry Plemmons, Mark Burrows, Jason Chappell, Shaw Canale, Lucy Crown, Jennifer Flynn, Steve Garrison, Gary Heisey, Betty Hurst, Lindsey Kerry, Torin Kexel, James Lee, Stephanie Monson, Howard Nemon, Andrea Robel, Linda Southard, and Stephanie Swepson-Twitty. As the Planning Organization for the four-county Economic Development District (EDD), LOSRC staffed the CEDS planning effort.



Figure 1: Region B

REGIONAL SWOT ANALYSIS

A SWOT analysis is a strategic planning technique that involves scanning the environment to determine whether specific goals are attainable and what needs to be involved in achieving these goals. A SWOT analysis was conducted as an integral part of the CEDS development.

<p><u>Strengths</u></p> <ul style="list-style-type: none"> ▪ Regional Entrepreneurial Spirit ▪ Established Educational Infrastructure ▪ Available, Productive Workforce ▪ Location in Relation to Major Transportation Networks ▪ Asheville Regional Airport ▪ Quality Healthcare System ▪ Regional Cooperation Among Local Governments, Non-Profits, and Private Organizations ▪ Abundant Natural Resources ▪ Rich Cultural Resources ▪ Wealth of Recreational Opportunities ▪ Region’s Scenic Beauty ▪ National Reputation as a Great Place to Live, Work, and Play ▪ Good Government at the Local Level 	<p><u>Opportunities</u></p> <ul style="list-style-type: none"> ▪ Increased Regional Collaboration ▪ Continued Interest in Entrepreneurial Enterprises ▪ Regional Alternative Energy Interest ▪ Value-Added Food and Forest Product Development ▪ Regional Acceptance of Alternative Transportation Systems and Network ▪ Possibilities Associated with the Expansion of Specialty Manufacturing Sector ▪ Capitalization of Educated, Active Retiree Population ▪ Continuation of Regional Brownfields Initiative for Redevelopment of Underutilized Sites
<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> ▪ Availability of Diverse Affordable Housing Options ▪ Lack of Funding for Major Infrastructure Needs ▪ Aging Infrastructure Systems ▪ Lack of Region-Wide Broadband Infrastructure ▪ Loss of Traditional Manufacturing Industries ▪ Dependence on Non-Regional Energy Sources 	<p><u>Threats</u></p> <ul style="list-style-type: none"> ▪ Development of Prime Industrial and Agricultural Properties ▪ Development Threats to Natural Resources ▪ Increased Demands Upon Governmental Services ▪ Reduced State Funding of Local Activities and Services

RANKING AND SELECTION OF STRATEGIC ISSUES

An important first step in CEDS planning is to identify potential strategic issues in the region and rank them as to their importance. The following sections describe how the Strategy Committee and staff approached this task.

Regional Resource Group

In order to provide an effective means of community and private sector participation in the CEDS development effort, a 900+-person “Regional Resource Group” was identified by staff. This is a diverse group of public and private sector economic developers, bankers, business owners, corporate staff, city/county managers and elected officials, planners, university, community college and K-12 school system staff, workforce development personnel, natural resource agency and nonprofit staff, aging program volunteer board members, Brownfields Advisory Group Members, transportation experts, housing nonprofit staff, and many others.

Online Survey

In consultation with Strategy Committee members, staff developed an online survey using the commercially-available Survey Monkey web tool. The survey listed 119 economic development issues and sub-issues, and asked respondents to indicate the importance of each issue, incorporating their personal view and professional experience. The ratings were “Very Important,” “Important,” “Somewhat Important,” “Not

Important,” or “No opinion or you lack the information to comment.” The survey instruction that defined “importance” read as follows:

“Please rate the following issues on their importance, taking into consideration the following:

1. Is the issue regionally significant? (important to more than one jurisdiction)
2. Is the issue economically important? (Will it affect our future economy?)
3. Does the issue need more regional attention in the next 5 years?”

The 119 issues were grouped into the following categories for the convenience of respondents:

- Business & Economic Development
- Workforce
- Education
- Infrastructure
- Social/Cultural
- Health Care
- Natural Resources
- Energy

The online survey was Part II of the NC Tomorrow survey developed by the North Carolina Association of Regional Councils and was sent to the Regional Resource Group.

Gro-WNC Participation

Gro-WNC is a product of a \$1.6M Sustainable Communities Initiative Grant, funded by the Department of Housing and Urban Development (HUD). Gro-WNC is focused on economic competitiveness and job creation for our region. Over the course of a year, the Gro-WNC Project team, Consortium, Steering Committee and Workgroups are listening to community input, carefully examining existing plans, and presenting models to the region that will demonstrate and define what our future looks like. At a series of community meetings, residents of the region will be asked about their goals for the future of our community and to identify strategies, actions and early implementation projects that should be brought forward for final recommendation to the Steering Committee, LOS Board, and participating member governments and organizations.

Land-of-Sky Regional Council contracted with LandDesign, a planning and design firm with an office in Asheville, NC. LandDesign assembled an interdisciplinary team of economic, housing, transportation and communication experts to gather data, facilitate communication, synthesize and present the information back to the region.

An integral part of the Gro-WNC process is the public participation through individual workgroups and public “community meetings.” A primary objective of the Gro-WNC project is to solicit input from citizens on how they envision the future of the region. During the month of May 2012 the first round of GroWNC community meetings was held

throughout the region. Throughout this CEDS document, information resulting from these community meetings will be cited.

Review of Local & Regional Economic Development Plans

Under the Gro-WNC project, consultants from LandDesign reviewed multiple city, county and regional economic development, workforce development and strategic plans and related documents, and noted many of the documents included most of the 119 online survey issues as a strategy or important topic.



Henderson County: The 2009 Henderson County Economic Development Master Plan identifies 8 primary target industry clusters and 4 secondary clusters with a total of 47 individual industries, which include:

- **Plastics Manufacturing and Distribution**
Plastic pipe, plastic bottles, custom compound purchased resins, plastic products, plastics materials distribution
- **Auto Parts Manufacturing and Distribution**
Vehicular lighting equipment, motor vehicle parts and equipment, motor vehicle supplies and new parts distribution, motor vehicle parts, used distribution
- **Medical Products Manufacturing**
Surgical and medical instruments, electro-medical equipment, medical and hospital supplies distribution, medical laboratories
- **Recreational Sporting Goods Manufacturing and Distribution**
Fabricated rubber products, plastic products, boat building and repairing, sporting and athletic goods, sporting and recreational goods distribution
- **Machinery Manufacturing and Distribution**
Machine tool accessories, packaging machinery, general industrial machinery, industrial machinery distribution
- **Electronic Components and Switch Gear Manufacturing and Distribution**
Electronic capacitors, electronic resistors, electronic components, switch gear and

switchboard apparatus, electronic equipment distribution

- **Computer Programming and Software**
Custom computer programming, prepackaged software, computer integrated systems design, data processing and preparation, computer related services
- **Finance/Back Office**
National commerce banks, state commercial banks, federal credit unions, state credit unions, back office operations for all target clusters/industries

Secondary target/clusters in Henderson County include:

- **Biotechnology**
Medical chemicals and botanical products, pharmaceutical preparations, In Vitro and In Vivo diagnostic substances, biological products except diagnostic, commercial physical and biological research, testing laboratories
- **Controls/Instrument Manufacturing**
Environmental controls, process control instruments
- **Industrial Valves and Fittings Manufacturing and Distribution**
Industrial valves, fluid power valves and hose fittings, industrial supplies distribution
- **Optical Instruments Manufacturing**¹

¹ 2009 Henderson County Economic Development Master Plan

Madison County: Madison County’s economy is primarily made up of the following business sectors and their related revenues and jobs:

- Agriculture and related products and services
- Construction
- Outdoor recreation
- Arts and music venues and events
- Heritage and cultural tourism
- Education
- Manufacturing

Madison County’s Economic Development Strategies to strengthen business districts are:

- Support economic development programs and services with staff and funding
- Modify zoning regulations to encourage more business activity
- Develop incentives to encourage business to locate or expand in Madison County
- Establish partnerships with the towns and with other economic development and related organizations
- Work with infrastructure providers to improve communications and utilities infrastructure
- Expand workforce training to meet the needs of current and future employment opportunities ²

Transylvania County: The 2010-2012 Transylvania County Economic Development Strategic Plan outlines eight goals:

- Support existing businesses
 - Diverse agriculture, construction, manufacturing, retail, tourism
 - Entrepreneurship
 - Senior Resource Network
- Market to Selected Business Sectors/Industries
 - Nutraceuticals/natural products manufacturing
 - Medical device manufacturing
 - Outdoor recreational device manufacturing
 - “Green” Development
 - Alternative Energy
 - Pursue and assist all prospects who contact us, regardless of sector
- Help Renova Partners identify and market to potential businesses for the Davidson River Village (formally Ecusta) property
- Implement strategies from the AdvantageWest Certified Entrepreneurial Community (CEC) program of work
- Encourage the construction of new manufacturing buildings and development of certified industrial sites
- Inform elected officials, other community leaders and the public about the County’s economic development actions and opportunities
- Enhance Transylvania County’s exceptional quality of place

² Madison County Comprehensive Plan – Economic Development Chapter

- Promote education and workforce development opportunities
 - Blue Ridge Community College and BRCC business incubator
 - Brevard College, Transylvania County Schools
 - Mountain Area Workforce Development Board
 - Mountain BizWorks³

Economic Development Coalition for Asheville-Buncombe County

Asheville 5x5 is a five-year program in which public and private sector businesses invest in local economic development efforts to help create approximately 5,000 new jobs in the Asheville area.

The foundation of this initiative grew out of a comprehensive analysis of the local economy by the Economic Development Coalition of Asheville-Buncombe County (EDC) and the Asheville Area Chamber of Commerce, as well as a series of community meetings with a cross-section of our area’s leaders and citizens. Findings concluded that a revised economic vision is necessary to ensure our region’s future remains competitive. From this strategic planning process came “Asheville 5X5: A Five-Year Plan for Job Creation.”

Five industry clusters were identified that have potential for growth. Each cluster was chosen for its competitive advantages as well as the potential to create significant job

³ 2010-2012 Transylvania County Economic Development Strategic Plan

growth in both rural and urban areas of Western North Carolina.

- Healthcare (Commercialization & Support Services)
- Advanced Manufacturing (Precision Metalwork & Outdoor Products)
- Science & Technology (Climate & Sustainability)
- Arts & Culture
- Knowledge-based Entrepreneurs

Healthcare: As one of our region’s fastest growing industries, a concerted effort to retain and grow the healthcare sector is essential to driving a strong economy. Employment in the healthcare and social assistance sectors currently represents 19.1 percent of all industry employment in the Asheville metro area. Since 2005, employment has grown approximately 8 percent. The average weekly wage in the Asheville metro area is 11.5 percent higher than the state average of \$799 for this sector.

- Commercialization
- Support Services

Advanced Manufacturing: Advanced manufacturing follows a long tradition in our region and is still a thriving industry. Hundreds of manufacturing firms exist in the metro region, including many international firms that have had a presence in the community for decades. Employment projections show that advanced manufacturing will add jobs in Western North Carolina over the next five years, with a demand for more technical skills. In certain skill sets, including automotive and aviation, the Asheville area is nearly ten times more specialized than the rest of the nation.

- Precision Metal Working
- Outdoor Products

Science & Technology: Information industries such as science and technology work to advance innovation and productivity. Our region is particularly competitive in growing this industry due to the presence of the National Climatic Data Center, which positions the Asheville area as a prime location for attracting other firms in the science and technology sector.

- Climate
- Sustainability

Arts & Culture: Employment in our region in the arts and culture sector has grown 8 percent since 2005. In a 2008 study on the economic impact of the craft industry in Western North Carolina, it was estimated that the total direct economic impact of the craft industry was \$206,533,599. Creative industries are one of the quiet drivers of the Asheville economy and they are growing. Leveraging this sector that leads the way in innovation and creativity will bring more jobs to the Asheville area.

Knowledge-based Entrepreneurs: Knowledge-based entrepreneurs complement all other industry clusters by offering a range of services -- from finance and insurance to professional and technical services. Rather than pigeonholing this group into one cluster, the specialization of knowledge-based entrepreneurs overlaps the four identified target clusters. Knowledge-based entrepreneurs make up

approximately 6.3 percent of all industry employment in the Asheville metro area.

AdvantageWest's Five-Year Vision Plan for the Economy of the AdvantageWest Region 2004-2009⁴: identifies "recent growth clusters" in the Asheville metro, comprised of Buncombe, Haywood, Henderson, Madison and Transylvania Counties, which include:

Food-related

- Wine and culinary arts
- Food horticulture, processing, and packaging, including organic foods

Life sciences and agribusiness-related

- Native plant commercialization, including biotechnology
- Nutraceuticals
- Biomanufacturing
- Sylviculture and horticulture
- Nontoxic pest management

Health care related

- Health care delivery (hospitals, laboratories, and specialized medical services)
- Recreation and tourism-related
- Tourism/hospitality, including ecotourism
- Heritage tourism

⁴ Vision Plan for the Economy of the Advantage West Region of North Carolina

- Outdoor attractions and services

The HUB Project Plan⁵: focuses on the Asheville metropolitan area and Buncombe County, and identifies the following employment clusters for the area:

- Rejuvenation (health and wellness, traditional medicine, complementary and alternative medicine, application of biotech tools to native medicinal plants)
- Sustainability (making Asheville a national model for community sustainability development)
- Technology (climate change, visualization, support of technology entrepreneurs, expansion of broadband Internet access, etc.)
- Creativity (visual arts, performing arts, and arts venues)
- Land-agriculture (land preservation and supporting farming)
- Advanced manufacturing (support of the Economic Development Coalition for Asheville-Buncombe County, which spearheads growth in this cluster.⁶)

Complementing county-specific economic development plans and strategies, several initiatives have been undertaken that focus on the region as a whole and, in many cases, specific emerging sectors of the economy. This section provides an overview of these plans and strategies.

⁵ www.ashevillehub.com/

⁶ Gro-WNC ED Report 2012

Clean Energy: In September 2011, a *Clean Energy Cluster Analysis*⁷ was completed for the 31 counties in the Western North Carolina region. Clean Energy “niches” were identified for both rural and urban areas. The following clusters were identified:

Renewable Energy

Rural Target Niches: small-scale wind energy, solar frame manufacturing, small-scale solar energy, solar inverters, printed circuit board assembly, renewable energy product testing.

Urban Target Niches: renewable energy product testing, printed circuit board assembly, gear design and manufacturing, solar inverters, wind and solar tracking systems, solar frame manufacturing.

Energy Efficiency

Rural Target Niches: Solar hot water, hot water tank manufacturing, home building (efficiency improvements, HVAC equipment manufacturing and installation (specific to energy efficient applications).

Urban Target Niches: Electronic monitoring (including software and hardware), energy efficient equipment service and maintenance, energy efficient instrumentation products, smart grid technology, HVAC equipment manufacturing and

⁷ Clean Energy Cluster Analysis, September 2011

installation (specific to energy efficient applications, solar hot water, hot water tank manufacturing.

Alternative Fuels and Vehicle Technologies

Rural Target Niches: Methane recapture equipment and services, commercial and passenger vehicle equipment and supplies manufacturing and distributing (relating to fuel efficiency, electric power systems and other alternative fuel technologies), biomass, alternative fuel storage and distribution.

Urban Target Niches: Waste vegetable oil conversion equipment design and manufacturing, commercial and passenger vehicle equipment and supplies manufacturing and distributing (relating to fuel efficiency, electric power systems and charging stations, and other alternative fuel technologies), methane recapture equipment and services, fuel cell manufacturing.

Energy: Alternative (renewable, efficiency, fuels)	
Answer Options	Response Percent
Very important	67.0%
Important	17.6%
Somewhat important	8.8%
Not important	3.3%
No opinion or you lack the information to comment	3.3%

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⁸ 2012 CEDS Survey

Local Foods: In a 2007 report *Growing Local – Expanding the Western North Carolina Food and Farm Economy*,⁹ it is indicated that there is significant market potential for expanding the locally grown and produced products industry. The research suggests that strategies to increase access to consumer outlets should be a priority for the region. The following table highlights the large scale market potential and consumer outlets for the local goods industry:

Market Outlet	Current Spending*	Desired Spending*	Maximum Spending*
Full-service groceries	\$5.4 million	\$189.2 million	\$236.6 million
Specialty food stores	\$105,000	\$3.3 million	\$13.2 million
Full-service restaurants	\$122,850	\$13.0 million	\$51.9 million
Summer camps	\$28,875	\$336,000	\$1.1 million
Public schools	\$19,950	\$2.4 million	\$3.4 million
Colleges /Universities	\$19,373	\$1.6 million	\$4 million
Hospitals	\$26,880	\$5.6 million	\$6.4 million
Totals (wholesale)	5,722,928	\$215.4 million	\$316.6 million
Totals (retail equivalent)	\$11,445,856	\$430.9 million	\$633.2 million

*Current spending is estimated to reflect actual spending on locally-grown food; desired spending equals the amount interested organizations could buy given availability and improvements to local food distribution and processing infrastructure; and maximum spending reflects improvements in infrastructure plus changes in tastes and

⁹ www.advantagegreen.org

preferences such that every organization in each category has high interest in buying locally-grown food.

Natural Products: A 2006 report entitled *Expanding the Natural Products Economy in Western North Carolina*¹⁰ suggests the following strategies to expand the natural products economy in Western North Carolina:

- Recruit and leverage existing businesses
- Develop new businesses
- Attract federal agencies, associations and corporate partners
- Focus on branding and ecotourism

Natural products	
Answer Options	Response Percent
Very important	60.9%
Important	26.1%
Somewhat important	7.6%
Not important	3.3%
No opinion or you lack the information to comment	2.2%

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¹⁰ Asapconnections.com

¹¹ 2012 CEDS Survey

STRATEGIC INITIATIVES

The strategic solutions and projects that are included in the work plan for year 1 are:

Priority 1 – Job Creation

- Regional Development Efforts
- Infrastructure Needs for Development of the Local Economy
- Small Business Efforts
- Entrepreneurial
 - Farm & Forest
 - Specialty Manufacturing
 - Energy

Priority 2 – Workforce Development and Education

Priority 3 – Quality of Place Issues

- Housing
- Transportation
- Cultural & Natural Resources
- Air Quality
- Water Quality
- Brownfields
- Health

JOB CREATION

For each of the four counties within the Land-of-Sky Region, the top ten industry sectors were identified. These sectors were defined at relatively high levels, not getting into specific trades and occupations but providing a general overview. While each county has a different employment and employer counts, there are consistencies throughout the data. For instance, in all of the counties, the Health Care sector is one of the top two largest in terms of percentage of total employment. The Retail and Accommodations sectors are consistently in the top five. The following pages present the top ten industry sectors by number of employees in each of the four Land-of-Sky counties.



Top Ten Industry Sectors

Buncombe County

<u>Sector</u>	<u># Firms</u>	<u># Employees</u>
Health Care & Social Assistance	870	28,066
Retail Trade	1,753	14,911
Accommodation & Food Services	815	12,657
Manufacturing	377	11,029
Educational Services	236	8,975
Construction	1,041	7,827
Public Admin	297	7,805
Services (except Public Admin)	1,555	6,476
Wholesale Trade	444	5,449
Professional, Scientific & Tech	981	5,275

Madison County

<u>Sector</u>	<u># Firms</u>	<u># Employees</u>
Health Care & Social Assistance	46	908
Educational Services	17	669
Public Administration	77	406
Retail Trade	79	306
Accommodation & Food Services	35	292
Construction	69	263
Services (except Public Admin)	83	250
Manufacturing	14	194
Utilities	5	184
Wholesale Trade	17	124

Henderson County

<u>Sector</u>	<u># Firms</u>	<u># Employees</u>
Health Care & Social Assistance	347	7,444
Manufacturing	160	5,844
Retail Trade	669	5,245
Accommodation & Food Services	264	4,540
Educational Services	81	2,415
Public Admin	160	1,936
Services (except Public Admin)	609	1,934
Construction	463	1,855
Wholesale Trade	189	1,688
Professional, Scientific & Tech	255	1,169

Transylvania County

<u>Sector</u>	<u># Firms</u>	<u># Employees</u>
Accommodation & Food Services	135	2,379
Health Care & Social Assistance	114	1,900
Retail Trade	238	1,744
Public Administration	102	1,151
Educational Services	37	1,009
Construction	244	826
Services (except Public Admin)	280	766
Real Estate, Rental & Leasing	111	448
Manufacturing	39	428
Professional, Scientific & Tech	80	291

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¹² Gro-WNC Existing Conditions Report – Economic Development

Farms & Forest Economies

The *WNC Growing Farm & Forest Economies Project* (“WNC Farm & Forest”) will lead to the creation of higher wage jobs by identifying key niche markets in processing and manufacturing of value-added products and services, highlighting existing infrastructure capabilities, and investigating opportunities for growth.

Local farm and forest products is a business cluster with a high potential for growth in the region. Our communities have a long history of supporting a prominent agriculture sector and local products. The nature of the agricultural economy in the region embraces the principles of entrepreneurship through support for local small businesses, producers, restaurateurs, handcrafters, and retail markets. The WNC Farm & Forest Project will build on existing infrastructure, marketing, and branding efforts for the many agricultural products in the region, while fueling the potential for outside investment and expansion into global markets.

WNC Farm & Forest will improve the conditions needed for greater productivity and job creation, while diversifying the local regional economy due to its target audiences, size, and scope. Improving the WNC farm and forest economy is part of an over-arching, long-term strategy to develop emerging clusters and attract regional economic drivers. By developing agribusiness, the region also retains its rural character while providing jobs and opportunities. The WNC Food & Forest Economy will address critical regional priorities including:

Regional Technical Leadership Workgroup: The regional leadership workgroup will include key representatives of business, government, agricultural sector, nonprofit, economic developers, and marketing professionals to guide the project and investigate regional marketing options.

Local Food & Forest Asset Map & Analysis: Identify existing distribution networks, infrastructure, assets, and gaps to demonstrate the food and forest supply chain. The asset map will also identify existing challenges and future opportunities for business development and niche markets.

Develop a regional local food strategy: Policy recommendations will be developed to support the continuing emergence of local food business models.

Marketing, Branding, and Entrepreneurial Development: Further diversify the farm and forest products industry in WNC while fostering business, creating jobs, and empowering rural landowners. Provide forest and agricultural landowners and entrepreneurs with regional marketing tools and business development networking. Key among these is the Appalachian Grown mobile app.

WNC AgriVentures Project & Rural Jobs and Innovation Accelerator Challenge

The Rural Jobs Accelerator Challenge is a national initiative to support rural partnerships that are critical components of the Obama Administration's efforts to support small businesses. By leveraging local assets, the selected industry clusters and partnerships can do even more to help entrepreneurs and small businesses foster innovation, increase competitiveness and employ highly skilled workers, all of which are critical to long-term economic growth in their regions. The program was designed by the Taskforce for the Advancement of Regional Innovation Clusters and the White House Rural Council.

The purpose of this project is to measurably increase job creation, innovation and wealth retention across rural Western North Carolina through a regionally integrated platform for accelerating high-impact projects within emerging or expanding agriculture and natural resources based industries. Targeted project outcomes include:

- Quality job creation in rural, economically-distressed Western North Carolina
- Creating strong linkages between expanding regional industries and rural communities
- Filling the supply-chain gaps (i.e., creating new “infill” businesses) in growing rural sustainable industries
- Engaging youth in rural entrepreneurship to address the “brain drain” and “talent drain” affecting so many of our rural communities

- Supporting private sector innovation and new business creation to meet regional sustainability and economic goals
- Retaining wealth instead of extracting wealth in rural communities
- Creating a replicable model for regional sustainable economic development in rural Appalachia and America

WNC AgriVentures will be a collaborative effort across Western North Carolina cooperatively led by AdvantageWest and Land-of-Sky Regional Council. The Program will initially focus on seven strategic and interconnected activities:

Building Community and Regional Capacity (USDA activities):

- 1) Community Entrepreneurial Capacity Building: training for service providers (community college business advisors, economic developers, etc) to better assist entrepreneurs
- 2) Farmers-to-Farmland Pilot Program: helping new farmers get access to farmland

Linking to Regional Clusters and Opportunities (EDA activities):

- 3) WNC AgriVentures Innovation Council: a cross-sector group of innovators and leaders that will drive the Program’s regional, integrated and catalytic approach
- 4) Infrastructure Planning and Pilot Projects: planning, feasibility studies and small pilot programs to identify and promote investment in major supply-chain opportunities

- 5) WNC AgriVentures Technology Commercialization Center: providing rural-WNC businesses access to new technology from regional universities and other R&D centers
- 6) WNC AgriVentures Network: to connect the businesses, entrepreneurs and investors within the WNC cluster to each other and the resources they need to be successful

Creating Jobs through Regional Innovation Infrastructure (ARC activities):

- 7) WNC AgriVentures Accelerator: to accelerate 10-20 high-impact sustainable ventures per year with strategic mentors, focused regional resources, and peer-to-peer learning

The WNC AgriVentures project is a recognition of the substantial economic and community development opportunities that will result from an integrated regional approach to i) identifying key supply chain gaps and developing critical regional infrastructure to ensure the continued expansion of these sectors; ii) clearly packaging and delivering existing regional resources in a coordinated fashion to accelerate new startups and existing businesses within these sectors; and iii) proactively cultivating linkages between rural WNC and these industries to ensure that quality job creation is achieved regionally. The following are complementary sustainable agriculture and natural resource based sectors where WNC AgriVentures will focus:

- Local, organic foods: From 1970 to 2002, WNC's on-farm employment decreased from 76,000 to 12,000

due to the commoditization of global agriculture, the loss of tobacco, and other reasons. However, with the emergence of the "local" megatrend, farming and especially smaller-scale locally oriented production is on the rise. In 2010, sales under the region's local foods brand, Appalachian Grown, totaled \$65 million.

- Value-added food and natural products: Since 2005, Project partner Blue Ridge Food Ventures has assisted the startup or expansion of more than 200 food businesses. WNC AgriVentures will help accelerate high potential food and natural products businesses across WNC and work to improve the effectiveness of shared-use kitchens opening across the region.
- Craft brewing: WNC is home to more than 20 craft breweries, several wineries, and now a few craft distilleries as well. With the announcement of new breweries by Sierra Nevada Brewing, New Belgium Brewing, and Oskar Blues Brewing, the region's annual craft beer output is expected to grow from 50,000 barrels to over 800,000 barrels. WNC AgriVentures will assist catalytic projects to help expand this industry, especially those that address supply chain gaps in areas like hops and specialty grains production.
- Rural-scale renewable energy and energy efficiency: WNC is home to a higher concentration of clean energy companies than any other region in the state; however, these firms are overwhelmingly concentrated in the Asheville area. WNC AgriVentures will focus on accelerating opportunities like regionally grown and processed biofuels and green building

components that are showing strong quality job creation potential for rural WNC.

- Agritourism, ecotourism, and outdoor industry: Tourism has long been a leading economic sector for Western North Carolina. Recently, the region has begun to identify new agritourism and ecotourism products that could add value to existing agriculture and natural resources assets. Closely linked has been the design, marketing and manufacturing of outdoor products like kayaks, bikes and climbing gear, which are showing increasing promise for rural WNC.
- Other bio-based products: From a budding fiber industry to new advanced bio-based plastics, WNC AgriVentures will support innovation in other promising value-added agriculture opportunities.

Infrastructure Needs: Water and Sewer

Most NC customers are served by local government-owned utilities or not-for-profit water corporations. The usage and costs of these systems are increasing while the systems continue to age and are becoming more costly to repair or replace. Since 1986, the price paid for water has increased by 160% while the populations and per-capita water use further stresses area water supply.

Over the past few years, federal funding has continued to decline resulting in a greater dependency on state funding to support water and sewer infrastructure improvements.

LOSRC continues to identify initiatives to address the water and sewer needs in the Region. The following is a list of economic development projects which are currently being developed.

The Town of Black Mountain: Ingles Markets Inc. Public Infrastructure Project. Federal and State funding sources include NC Department of Commerce; Commerce Finance Center; CDBG and NC Department of Transportation. Total Estimated Funding and Corporate Investment. \$1,568,000. Total Estimated Construction Jobs- 20. Total FTE – Long-term Jobs 75.

The Henderson County/Henderson County Partnership for Economic Development: Sierra Nevada Brewing Company. Public and Private Water and Sewer Infrastructure project. State and Federal funding sources include: NC Rural Economic Development Center; NC Department of Commerce; Commerce Finance Center; and CDBG. Total Estimated Project Funding and Corporate Investment is \$108,440,000. Total Estimated Construction Jobs- 50. Total Projected New FTE Long-term Jobs- 93.

The Town of Marshall: Public Water Infrastructure Improvements Project. State and Federal funding sources include: Appalachian Regional Commission; NC Department of Commerce; Small Cities CDBG; NC Rural Economic Development Center; and USDA-Rural Development. Total Project Funding- \$2,150,000. Total Estimated Construction Jobs-12.

The Town of Mars Hill – Public Water Infrastructure Improvements Project. State and Federal funding sources include: Appalachian Regional Commission; NC Rural Economic Development Center; and USDA Rural Development. Total Project Funding- \$2,000,000. Total Estimated Construction Jobs - 10.

Infrastructure Needs: Broadband Access

Nationwide, approximately 19 million Americans live beyond the reach of wired broadband access. More than three-quarters of these citizens – 14.5 million – live in rural areas. The findings were published Aug. 21 in the FCC's *Eighth Broadband Progress Report*.

This report shows our counties generally faring better than some of the others in WNC. Buncombe, Haywood and Henderson have some of the lowest percentages of people without access to high speed internet. But, as we've heard from local residents in Madison and Transylvania, the report shows that 13.24% of Madison's population is without high speed internet access (highest in our region) and 9.1% of Transylvania's population is without HSI.¹³

Small Business Efforts

Many believe the era of large-scale traditional manufacturing plants with thousands of jobs is over; the Region has been focused on job creation through the support and

development of small business and entrepreneurial efforts, many of which are specialized and focus on clean energy or natural products.

Regional economic development organizations, business organizations, non-profit groups, and local government staff have worked diligently to encourage the development, expansion and networking opportunities of these smaller businesses. Our Region is also recognized for the acknowledgement of need for the creative economy.

Community meetings through the Gro-WNC project and the CEDS survey document the public and private support of these businesses.

Waste Reduction Partners helps organizations improve environmental and energy management through efficiency techniques that save money. The WRP team conducts on-site assessments and provides consulting services to businesses and public facilities throughout North Carolina. Highly-experienced volunteer engineers, scientists and staff provide clients with innovative cost-saving strategies and resources to meet their goals. Consulting services are confidential and are provided at no cost to the client, supported through government and utility-sponsored grants.

Energy Assessments for Member Governments and Businesses: The engineers of Waste Reduction Partners are conducting utility cost-saving assessments for private businesses and public institutions, which focus on saving energy and reducing water consumption. This project is

¹³ Federal Communications Commission, 8th Broadband Progress Report

funded with a \$100,000 grant from the State Energy Office for clients in Region B and across the state. WRP will work with at least 60 organizations to improve their energy management programs, operation efficiency, economic competitiveness and environmental performance. The project is projected to save WRP clients and businesses \$428,000 in annual utility cost reductions.

Rural Small Business and Agriculture Energy Assessments: Through a grant from the USDA, Rural Energy of America Program (REAP), LOSRC's WRP program is offering direct technical assistance to rural small businesses across North Carolina in the form of cost-saving energy audits. The initiative will provide 107 technical on-site energy assessments with the delivery of an opportunities report with cost/benefit analysis for each client. WRP engineers typically identify 10-20% of utility cost reduction opportunities that can be implemented with little or no investment. The client cost share is \$325 for a small business and \$275 for an agricultural operation. The resulting energy audit can be used for USDA grant funding opportunities.

Green Destinations – Sustainability Assessments for NC Tourism-Based Industries: Multi-disciplinary teams of WRP staff are providing “greening assessments” for hospitality and tourism industries in North Carolina. The assessments provide businesses with a cost/benefit analysis for operational improvements in energy, water, and waste management including green marketing strategies. This project supports a new State recognition program titled “NC

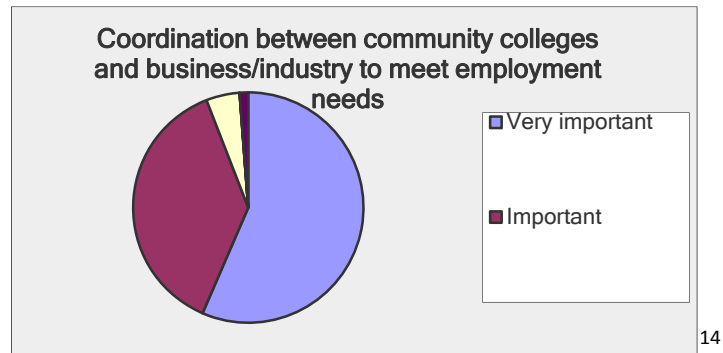
GreenTravel’ and promotes organizations that demonstrate commitment to environmental sustainability improvements.

Solid Waste Reduction Assessments for Business: Waste Reduction Partners’ technical professionals work with area industries to reduce solid waste generation and find cost effective, recycling solutions for difficult to manage waste streams. In FY12-13, WRP assessors plan to assist 30 organizations to reduce waste to landfills by 10,000 tons. This ongoing direct technical assistance program, supported with funding from the USDA Rural Development and the NC Department of Environment and Natural Resources, has helped industries divert over 213,000 tons from landfill since 2000. Client cost savings are estimated at \$13.7 million for the same period. This service supports NC E3 efforts for manufacturers, zero-waste goals, ISO14001 programs and economic competitiveness.

Industrial/Commercial Water Efficiency Audits: WRP has an ongoing technical support project with the City of Asheville Water Resources Department to perform water saving assessments for their large water customers. Last year the technical assistance yielded 7 million gallons of annual water-use reduction which is saving \$90,000 in annual customer savings. The City is promoting a water conservation ethic among its customers as well as providing excellence in customer service through these demand-side management assessments. The assessments are performed by the unique team of WRP retired engineers.

WORKFORCE DEVELOPMENT AND EDUCATION

Community meetings, one-on-one interviews with business leaders, and discussions with economic development professionals indicate a strong and continued need for a diversified and strong workforce. To this end, the Mountain Area Workforce Development Board, previously under and housed at Buncombe County, NC, is now a department of Land-of-Sky Regional Council. For the first time, this organization's work plan is included as part of the CEDS.



The Mountain Area Workforce Development Board (MAWDB) does not create jobs but trains the individuals to meet the expectations of employers who are hiring for job openings. This contributes to the local economy by providing skilled workers who can add to the productivity, quality and competitiveness of local businesses. The Workforce Development Board is funded under the US Department of

¹⁴ 2012 CEDS Survey

Labor, Workforce Investment Act receiving approximately \$2.5 million annually.

During the current Fiscal Year (July 2012 - June 2013) the organization expects to provide job search assistance services to about 5,800 (+5% over clients FY 2011-12) in the three WIA funded JobLinks offices and to provide training/career development services to 469 dislocated workers, 318 adults and 218 youth (1,005 total).

Workforce Development's primary partners (contracted program operators) in these endeavors are the region's Community Colleges (Asheville-Buncombe Technical Community College and Blue Ridge Community College), the public school systems in each county, and the Division of Workforce Solutions (formerly Employment Security Commission) offices and Vocational Rehabilitation.

The organization also works closely with each county's economic development unit and with the regional economic development agency (AdvantageWest). Two components, On-the-Job Training and Youth Work Experience, have a direct economic impact through wages paid to clients. Through this program, employers who are training under-qualified clients for continued employment are reimbursed a portion of the wages in return for the excess costs of training. Through the youth work experience, the clients are paid with WIA funds to work part-time and learn about employer expectations and good work practices during a closely supervised 250-hour job placement. These components will contribute approximately \$411,595 to wage earners during the fiscal year.

The Workforce Board measures economic impact by an independent measure of wages earned by clients who participate in the training programs. This measure is collected from the employers' reports of wages earned by individual employees when they pay Unemployment Insurance Taxes into the North Carolina Unemployment Compensation System. Individual client wages are tracked for the first 3 quarters after exit from the WIA programs. In State Fiscal Year 2011-12 the preliminary reports of impacts for the Mountain Area are just under \$4.1 million earned in 9 months. Their goal for Fiscal Year 2012-13 is to exceed that figure by 5% (i.e., \$4.29 million). Also, in FY 2011-12 a total of 288 (81.1%) of the 355 persons exiting the adult and dislocated worker programs, attained employment. The MAWDB goal for FY 2012-13 is to exceed an 83% placement rate.

As the implementation stage of the Gro-WNC project moves forward, additional job creation and educational opportunities will be explored and initiated, if feasible.

QUALITY OF PLACE ISSUES

Quality of Place Issues are our third priority. The population in the Land-of-Sky four-county region has been steadily growing and will likely continue to grow. The population was about 200,000 in 1960, 350,000 in 2000 and it is expected to approach 500,000 in 2030. Almost all of the growth is from people moving here from other places. With this growth, people are spreading out across the landscape with almost two-thirds of the region's population living outside city/town limits in the unincorporated areas of our counties. This pattern of development breaks up open spaces, and often results in loss of wildlife and farmland, habitats, and degradation of scenic quality.

Population increases create a challenge to balance economic growth and the demand for development and services with preservation of our natural resources and "Sense of Place." The Land-of-Sky Region, as an Economic Development District under the EDA, includes quality of place issues in our 2013-2017 CEDS.

Region B Population Projections					
	2010	2012	2014	2016	2019
Buncombe County	238,870	247,633	255,141	262,580	273,618
Henderson County	106,966	110,199	113,703	117,196	122,423
Madison County	20,782	21,399	21,893	22,347	22,966
Transylvania County	33,076	33,517	33,963	34,408	35,079
Total Region B	399,694	412,748	424,700	436,531	454,086

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¹⁵ NC State Data Center, US Census

Housing

The commonly accepted guideline for housing affordability is a housing cost that does not exceed 30% of a household's gross income. When monthly housing expenses exceed 30% – 35% of the household's income, then the housing is considered unaffordable. As outlined in the Asheville Regional Housing Consortium - Housing Needs Assessment and Market Study, the proportion of housing that is renter occupied has increased in all counties within the region. This trend runs contrary to the national trend of increasing homeownership rates. Additionally vacant housing has increased in all counties. The vacancy rates in Buncombe and Henderson Counties remain similar to the state and nation, but the rates in Madison and Transylvania Counties continue to rise, which may reflect the larger and increasing second home market.

The availability of housing is affected by numerous factors, including the economy, access to mortgage funds, access to transportation, distance to employment centers and availability of housing types (single family, multi-family, rental and owner-occupied). Housing availability continues to be a challenge for households at or below 80% of the Area Median Income (AMI). Foreclosure actions have nearly doubled over the past few years. Despite the recent decline in house prices, the median price is well above what a household at 80% of AMI can afford. The number of renters whose household income excludes them from accessing affordable housing (housing costs that do not exceed 30%-35% of household income) continues to rise. Of the top 20

occupations in each county, many do not earn enough to afford Fair Market Rent on even a one-bedroom apartment. With the tighter underwriting requirements by lending institutions, an increased number of households have transitioned from the homeownership market to an already strained rental market.

Energy efficiency is a key to long-term affordability of all housing, but is critical for households at or below 80% of AMI. The reduction of household energy costs in all housing units within the region through educational programs and housing assistance programs continues to be a priority. The region is dependent on the support and collaboration of all public and private housing partners, including housing non-profit organizations, counseling agencies, lending institutions, public agencies, local governments and private housing developers.

The availability of quality affordable housing for a range of household incomes remains a concern in the Region. Proximity to transportation options and jobs is crucial.

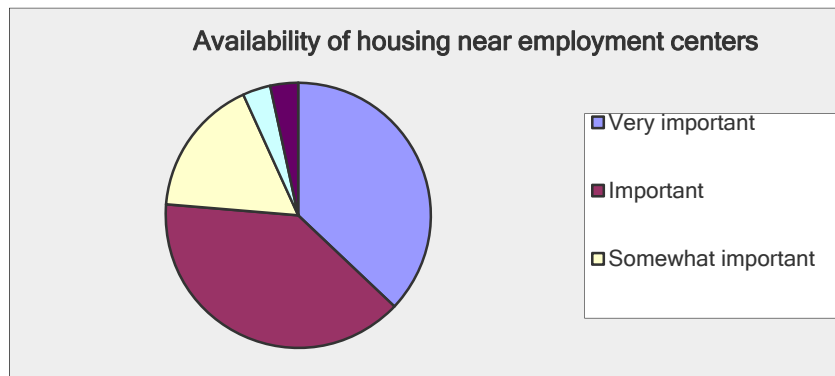
2006-2010 Median Household Income – LOSRC Region B					
Buncombe County	Henderson County	Madison County	Transylvania County	North Carolina	Entire United States
\$44,190	\$46,446	\$38,580	\$39,408	\$45,570	\$51,914

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¹⁶ U.S. Census, <http://quickfacts.census.gov>

Availability of Housing	
Answer Options	Response Percent
Very important	28.1%
Important	49.4%
Somewhat important	16.9%
Not important	5.6%
No opinion or you lack the information to comment	0.0%

Availability of Affordable Housing	
Answer Options	Response Percent
Very important	63.3%
Important	25.6%
Somewhat important	7.8%
Not important	2.2%
No opinion or you lack the information to comment	1.1%



LOSRC works with local governments and non-profits to expand the availability of affordable housing near jobs and transportation options.

Current projects include:

Broad River Terrace, The City of Brevard: The Broad River Terrace development is a 62-unit affordable rental development. The Land-of-Sky Regional Council is administering a Community Development Block Grant in the amount of \$250,000 to assist with water, sewer and flood/drainage site improvements. Total cost of the project is \$8,332,849. Estimated jobs created - 5. Estimated jobs retained - 15.

Cottages at Brevard, The City of Brevard: The Cottages at Brevard development will include 48 units of affordable rentals targeted to residents 55 and older. The Land-of-Sky Regional Council is administering a Community Development Block Grant in the amount of \$250,000 to assist with water, sewer and street improvements. Total cost of the project is estimated at \$6,362,111. Estimated jobs created - 5. Estimated jobs retained - 15.

Warm Company Expansion, Henderson County: The Land-of-Sky Regional Council is administering a Community Development Block Grant, Small Business Entrepreneurial Assistance grant in the amount of \$142,703 to extend public sewer to the Warm Company facility in Henderson County. The total cost for the facility expansion is \$2,882,147. Jobs created - 8.

Potential projects are:

Braeburn Apartments, The Town of Fletcher: The Land-of-Sky Regional Council will be preparing a Community Development Block Grant proposal in the amount of \$250,000 to provide infrastructure improvements in support of the Braeburn Apartments, a 56-unit affordable rental development.

Dodd Meadows, Henderson County: The Land-of-Sky Regional Council (LOSRC) will be preparing a Community Development Block Grant proposal in the amount of \$250,000 to provide infrastructure improvements in support of the Dodd Meadows housing development. Dodd Meadows is a Habitat for Humanity development that will provide 85 homes for low income families.

The Madison County Community Development Block Grant (CDBG) Scattered Site Program: LOSRC prepared a grant application for \$400,000 that will provide for the rehabilitation of 7 housing units and emergency repair of 8 housing units. The estimated construction jobs are 6.

The Madison County Community Development Block Grant (CDBG) Catalyst Program: LOSRC will prepare an application for \$500,000 that will provide for the rehabilitation of the Anderson Rosenwald School Building, the replacement of waterlines within the Long Ridge Community and completion of emergency repairs to 7 housing units. Estimated construction jobs are 8.

Transportation

Transportation issues continue to remain a priority for the Region. The high cost of infrastructure combined with the topographical environment in the mountains creates challenges for the development of transportation options.

The French Broad River Metropolitan Planning Organization (MPO) works cooperatively with the North Carolina Department of Transportation (NCDOT) to develop transportation plans, travel models, transit plans, and bicycle and pedestrian plans.

The MPO works with the state on funding issues for transportation improvements project planning issues and other issues such as environmental and air quality concerns. The MPO also works with local governments to coordinate land use and transportation planning.

Asheville Complete Streets Workshop: The French Broad River MPO is funding a Complete Streets Workshop (FY 2012-2013) to be implemented by the City of Asheville with assistance from national complete streets experts. This is a \$10,000 project with \$8,000 in Federal Highway Administration Planning funds and a \$2,000 local match. The City of Asheville has recently adopted a Complete Streets Policy, and the workshop will help bring stakeholders, engineers and planners together to work on solutions and “what if” scenarios for implementing complete streets principles in practice. The workshop will consist of a larger evening public meeting, open to the general public, followed

by a one-day intensive workshop for the key stakeholders. Complete streets are streets designed to serve all users; implementing complete streets in the region addresses one of the key MPO goals of reducing congestion through supporting alternative modes of transportation.

Buncombe Greenways Health Impact Assessment: The French Broad River MPO is funding a Rapid Health Impact Assessment for the Buncombe Greenways Master Plan. This is a \$20,000 study funded with \$16,000 in Federal Highway Administration Planning funds and a \$4,000 local match. The study will analyze the expected impact of planned greenways on Buncombe residents' behavior and public health outcomes. Health Impact Assessment is a relatively new tool in Western North Carolina and can be used to highlight the impact of planned transportation projects on community health. The primary consultant working on this study is a local small business. The study is expected to be finished by December 2012.

Waynesville North Main Street Complete Street Study: The French Broad River MPO is funding a \$35,000 North Main Street Study for the Town of Waynesville during the 2012-2013 Fiscal Year, with \$28,000 in Federal Highway Administration Planning funds and a \$7,000 local match. The study will analyze the existing and preferred cross-section along the corridor and will provide roadway and landscaping improvement recommendations (such as street realignment, addition of sidewalks and bike lanes, intersection configuration, etc.) This project will be open to bid process and will allow local engineering and consulting firms an

opportunity to compete for the study funds. Upon completion, the study will help put Waynesville in a more competitive position when applying for funding in the State Transportation Improvement Program to implement the recommendations. The study is expected to be finished by end of June 2013.

Regional Bicycle Plan (Blue Ridge Bike Plan) Study: The Land-of-Sky Regional Council, with assistance from French Broad River MPO staff and Land-of-Sky Rural Planning Organization staff, is continuing work on a two-year Regional Bicycle Plan study for a seven-county region including Buncombe, Haywood, Henderson, Jackson, Madison, Swain and Transylvania counties. Southwestern Rural Planning Organization staff has also been assisting in this project. This is a \$250,000 study expected to be completed in June 2013. The resulting bicycle plan will provide recommendations for infrastructure improvements and policy changes to support bicycling in Western North Carolina. As a result of implementing the plan over the next decade, it is expected that better bicycle infrastructure and more people bicycling will help achieve the goals of lower congestion, better air quality, accessibility and mobility, especially for low-income individuals, and healthier communities.

French Broad River MPO Comprehensive Transportation Plan (CTP) and Long-Range Transportation Plan (LRTP): The French Broad River MPO will be initiating the long-range transportation process of completing a CTP and LRTP in FY 2012-2013. The final CTP and LRTP are expected to be ready for adoption in the fall of 2015. CTP is a NCDOT-required long

range transportation plan for the region, not fiscally constrained. LRTP is a federally-required long-range transportation plan for the 2015-2040 time frame, and will include recommendations for roadway, transit, and bicycle and pedestrian projects. During FY 2012-2013, the preliminary work will include base year data collection (such as population and employment), and projection of population and employment for the time frame of the LRTP, out to 2040. The impact: LRTP and CTP are required by federal and state agencies, and will play a necessary role in prioritizing and identifying projects to be funded in the State Transportation Improvement Program (STIP) with state and federal funds.

On-Board Transit Survey: French Broad River MPO staff will be working with Asheville Transit and NCDOT Public Transportation Division to identify funding for an On-Board Transit Survey during the 2012-2013 fiscal year. An On-Board Transit Survey is a necessary component to better understand transit riders origins, destinations and travel patterns, and to update the Travel Demand Model (currently ongoing with NCDOT funding the Travel Demand Model update, and Parsons Brinckerhoff the primary consultant performing the work).

Household Travel Survey: The French Broad River MPO will be working with NCDOT Transportation Planning Division to identify the necessary local match to perform a Household Travel Survey for the region during FY 2012-2013. Similar to the On-Board Transit Survey, the Household Travel Survey is a necessary component of updating the Travel Demand Model for the region. Once local match funds are identified, a

consultant team will be selected through a bid process to perform the work.



The Land-of-Sky Rural Planning Organization (LOSRPO) is a voluntary organization of local governments working cooperatively with the North Carolina Department of Transportation (NCDOT) and local officials to enhance transportation planning opportunities for rural areas in our region.

Together, the members of the LOSRPO

- Develop long range transportation plans for the region
- Provide transportation-related information and data to local governments
- Develop and prioritize projects for the State Transportation Improvement Program (STIP)
- Provide a forum for public involvement in the transportation planning process.

Brevard Sub-TIP/Community Transportation Plan: During 2012-2013 Fiscal Year, RPO staff will work with Brevard staff to create a Sub-TIP or Community Transportation Plan. The focus of the plan will be to solicit stakeholder and public input to identify the most important transportation projects which can be implemented within a reasonable timeframe using NCDOT Division funds, local funding sources and federal and state transportation funding programmed in the STIP. The study is expected to be completed in June 2013.

Land-of-Sky RPO Locally-Coordinated Plan: Land-of-Sky RPO staff will be working on updating the Locally-Coordinated Plan due to be adopted in 2013. The study will identify public transportation and community transportation needs in the RPO region, not currently addressed with existing public transit services. The plan is a requirement and serves to support transportation providers' applications for Federal Transit Administration grant categories such as 5310 (Elderly and Disabled) and 5317 (New Freedom/Beyond ADA). In the past, Buncombe County/Mountain Mobility have been successful in securing a New Freedom grant to set up a voucher system for residents of Buncombe County, allowing them the transportation flexibility of using private taxi providers at a discounted rate when Mountain Mobility services were not available or not convenient.

Respondents to the 2012 CEDS Survey rated the adequacy and availability of local and region transportation services very important (40.4% and 32.2%).

WNC Pipeline Assistance Project (WNC PAP): Our region's mountainous topography restricts development potential. Due to these limitations, Natural Gas pipelines in our area often abut federal lands and unusually sensitive areas. In the event of natural gas leaks and explosions, drinking water sites and ecological areas are at risk of being compromised. Technical assistance will better equip local governments with tools to prevent and respond to such events. Land-of-Sky Regional Council will work with communities in a three-county region that contain natural gas pipelines. This multi-jurisdictional collaborative partnership will focus on

Buncombe, Haywood and Henderson Counties in the western region of North Carolina. Key aspects of the WNC PAP are: risk assessment, identifying a consultation zone, furthering public awareness, generating tools that will inform land-use planning and emergency response planning and assistance. Rich data sets will be generated providing data regarding valve stations locations, high consequence populations, unusually sensitive areas, and critical infrastructure.

Natural and Cultural Resources

Our natural landscape provides us with the fundamental necessities that support our physical, psychological, social, and economic health. It supplies us with clean water, fertile lands for growing food, producing fibers and other forest products; lands for recreation; and habitat that supports the region's unique populations of plants and animals. Our livelihoods and our very sense of who we are depend upon the health of our forests, our rivers, the productivity of our farmlands, and access to open spaces.

As our population grows and development covers more of the landscape, our natural communities become more and more fragmented, and begin to lose their resilience and ability to provide the goods and services that our communities rely upon. The *Linking Lands and Communities* project emerged from a need for better tools to help decision makers plan for new growth and development while maintaining healthy natural systems. This project is also about connecting planning for development with planning for conservation, in a holistic way for the long term.

Land-of-Sky Regional Council updated the Linking Lands and Communities data and tools in 2012 so they could be used in the GroWNC project. The project and tools were also shared with adjacent regions in 2011 and with Haywood County organizations in 2012. They are being used by a variety of organizations throughout the region and it is expected that additional projects and organizations will utilize the tools in the upcoming years. Land-of-Sky will continue to provide technical support and outreach assistance as requested.

Air Quality

The mission of the Land-of-Sky Clean Vehicles Coalition (CVC) is to improve the region's environment and economy by forming partnerships with public and private stakeholders to promote clean transportation solutions that reduce our dependence on imported petroleum.

The CVC works with local governments, private companies, fuel suppliers, vehicle manufacturers, state agencies, non-profits and other organizations to help vehicle fleets and consumers adopt clean alternative fuels and fuel economy improvements.

The CVC helps coalition partners purchase alternative fuel vehicles by identifying and securing funding for vehicles and infrastructure, educating fleet managers and policy makers about the benefits of alternative fuels, conducting fleet assessments to identify applications for alternative fuel vehicles, working with local and state governments to develop policies that facilitate alternative fuel vehicle

adoption, connecting alternative fuel/vehicle businesses with local clients, and providing a forum for industry partners and fleets to address technology barriers to reducing petroleum use.

The CVC is currently working with local stakeholders to draft an Asheville Area Plug-in Electric Vehicle Plan. Widespread plug-in electric vehicle (PEV) adoption in Western NC offers the potential to dramatically improve air quality, reduce greenhouse gas emissions, and create local jobs. Average well-to-wheel emissions from PEVs charged in North Carolina are 40% lower than for gasoline powered vehicles, and are being eliminated when paired with renewable energy. PEV adoption can also create new jobs for local charging station manufacturers, electricians, utilities and auto parts manufacturers. Up to 22,000 PEVs are forecasted to be sold in the Asheville region by 2020, but significant barriers exist that could hinder electric vehicle adoption. Over the past year the CVC has partnered with local governments, utilities, businesses, colleges, and non-profits to develop an Asheville Area PEV Plan with strategies to address these barriers and pursue related opportunities. This PEV Plan, which will be completed in late 2012, will guide future charging station and PEV deployment projects, and help attract additional funding to implement these projects.

The Land-of-Sky Regional Council will continue to keep abreast of air quality conditions and issues in the region and work with local, state and federal agencies to implement programs to lower emissions and to avoid Non-Attainment status under the federal Clean Air Act. Non-Attainment status

would harm our local economy by driving potential new industry away and impact existing businesses including our tourism industry. The Council will staff the Regional Clean Air Campaign that carries out an education and outreach program to inform community leaders and the general public of air quality issues and solutions.

The Council will also continue its *Clean Cities Program* and staff the Land-of-Sky Clean Vehicles Coalition that promotes the use of alternative fueled and advanced technology vehicles to reduce petroleum use and reduce mobile source emissions. Our Coalition became the 86th US Department of Energy designated Clean Cities Coalition in the nation in July 2012. Staff will work with fleet managers to assess their fleets, identify opportunities to utilize alternative fuels and secure grant funding for their projects. The Coalition assisted four fleets in securing over \$1 million in 2011-12 for their clean vehicles projects. We will also complete a Regional Electric Vehicle Readiness Plan and begin implementation activities including installing a network of EV charging stations across the region.

Water Quality

Land-of-Sky Regional Council staff assists member governments and other partners in addressing various water quality issues in the French Broad River Watershed including soil erosion and sedimentation, stormwater runoff pollution, septic tank failures and the elimination of straight piping of wastewater. Staff will continue to promote the protection of the region's drinking water sources that support economic

development in the region. We will continue serving on the NC Source Water Protection Collaborative, Mud Creek Watershed Restoration Council, Mills River Partnership, and Mountain Resources Commission's Technical Advisory Council.

The Norton Creek Watershed Restoration: The City of Brevard has partnered with the Council to develop a watershed management plan for Nicholson and Norton Creeks. The planning process will include a water monitoring component, community outreach and prioritization, stormwater inventory, and restoration recommendations. Staff will work with the city to integrate the watershed planning process with the parallel neighborhood small area planning effort to focus on economic development and community needs.

Brownfields

The Regional Brownfields Initiative (RBI) continues to seek funding through the Environmental Protection Agency (EPA) to provide assistance to non-causative property owners and prospective developers for the revitalization of abandoned or underutilized properties in the Region.

Reuse of abandoned or underutilized properties to encourage farmlands and forests was considered important or very important in both Gro-WNC public meetings as well as through the CEDS 2012 survey.

Using grants from EPA, over 40 properties were assessed for real or potential contamination and evaluated for redevelopment. Our Revolving Loan Fund Program provides low interest loans at attractive terms to developers and subgrants to local governments and non-profits to remediate properties for redevelopment. Through the use of these funds, over \$16 million dollars have been leveraged in our Region for revitalization projects. Partnering with the North Carolina Department of Environment and Natural Resources (NCDENR) and the Underground Storage Tank (UST) division of NCDENR, we will continue to provide assistance to property owners and developers to redevelop sites in a manner that is safe for the environment and human health. In 2012, the RBI provided \$500,000 in loans and subgrants for redevelopment projects. We will apply for FY 2013 funds for assessment of sites with hazardous substance and petroleum issues.

Revitalization and reutilization of idle and/or underutilized properties

Answer Options	Response Percent
Very important	44.4%
Important	42.2%
Somewhat important	11.1%
Not important	0.0%
No opinion or you lack the information to comment	2.2%

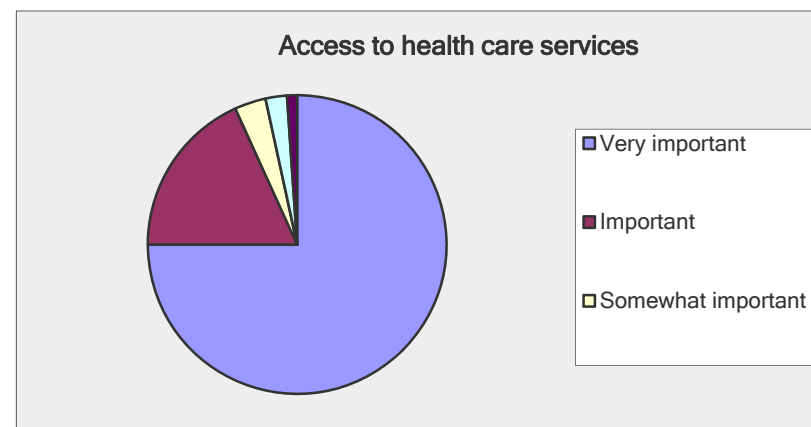
Encouraging reuse of abandoned or underutilized sites

Answer Options	Response Percent
Very important	53.9%
Important	30.3%
Somewhat important	12.4%
Not important	0.0%
No opinion or you lack the information to comment	3.4%

Health

Health and prosperity go hand and hand. Healthy people are productive and motivated employees and healthy communities reduce health care expenditures. For this reason, the Land-of-Sky Regional Council maintains a focus on the health and well-being of our region. In FY 2012, we focused on health as an important component of the GroWNC planning process with a work group dedicated to health and wellness. The work group's vision is to create a community where neighbors support each other and everything you need to live a healthy and full life is readily available where you live, learn, work, play and pray. In addition, the Land-of-Sky Regional Council's Area Agency on Aging is the recognized and designated entity for coordinating evidenced-based health promotion initiatives throughout the region. All such initiatives are focused on the triple aim format of (1) reducing health care expenses; (2) improving the patient experience; and (3) improving population health issues. The two primary contexts in which we address this triple aim are through the management of chronic health conditions and reducing the number of falls and fall-related injuries. To this end we train and coordinate evidence-based programs such as the Chronic Disease Self-Management Program, Diabetes Self-Management Program, Tomando Control de Su Salud (Chronic Disease Self-Management Program for Spanish speakers) and Positive Self-Management Program (for people with HIV/AIDS). In terms of fall prevention, we facilitate the WNC Fall Prevention Coalition and coordinate some of the related evidence-based programs – Matter of Balance, Tai Chi for Arthritis.

Finally, we acknowledge that it is important to provide equal access to these programs for those who are generally marginalized and do not have the opportunity to access such programs. In an effort to make the programs more inclusive, we work through the Buncombe county health equity team and the related delivery of programs through churches that serve African American and Latino Americans. The vision of health equity is also realized through the facilitation of the WNC LGBT (Lesbian Gay, Bisexual and Transgendered) Elder Advocates. This group aims to improve the quality of place of LGBT elders and has created an LGBT elder resource list and will be delivering an LGBT Elder Sensitivity training in October of 2012.



17

17 2012 CEDS Survey

METHODOLOGY FOR COOPERATING AND INTEGRATING THE CEDS WITH THE STATE'S ECONOMIC DEVELOPMENT PRIORITIES

The LOSRC CEDS will be integrated into the State of North Carolina's economic development through the NC Tomorrow Initiative and the following:

1. Through LOSRC's ongoing collaboration with our regional economic development partnership, AdvantageWest on regional projects;
2. Through our work with the State Energy Office, the NC Rural Economic Development Center, the NC Department of Commerce (including the Division of Community Assistance and the North Carolina ARC Program) on various economic development, energy, conservation, heritage and other projects;
3. Through LOSRC board members who also are board members of AdvantageWest;
4. Via the input into our online survey design by state agency staff and legislators;
5. Via continued participation in the Gro-WNC Project.

2013-2017 CEDS ACTION PLAN

In order to improve and promote the economic competitiveness of our region, LOSRC will take the following actions in relation to implementation of the 2013-2017 CEDS:

Job Creation

- Work with our local governments, regional partners, and others to assist with the implementation of the various economic development plans and strategies already in place.
- Work to continue to identify grant and funding opportunities to assist our local governments with the development of new infrastructure and the replacement of aging infrastructure.
- Work with a special focus to assist our partners in capitalizing on opportunities to grow small businesses, with a special focus on the areas of entrepreneurship, farm and food, specialty manufacturing, and energy.
- Assist our partners with maintaining our regional partnerships with numerous federal, state, and non-profit agencies.

Workforce Development

- Through Mountain Area Workforce Development Board, work to continue employee education efforts and to meet the job training requirements of new and existing businesses.
- Work with our workforce development partners, including A-B Tech and Blue Ridge Community College,

to ensure a highly trained workforce for our entire region.

- Encourage communication between workforce education efforts and local businesses and industries to ensure that job training needs are met

Quality of Place

- Work with local housing programs and housing development organizations to encourage the development of affordable housing with access to transportation options, health care facilities and other amenities.
- Continue to staff the Metropolitan Planning Organization (MPO) and the Rural Planning Organization (RPO) to encourage transportation options which are available to all residents of Region B.
- Work with local governments to diversify transportation options such as public transit, bike and pedestrian paths and assist with identification of funding sources for them.
- Work with local governments to encourage the use of energy-efficient and/or alternative fuel vehicles to ensure continued or improved air quality.

- Work to improve the region's environment and economy by forming partnerships with public and private stakeholders to promote clean transportation solutions that reduce our dependence on imported petroleum.
- Work to improve residential, commercial, and industrial sector energy performance through the promotion of sustainable design, energy efficiency, conservation, and advanced energy analytics.
- Work with the region's decision makers, community leaders, and landowners to recognize that sustaining high quality natural habitats enhance and sustain the region's economy and overall quality of place for its residents; and help to maintain or improve water resources, air quality, biodiversity and scenic viewsheds.
- Work with local governments and businesses to encourage the preservation of agricultural lands for farming and forest products by investing redevelopment efforts in existing commercial areas; encouraging the reuse of abandoned or underutilized sites; and investing in redevelopment where infrastructure exists.
- Work with local governments for a sustainable built environment that supports health promotion in the planning, assessment and intervention processes, including accessible and affordable transportation;

high air and water quality; access to physical activity; and healthy housing and work environments.

PERFORMANCE MEASURES

There are two types of performance measures for the 2013-2017 CEDS:

1. **Measurable objectives:**

- Number of new business start-ups
- Number of new jobs created
- Amount of capital invested in the region
- Number of clean-energy start-ups
- Percent jobs in agriculture and forestry economy
- Percent jobs in cultural resources economy (arts, heritage, and history)
- Employment growth in existing firms
- Workforce development program placement rates
- Number of firms relocating to or opening operations in the region
- Dollar value of locally produced goods
- Graduation and enrollment rates in area universities and colleges

2. **Measurable economic effects of the CEDS:**

- **Private and public investment** in the region after implementation of the CEDS
- **Jobs created** after implementation of the CEDS

- increased **ad valorem tax base** attributable to CEDS projects
- Increased **sales tax revenues** attributable to CEDS projects

APPENDIX ONE

○ Sources of funding for potential investments include:

- Z. Smith Reynolds Foundation
- The Community Foundation of Western North Carolina
- Blue Ridge National Heritage Area
- Economic Development Administration (EDA)
- Appalachian Regional Commission (ARC)
- State of North Carolina (EDTAG)
- US Environmental Protection Agency (USEPA)

○ Sources of funding for potential future transportation investments include:

- Federal Highway Administration (FHWA) (Eco-Logical grant)
- Z. Smith Reynolds Foundation
- The Community Foundation of Western North Carolina
- Blue Ridge National Heritage Area
- EDA
- ARC
- State of North Carolina (EDTAG)
- North Carolina General Assembly (new funds)
- Lyndhurst Foundation
- Local governments (in-kind)
- NC Division of Investment and Assistance (in-kind)
- Local Government Training Center at Western Carolina University (WCU) (in-kind)

○ Sources of funding for past transportation investments have included:

- North Carolina Department of Transportation (NCDOT) (RPO, MPO)
- Federal Highway Administration (FHWA) (MPO)
- US Department of Energy (USDOE) (Clean Cities Program)
- NC State Energy Office
- NC Solar Center
- Z. Smith Reynolds Foundation

- EDA
- ARC
- State of North Carolina (EDTAG)
- US Environmental Protection Agency (USEPA) (SAMI project)

○ Sources of funding for potential future transportation investments include:

- NCDOT (RPO, MPO)
- FHWA (MPO)
- USDOE (Clean Cities Program)
- NC State Energy Office
- NC Solar Center
- Z. Smith Reynolds Foundation
- The Community Foundation of Western North Carolina
- EDA
- ARC
- State of North Carolina (EDTAG)
- Local governments (in-kind)
- NC Division of Community Assistance (in-kind)
- Local Government Training Center at WCU (in-kind)

○ Sources of funding for past housing investments have included:

- NC Small Cities Community Development Block Grant (CDBG) Program
- NC Housing Finance Agency
- USDA Rural Development (Housing Preservation Grant)
- Local governments (cash match and in-kind)
- Habitat for Humanity
- Z. Smith Reynolds Foundation
- EDA
- ARC
- State of North Carolina (EDTAG)

- Sources of funding for potential future housing investments include:
 - NC Small Cities CDBG Program
 - NC Housing Finance Agency
 - USDA Rural Development (Housing Preservation Grant)
 - Local governments (cash match and in-kind)
 - Habitat for Humanity
 - Z. Smith Reynolds Foundation
 - The Community Foundation of Western North Carolina
 - EDA
 - ARC
 - State of North Carolina (EDTAG)
 - Golden Leaf Foundation

- Sources of funding for past Brownfields investments have included:
 - Local governments
 - Other site owners
 - Private developers
 - EPA
 - AdvantageWest
 - NC Rural Center
 - EDA
 - ARC
 - State of North Carolina (EDTAG)

- Sources of funding for potential future Brownfields investments include:
 - Local governments
 - Other site owners
 - Private developers
 - EPA
 - AdvantageWest
 - NC Rural Center
 - EDA
 - ARC
 - State of North Carolina (EDTAG)

APPENDIX TWO

Why our natural resources are important to our economy (a few reasons)

Our region's economy is largely based on our natural resources and cultural assets. Views of rural areas and forested mountains drew more than 20 million visitors to the Blue Ridge Parkway and generated over \$2 billion annually in tourism spending (Blue Ridge News, Summer 2002, Vol. 2, p.7). Almost ten percent of the region's jobs are in the travel and tourism industry. Many people visit the region to hike and camp in the forests, fish in the mountain streams and enjoy the beautiful outdoors in other ways.

A few findings from a 2006 study done for the 25-county Blue Ridge National Heritage Area (*Measurement of the Economic Vitality of The Blue Ridge National Heritage Area, Section III: An Analysis of Secondary Data and Economic Impact* - <http://www.blueridgeheritage.com/partners/research2>):

- According to the Travel Industry Association of America's figures for 2004, travel and tourism is approximately a \$2 billion industry in the Blue Ridge Heritage Area.
- On average, 14.4 percent of total retail sales were generated by tourism.
- Combined, travel and tourism has contributed over \$2.8 billion and almost 46,000 jobs to the Blue Ridge National Heritage Area.

A survey of visitors to the Blue Ridge Parkway Visitor Center in October and November 2010 showed that:

- The most popular activities for respondents while visiting the Western Carolina region include: hiking/walking (50%), waterfalls (50%), historical site/museum (42%), art gallery/fair/exhibit (37%) and shopping (37%).

Survey report available here:

<http://www.blueridgeheritage.com/partners/research2>

A newspaper column by John Swann (Asheville Citizen-Times) states that Sierra Nevada Brewing will invest \$107.5 million in a new facility in Henderson County and create 175 full- and part-time jobs. Here are items from their website:

Why are you coming to the greater Asheville area, NC?

We were charmed by the people and environment in Asheville. We love the sense of the outdoors and connection to the land, as well as the amazing beer culture and brewing scene that's sprung up over the past decade.

Will you be using local contractors/workers and locally manufactured construction materials to build the new facility?

Absolutely, we expect to hire between 20 and 40 construction jobs, depending on the stage of the project. Our goal is to provide as many local construction opportunities for workers and companies as possible, and seek to purchase materials locally whenever possible.

From Sierra Nevada's website : http://www.sierranevada.com/faqs_nc.asp

APPENDIX THREE

BUNCOMBE

Asheville

Biltmore Forest

Black Mountain

Montreat

Weaverville

Woodfin

HENDERSON

Flat Rock

Fletcher

Hendersonville

Laurel Park

MADISON

Hot Springs

Marshall

Mars Hill

TRANSYLVANIA

Brevard

Rosman

CEDS STRATEGY COMMITTEE

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Lyuba Zuyeva

APPENDIX FOUR

GroWNC Existing Conditions Report, May 2012

Henderson County Economic Development Master Plan

<http://gohendersoncountync.org/dyn.php?page=plan.php>

Asheville 5x5 Plan

<http://www.ashevillechamber.org/economic-development/asheville-5x5-campaign-5-year-plan-job-creation>

2010-2012 Transylvania County Economic Development Strategic Plan

<http://econdev.transylvaniacounty.org/20102012EconDevStrategicPlan.pdf>

Clean Energy Cluster Analysis

ftp://landofskygis.org/EvolveEnergy%20Partnership/WNC%20Clean%20Energy%20Cluster%20Analysis_RFS_9.28.11.pdf

Growing Local - Expanding the Western North Carolina Food and Farm Economy

<http://www.asapconnections.org/special/research/Reports/GrowingLocal.pdf>

Expanding the Natural Products Economy in Western North Carolina

<http://www.advantagegreen.org/clusters/natural-products/>

Vision Plan for the Economy of the AdvantageWest Region of North Carolina and Supporting Report

http://www.regiona.org/wp-content/.../AdvWest_plan_and_report1.pdf

Asheville HUB Project

<http://www.ashevillehub.com/>