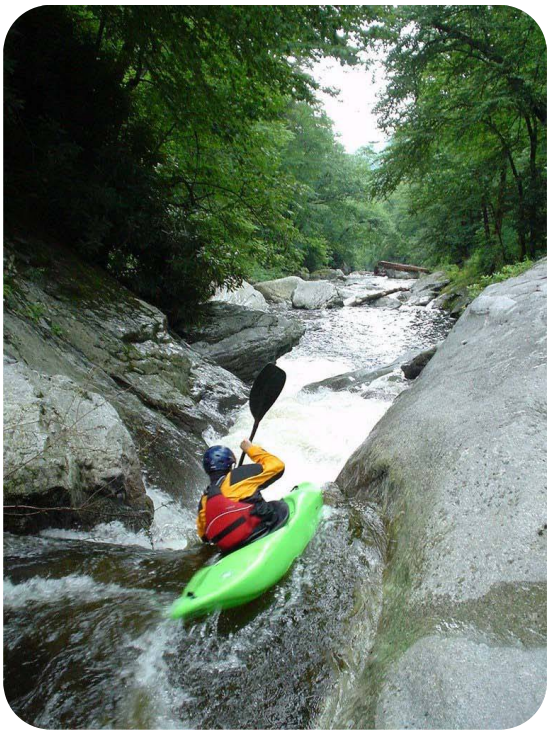
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY 2011



Prepared by

Southwestern North Carolina Economic Development District
September 2011

1. BACKGROUND OF THE ECONOMIC DEVELOPMENT SITUATION OF THE DISTRICT

A. Economy

Beginning with the industrial revolution and through the 1950s, economic development in western North Carolina was based on natural resources: timber, agriculture, mining, pulp and paper. In the 1950s the District's economic growth shifted to low-wage, low-skill factory operators. Cut-and-sew textiles and furniture became dominant. Also, electronic products assembly gained a respectable percentage of the District's gross product.

The middle of the last century also brought the first waves of middle class tourists and destination entertainment facilities such as Ghost Town, gem mining businesses and tourism related to the Eastern Band Cherokee Reservation. The end of the last century saw the growth of water, nature and heritage-based recreation businesses such as whitewater sports, mountain biking, and crafts promoted by Handmade in America and other professional craft organizations. At that same time there was a growth of high-end cast and machined metal products (e.g. shop tools and transmission gears).

This new century has ushered in changes. Harrah's Casino in Cherokee is now the top entertainment draw in NC, and its establishment has resulted in the creation of more than 2,000 new jobs. The Casino's ongoing $633 Million expansion has opened a 3000+ seat music venue and a Ruth's Chris Steak House, with a noodle bar and a Tuscan Grille to be completed in the spring of 2012. Other expected amenities in 2012 include a 15,000 square foot Mandara Spa and a refurbished casino floor with 4,500 to 5,000 slot machines. Travel and tourism are the major drivers in the growth of the retail/services sector in the District, as well as in the state. Travel and tourism generate over $14 billion statewide and continue to grow albeit more slowly than before 2007. It is the largest industry in western North Carolina and is expected to be the largest state industry early in the 21st century. According to a joint study by Appalachian State University, Western Carolina University, and the Blue Ridge National Heritage Area, tourism has created over 46,000 tourism-related jobs in Western North Carolina since 1990. In the Smoky Mountain Host region (the EDD), tourism has generated over 7,400 jobs in the same period.

The most popular tourist destination in North Carolina is the Blue Ridge Parkway which travels through Jackson and Haywood Counties in the District. The eleventh most

visited destination in the state is Harrah's Casino in Cherokee and the thirteenth most popular destination is The Great Smoky Mountains National Park. The Great Smoky Mountain National Park's visitation numbers for 2010 were around 9.5 million visitors, slightly down from 2009.

Aside from concerns regarding social impacts and possible transfer of tourism dollars, the greater worry for the District is that a retail/services based economy means generally low wages and seasonal employment. The Casino is one of the few tourist industries to offer year round employment. The average weekly tourism related job in the District pays just over $16,000, significantly lower than manufacturing job wages. With the shrinking number of manufacturing jobs and an increasing number of service industry jobs, the average weekly wage is falling even more.

Green infrastructure in the form of greenways, working farms and forests, and wild and scenic waterways is now an element of all local and regional economic development strategies. Efforts to preserve watersheds and environmentally sensitive areas are rapidly gaining support. Local food and buy local movements continue to enhance and support the existing agricultural sector.

The pulp and paper industry remains viable but fragile in western North Carolina. In Haywood County, a former Champion International mill that was purchased 16 years ago by its employees was sold in August, 2007 to New Zealand-based Rank Group. With the new name "Evergreen Packaging Group" and approximately 2,000 employees at two Haywood County mills, this mill was until recently the largest employee-owned paper mill in the world.

Technical knowledge-based jobs are witnessing the highest growth rate of any sector. Drake Enterprises with over 600 employees in Macon, Jackson and Clay Counties pioneered electronic tax filing software and still provides the nation's leading electronic tax filing service. In a partnership between the Eastern Band of Cherokee Indians and Drake Enterprises, over fourteen million dollars have been invested toward creating a 300+ mile fiber optic ring in the District. BalsamWest FiberNet LLC provides broadband connectivity at urban prices and capacity. Coupled with several public sector investments obtained by the District's congressman and from private foundations, the District is poised to become a location for additional software and knowledge-based employers.

Drake's tax preparation software service has expanded within the region by adding another telephone call center in Clay County, creating 25 new jobs, to complement the

existing customer service call centers in Franklin and Sylva. The BalsamWest fiber optic internet ring allows seamless service and coordination among the three call centers.

In the District's far west, a cluster of metal machining industries that together employ over 700 people has created a common training complex with assistance from Tri-County Community College. A new $1 Billion Volkswagen manufacturing plant began operations in Chattanooga, TN in May 2011. The plant is expected to utilize manufacturing companies in the far western part of the region as sub-contractors. A July 2011 press release indicated that the plant has hired its 2000th employee.

Across the region the second home market which had remained immune to recessions and economic dips for the past 25 years is now beginning to grow again after suffering a considerable slowdown in 2008 and 2009. The downturn may have had an unpredicted positive effect in that during the slow building period, counties and municipalities were able to plan for better management of development. For example, several counties in western North Carolina have put steep slope ordinances in place.

There is growing support for smart growth in the area. Although the area has a history of opposing zoning and planning, the past explosion in second home construction and the growing number of RV and mobile home communities and small-lot housing developments generated great concern. Among the primary issues are ridge top construction, construction on steep slopes with landslide potential, water resource protection, old growth forest preservation and erosion control. Communities in the District now question the benefits of a rapidly growing second home construction industry without adequate planning. Rapid construction of pre-fabricated buildings which have little architectural appeal along business corridors results in poor planning for traffic patterns and careless excavation. Earth removal at construction sites is also a growing concern as more mountainous terrain is leveled.

A workshop for regional leaders was hosted in 2007 by the EDD and partner Western Carolina University where issues regarding steep slope development, adequate soil evaluation for construction, wells, septic systems, residential water safety and water availability were discussed. The two priorities of the attendees were development on unstable slopes and the protection of rivers and streams. As a result of the workshop the Mountain Landscapes Initiative was created. The Initiative was used to develop a Toolbox of best models and strategies for local leaders to use in managing growth, educating the public and developing ordinances and regulations. This innovative project received a Trailblazer Award from the

National Association of Development Organizations in August, 2010. The implementation of best practices now has funding available in the form of mini-grants.

The Institute for the Economy and the Future at Western Carolina conducted a study in 2006 to determine the economic and environmental effects of the second home construction industry in Haywood County. The perception was that this segment of the construction industry is the primary economic driver in several counties. The study indicated that the construction industry was one of the largest employer groups in the region but that the industry did not provide career employment and supplies few employee benefits such as insurance or retirement assistance. Land and subdivision developers and real estate professionals benefited most from the industry, but it did little to provide career employment for a large number of people.

B. Population

Evaluation of recently released 2010 Census data indicates that two Southwestern NC EDD counties outpaced the state in population growth for the period between 2000 and 2010. North Carolina experienced an 18.5% growth rate for this time period. The table below shows actual growth rates using the 2000 and 2010 Census Data for the counties within the EDD.

County	*Cherokee*	***Clay***	*Graham*	*Haywood*	***Jackson***	*Macon*	*Swain*
%Growth	12.9	**20.6**	10.9	9.3	**21.6**	13.8	7.8

During the period between 2010 and 2020, the counties within the District forecasted population growth rates vary widely. April 2011 projections expect the State to grow at a rate of 15.8% for this time period. The following table lists the expected growth rates by individual counties within the district.

County	*Cherokee*	*Clay*	*Graham*	*Haywood*	***Jackson***	*Macon*	*Swain*
%Growth	12.9	15.0	13.5	8.8	**16.5**	3.3	11.5

Further analysis shows that the age group of 18 and younger will further decline during the same period by 6% (the State will increase 8%) while the age group of 55+ will continue its growth at a rate of 39%. This means that by 2020 nearly 43% of the District's population will be "gray." The data show that growth of female and minority residents has remained steady over the last twenty years, with accelerated growth in the Hispanic population. Analysis of current Census data indicates that the Hispanic population growth in

the District has tracked state and national trends. Locally, the Hispanic population is growing rapidly while the Black population is declining. Traditionally, the Hispanic population is undercounted. The Native American (primarily Cherokee) population has remained constant at 5%. Socioeconomic data from the 2000 Census indicate that the District is becoming relatively more affluent. Poverty rates for the District show an overall decrease of .8%, while the state poverty rate increased by 2%. Only two counties, Haywood (+1.1%) and Jackson (+0.6%), showed an increase. However, per capita income, while increasing for each county, still remains at 56% to 76% of the state's per capita income.

Region: Southwestern Economic Development District

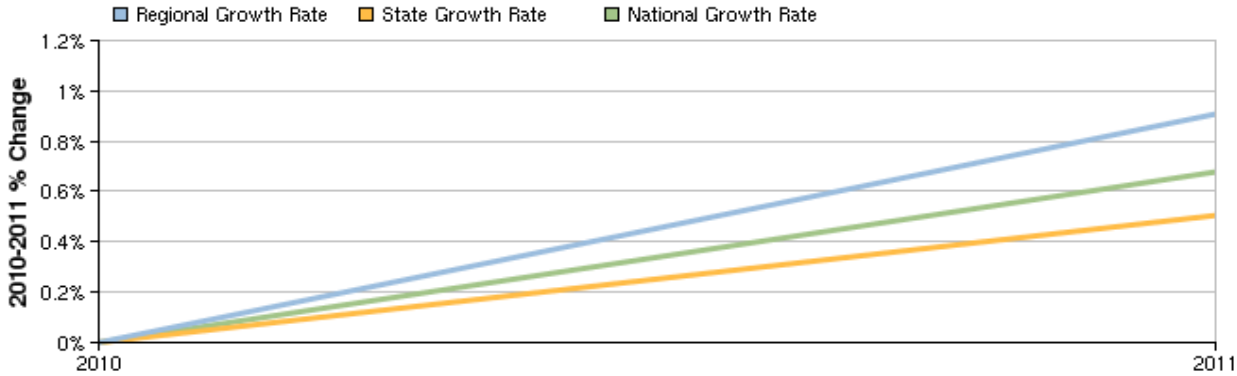
County Areas: Cherokee, North Carolina (37039), Clay, North Carolina (37043), Graham, North Carolina (37075), Haywood, North Carolina (37087), Jackson, North Carolina (37099), Macon, North Carolina (37113), Swain, North Carolina (37173)

Industry Statistics

Interestingly, the following data charts show that job growth rates in the region are exceeding the state and national growth rates.

Basic Information	
2010 Industry Jobs	86,418
2011 Industry Jobs	87,203
Total Change	785
Total % Change	0.91%
2011 Average Earnings per Worker	$32,966

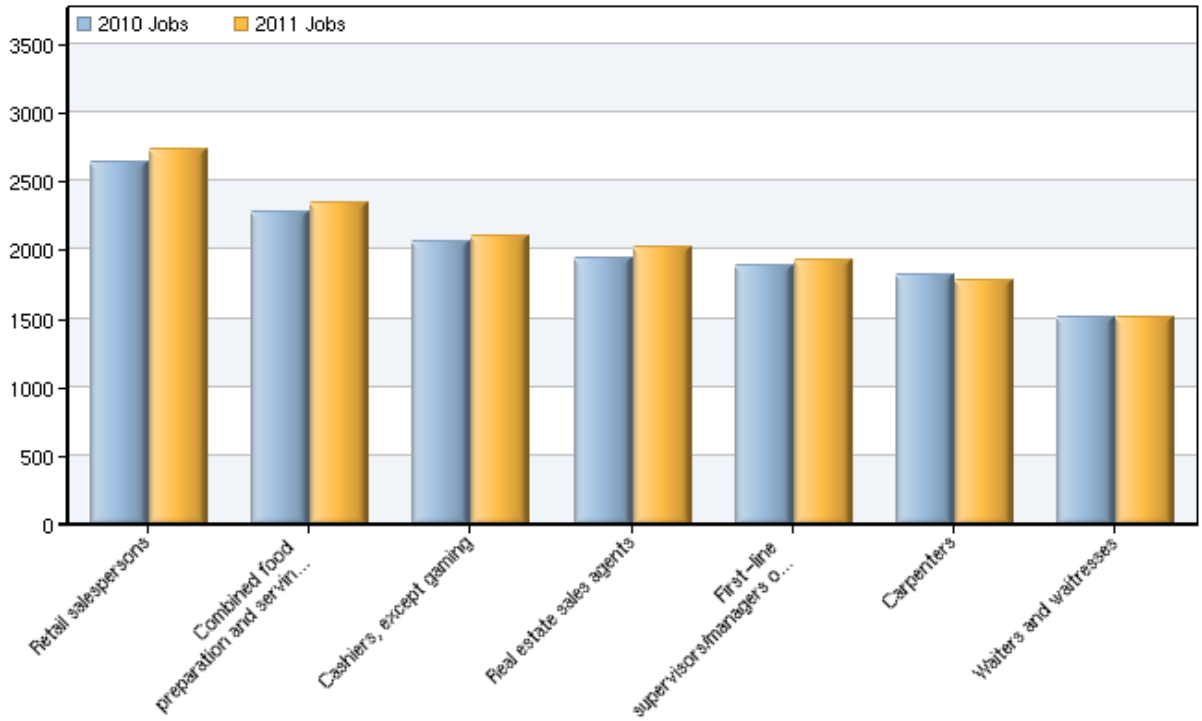
Industry Change Summary



Description	2010 Jobs	2011 Jobs	Change	% Change	2011 EPW	2010 Establishments
Regional Total	86,418	87,203	785	1%	$32,966	5,426
State Total	4,828,532	4,852,917	24,385	1%	$45,943	229,738
National Total	160,318,258	161,405,041	1,086,783	1%	$51,572	8,274,798

Source: EMSI Complete Employment - 2011.3

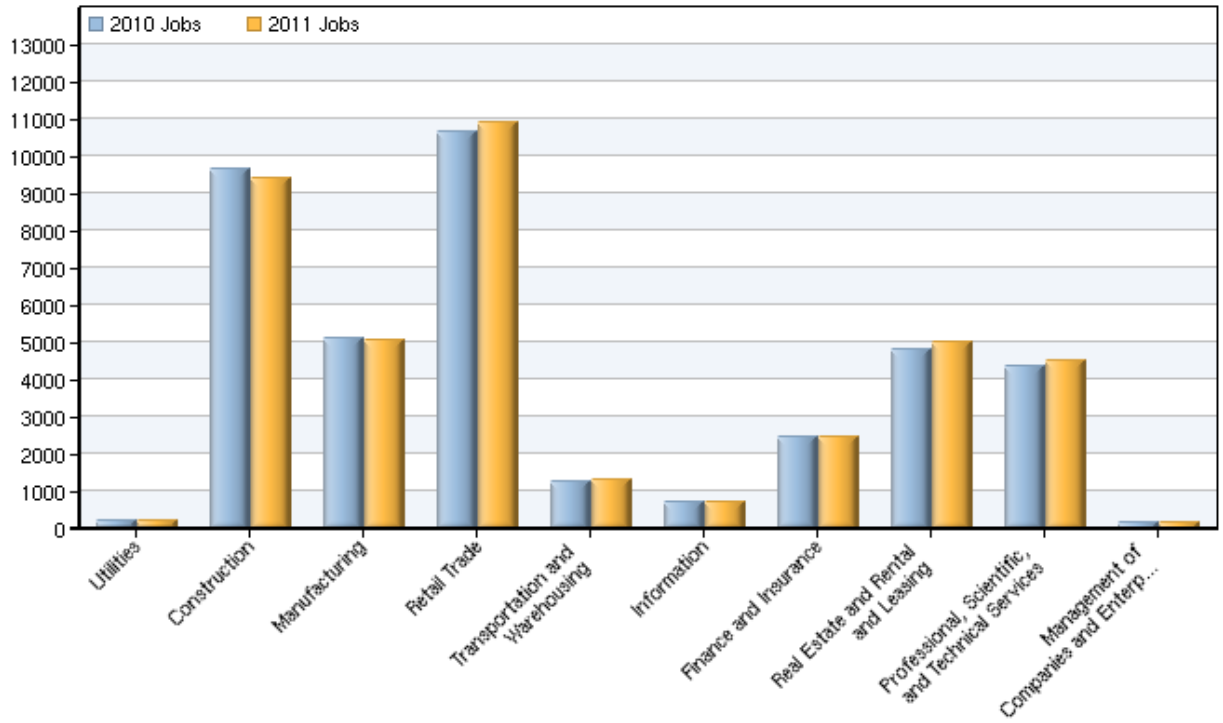
Industry Change Summary



SOC Code	Name	2010 Jobs	2011 Jobs	Change	% Change
41-2031	Retail salespersons	2,644	2,733	89	3%
35-3021	Combined food preparation and serving workers, including fast food	2,277	2,342	65	3%
41-2011	Cashiers, except gaming	2,063	2,100	37	2%
41-9022	Real estate sales agents	1,933	2,018	85	4%
41-1011	First-line supervisors/managers of retail sales workers	1,886	1,929	43	2%
47-2031	Carpenters	1,821	1,775	-46	-3%
35-3031	Waiters and waitresses	1,503	1,509	6	0%

Source: EMSI Complete Employment - 2011.3

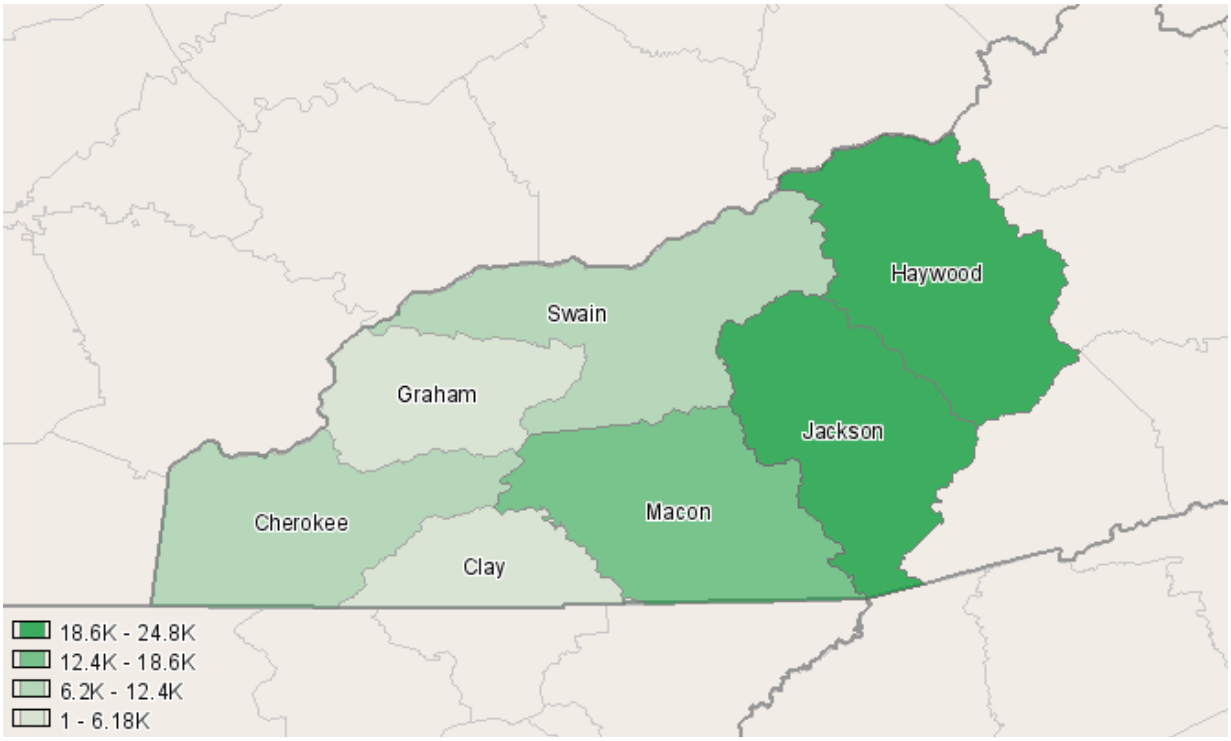
Industry Breakdown



NAICS Code	Description	2010 Jobs	2011 Jobs	2011 EPW	2010 Establishments
22	Utilities	192	191	$101,671	11
23	Construction	9,634	9,415	$33,200	1,077
31-33	Manufacturing	5,115	5,062	$51,772	178
44-45	Retail Trade	10,645	10,920	$26,094	941
48-49	Transportation and Warehousing	1,271	1,287	$43,620	115
51	Information	699	712	$44,813	85
52	Finance and Insurance	2,435	2,435	$48,831	224
53	Real Estate and Rental and Leasing	4,784	5,007	$12,334	273
54	Professional, Scientific, and Technical Services	4,362	4,515	$37,153	443
55	Management of Companies and Enterprises	150	151	$44,882	19
56	Administrative and Support and Waste Management and Remediation Services	4,368	4,650	$16,718	273
61	Educational Services	1,034	1,087	$22,926	30
62	Health Care and Social Assistance	9,293	9,124	$39,034	439
71	Arts, Entertainment, and Recreation	2,442	2,422	$20,681	90
72	Accommodation and Food Services	7,977	8,088	$17,755	561
81	Other Services (except Public Administration)	4,888	5,002	$20,566	382
90	Government	17,128	17,135	$46,520	287
	Total	86,418	87,203	$32,966	5,426

Source: EMSI Complete Employment - 2011.3

Industry Distribution



County	2010 Jobs
Haywood, NC (37087)	24,713
Jackson, NC (37099)	19,703
Macon, NC (37113)	15,720
Cherokee, NC (37039)	11,925
Swain, NC (37173)	7,537
Graham, NC (37075)	3,455
Clay, NC (37043)	3,364

Source: EMSI Complete Employment - 2011.3

Data Sources and Calculations

Industry Data

In order to capture a complete picture of industry employment, EMSI basically combines covered employment data from Quarterly Census of Employment and Wages (QCEW) produced by the Department of Labor with total employment data in Regional Economic Information System (REIS) published by the Bureau of Economic Analysis (BEA), augmented with County Business Patterns (CBP) and Nonemployer Statistics (NES) published by the U.S. Census Bureau. Projections are based on the latest available EMSI industry data, 15-year past local trends in each industry, growth rates in statewide and (where available) sub-state area industry projections published by individual state agencies, and (in part) growth rates in national projections from the Bureau of Labor Statistics.

Occupation Data

Organizing regional employment information by occupation provides a workforce-oriented view of the regional economy. EMSI's occupation data are based on EMSI's industry data and regional staffing patterns taken from the Occupational Employment Statistics program (U.S. Bureau of Labor Statistics). Wage information is partially derived from the American Community Survey. The occupation-to-program (SOC-to-CIP) crosswalk is based on one from the U.S. Department of Education, with customizations by EMSI.

State Data Sources

This report uses state data from the following agencies: North Carolina Employment Security Commission, Labor Market Information Division.

C. Geography

The Southwestern Commission is a local development district (LDD) comprised of seven counties (Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain) in the westernmost portion of North Carolina. The majority of the region is rural and forested, with a total land area of 3098 square miles and a 2010 population of 194,102. More than 70% of the region is public land, which is substantial relative to other areas in the eastern US. This public land includes two National Parks (The Great Smokies and the Blue Ridge Parkway), two National Forests (Nantahala and Pisgah), four TVA lakes (Appalachia, Chatuge, Fontana and Hiwassee) and the Eastern Band of Cherokee Indians.

The Blue Ridge Mountain Range on the east and the Unaka Mountains on the west form the north-south boundaries of the Southern Highlands with various ranges, including the Balsam, Snowbird, Nantahala, and Cowee ranges forming the cross bars. Between these transverse ranges are valleys of varying length and width, each with its own river system. The more mature valleys have fairly broad floors and gently rolling to hilly slopes. Steep slopes and rapid streams characterize the more youthful areas with little or no flat land for development. The gently sloping river plains have supported the majority of the District's population in the past, and they can be expected to do so in the future. Although all but the most severe of topographic limitations can be overcome, the expense of overcoming them can be prohibitive. The problems of development on slopes in excess of 30% severely limit any major construction. Approximately 66% of the District's land (both the public and the privately held) have slopes over 30%.

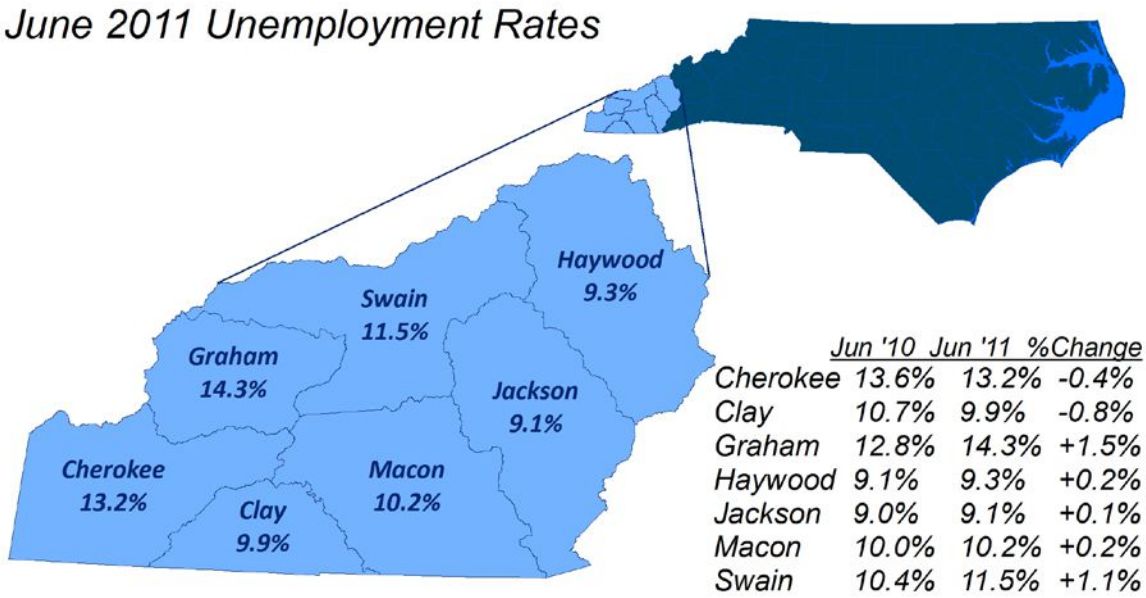
Cherokee County has the most developable land (less than 16 % slope). Much of this land is located in the broad Valley River valley. The county with the least developable land, Graham, is northeast of Cherokee County. Over 90% of the county has slope in excess of 30%.

With more than 70% of land in public ownership, there is a lower than usual local property tax base. This forces development pressure to the remaining private property and raises the price of the relatively "scarce" private land.

D. Workforce Development

Statistics from the US Department of Labor from June, 2011 show that there are 90,457 people in the District's workforce, up from 90,114 people in June, 2010. The largest numbers of workers in the District are employed by the federal, state, or local governments

followed by retail businesses and construction. The unemployment rates per individual counties are listed on the following graphic:



A multi-regional workforce development summit was held on April 8, 2007 in Asheville with more than three hundred people in attendance and 11 counties represented. The summit was created by a partnership of the Southwestern Workforce Development Board (totally within the EDD), the Mountain Area Workforce Development Board, AdvantageWest, the Asheville Chamber of Commerce and partners in education. Sponsors included AT&T, Mission Hospitals, Progress Energy, and Western Carolina Industries. The three areas of focus were: Healthcare, Hospitality and Tourism, and Advanced Manufacturing. Top priorities for the eleven-county region were identified as follows:

- Career education for K-12 students
- Attracting an aging workforce
- Cost of Living – Housing, energy, childcare, transportation, health & wellness
- Public Relations
- Soft Skills and Life Skills

E. Educational Issues

The Southwestern Workforce Development Consortium, a division of the EDD, has been working with local community colleges and school boards to improve the soft skills and work ethics of the workforce and to reduce the dropout rate and foster GED achievement.

The EDD is served by three community colleges and one university that provide degree and vocational certificate programs and continuing education to the workforce. Tri-County Community College is in partnership with area manufacturers to train machinists for three local companies. Haywood Community College has one of the few programs in the country that provide training in crafts production and entrepreneurial skills for marketing these products.

In 2010 the EDD received a grant of $300,000 from the Appalachian Regional Commission matched by $494,000 in local funding to assist the three community colleges in the region in developing "green workforce" training programs.

Efforts to improve the high school dropout rate appear to be working as indicated by the chart below.

	Count			Rate	
School System	***2008-09***	***2009-10***	***% Change***	***2008-09***	***2009-10***
Cherokee County Schools	38	25	-34%	3.18	2.15
Clay County Schools	7	12	71.4%	1.75	2.97
Graham County Schools	9	10	11%	2.61	2.70
Haywood County Schools	98	81	-17.3%	3.96	3.26
Jackson County Schools	73	32	-56.2%	6.56	3.04
Macon County Schools	64	47	-26.6%	4.56	3.41
Swain County Schools	42	41	-2.4%	6.33	6.11

Source: NCDPI Consolidation Report

With national estimates of new computer networking-related jobs ranging between 190,000 to 350,000 annually and the shift to the internet economy already underway in the District, it becomes apparent that the District must develop and maintain an internet savvy workforce to remain competitive. All three community colleges in the District and Western Carolina University are working to increase information technology and internet skills training. However, significant funding and resources will be needed to maintain these training efforts.

As in most rural areas the workforce is dependent on personal transportation to travel long distances for work. A large number of workers in the District commute over twenty miles to work or to educational institutions. Reasonably good highways in all but the extreme western part of the District have had a positive effect on workers having greater choices in locating job opportunities.

In 2009, The Workforce Development Consortium used funding from an *Incumbent Worker Program* under the Workforce Investment Act to assist employers in developing employee skills and increasing productivity.

The following enterprises were awarded grants for incumbent worker training in October 2009:

Angel Medical Center - Macon County - awarded $25,000 to train 40 employees in Lean Implementation Culture and Development.

Haywood Vocational Opportunities - Haywood County - awarded $7,350 to train 17 employees in Integrator Electronic Data Interchange (EDI) for Key IBS Users.

Con-Met - Swain County - awarded $14,445 to train 25 employees in Applied Industrial Ergonomics.

F. Transportation

The District is located within 500 miles of most major eastern cities and over half the U.S. population. Highway access eastward toward Asheville/Charlotte and eastern seaboard markets is via I-40 that runs through Haywood County. In 2009 and 2010, rock slides blocked this artery for longer than 6 months, negatively affecting the transport of goods into and out of the area. There was also a negative impact on tourism. I-40 is the western route to Knoxville/Nashville, Tennessee and the Ohio Valley. Chattanooga, Tennessee and the Mississippi Valley are accessed via U.S. Highway 64 from Murphy in Cherokee County. Rock slides on this route multiplied the negative effect of the slides on I-40 cutting off the region from eastern Tennessee.

Atlanta and the cities to the south are accessed via U.S. Highway 441 that runs south from Franklin in Macon County. Two of these routes are part of the nearly complete Appalachian

Corridor system. Corridor K (which includes portions of U.S. 23, 64, 74, 129, and 441) is complete from I-40 near Waynesville west to the Tennessee state line near Murphy, except for the two-lane road through the Nantahala Gorge. Construction to bypass the Gorge and provide access to Graham County is now underway. Corridor A (which includes portions of U.S. 23, 64, and 441) breaks south from Corridor K near Sylva and goes to Atlanta. It is complete to the Georgia state line.

Improvements in the highway system have reduced transportation costs, opened scenic routes to tourists, and increased the mobility of the residents. However, highway transportation improvements continue to be critical to the District because several major "bottlenecks" still exist. Cherokee, Clay and Graham Counties are not accessible in any direction via a four-lane road. Cherokee and Clay, however, are within close proximity to four-lane access south toward Atlanta. Graham County can only be accessed from any direction via curvy two-lane highways although another section of Corridor K has been four-laned from Highway 19 in Swain County to Stecoah Gap in Graham County. The southern portions of Jackson and Macon Counties (Glenville-Cashiers and Highlands) have only narrow, curvy two-lane access. The opening of the Cherohala Skyway between Robbinsville in Graham County and Townsend, Tennessee is funneling an increased amount of tourist traffic into Graham County. This has increased the demand for local amenities to serve this traffic. In short, efforts need to be continued toward the completion of Appalachian Corridor K in North Carolina and in Tennessee to Chattanooga.

Norfolk-Southern Railway and the Great Smoky Mountain Railroad (GSMR) provide rail transportation that together bisects the District from Asheville west to Andrews. Norfolk-Southern Railroad freight stops are located at Canton, Clyde, Waynesville, and Sylva. The GSMR has stops at Sylva, Dillsboro, Bryson City, Nantahala Gorge, and Andrews. This route is primarily an excursion route for tourism provided by the GSMR. It should be noted that these rail lines are aging and will need major repairs to meet basic standards of safety.

The EDD is readily accessible by air. A major commercial airport is located in nearby Asheville. The District's three lighted and paved airports which can accommodate general aviation aircraft are: Western Carolina Regional Airport in Cherokee County with a 5,500 foot runway; Macon County, with a 5000 foot runway; and Jackson County, with a 3,000 foot runway. Local officials have recently expanded and upgraded both the Western Carolina Regional Airport and the Franklin airports. The Western Carolina Regional Airport has recently been upgraded to handle commercial jets, thus opening up the western part of the District to

activities requiring this capacity. At the Asheville Regional Airport commercial airlines provide connecting service to major cities

Regionally, a concerted effort toward developing pedestrian friendly and bicycle friendly communities has begun. In Jackson County NC Highway 107 near Western Carolina University now has bike lanes as does US Highway 441 in the business district of Cherokee. Old sidewalks in Franklin are being repaired and new sidewalks are being constructed to connect existing sidewalks to the greenway. The North Carolina Department of Transportation is now including pedestrian and bicycle components in new road plans where feasible throughout the area.

In December 2001, the EDD was designated by the Secretary of the N.C. Department of Transportation (NCDOT) as The Rural Transportation Planning Organization (RPO). The RPO now has active committees in every county and facilitates monthly meetings through coordinated efforts of the regional Department of Transportation engineer. The RPOs in North Carolina are now responsible for prioritizing projects in their respected regions as part of the State's prioritization effort. As of September 2011 the current list in draft format and expected to be adopted by the RPO policy committee late in September. The region's draft top 25 highway projects are as follows:

Rank	County	Route	Project
1	Jackson	NC 107 (Sylva)	Improve from 5 lane to divided 4 lane boulevard
2	Graham	Corr. K	4 lane divided new location
3	Swain	US 19 (Bryson City)	Upgrade Roadway - 9 miles
4	Graham	Corr. K	4 lane divided new location
5	Macon	Iotla Church Rd (SR 1372)	Upgrade roadway
6	Clay	NC 69	Widen to 4 lanes - 4.5 miles
7	Jackson	US74 and US23-Bus	Reconfigure intersection to allow US-23Bus traffic to go W on US74
8	Jackson	US23 (AVL Highway)	Widen to 4-lane with median
9	Cherokee	Joe Brown Highway - SR1326	Widening and Paving
10	Macon	US 441 Bus (Franklin)	3 intersection improvements (Womack, Maple, Porter)
11	Macon	US 23-441 (Georgia Road – Franklin)	Remove center turn lane, replace signals with superstreet design
12	Swain	New connector	New location parallel to 74
13	Clay	SR 1307 Tusquittee Road	Safety Improvements
14	Cherokee	Davis Creek Road-SR1337	Widening and Paving
15	Macon	Buck Creek Rd (SR1538)	Upgrade roadway 18.1miles
16	Graham	New location	Similar to a thoroughfare plan project not adopted
17	Jackson	Old Settlement Rd (SR1340)	Upgrade to minimum 22' cross-section
18	Clay	SR 1135	Safety Improvements

19	Swain	Depot Street – Bryson City	Intersection safety improvements
20	Cherokee	Shuler Creek Rd-SR1322	Widening and Paving
21	Cherokee	NC 294	Upgrade existing roadway
22	Jackson	US64- Cashiers	Widen US64 to 3 lanes, add roundabout at 107 intersection
23	Swain	Alarka Rd (Lower)	Upgrade, Drainage and safety improvements, trestle
24	Clay	SR 1305	Safety Improvements
25	Macon	Depot Street (SR1729)	Widen to 3-lane, adding center turn lane

A complete GIS database of western North Carolina has been updated and made available to counties, municipalities, universities and nonprofit agencies. A new Main Street Initiative has begun in Franklin which will improve traffic flow and pedestrian safety.

G. Resources

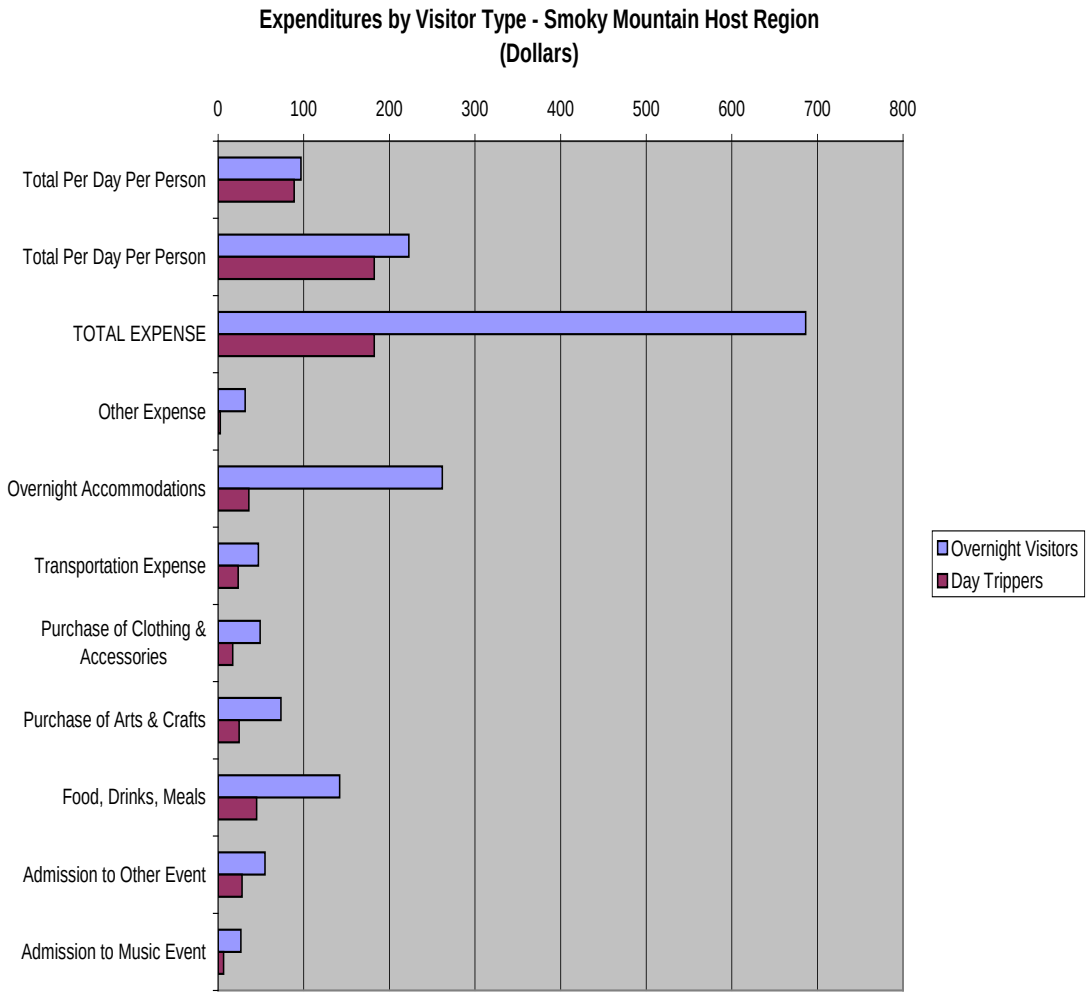
Natural and Cultural Environments

Tourism continues to be a strong growth factor in the District economy. Between the years 2009-2012, the highest increase in jobs is projected to be in retail with significant increases in arts, entertainment and recreation.

Approved in November of 2003, the Blue Ridge National Heritage Area was created and includes 24 North Carolina counties in the Blue Ridge Mountains and every county in the District. The rich natural and cultural heritage in this area has contributed significantly to the history and development of the United States. The Blue Ridge National Heritage Area works to preserve and interpret traditional instrumental and vocal folk music, folk life traditions, traditional arts, the heritage and influences of the Cherokee Indians, and various historic sites and collections of artifacts.

The Appalachian Regional Commission and The National Geographic Society produced a map of Appalachia designed to stimulate economic development by showcasing the incredible diversity of the District's natural, cultural and heritage assets. At least 11 of the 356 sites selected for inclusion on the map are in the EDD. The map, which covers an area from New York to Mississippi, was featured in the April, 2005 issue of National Geographic's *Traveler Magazine.*

The following graph from a study produced by Appalachian State University and Western Carolina University indicates the economic impact of visitors in the District which is part of The Blue Ridge National Heritage Area. Although tourism slowed significantly in



2007 and 2008 it has rebounded to some degree in 2009.

The work of The Land Trust for the Little Tennessee (LTLT) has had a positive impact on eco-tourism, recreation, as well as in the protection of water quality and the best farmland in the region. LTLT has led in conserving 20,000 acres in the Region A attracting $35,000,000 of conservation capital to the region since that 1999.

With a mission to conserve the waters, forests, farms and heritage of the upper Little Tennessee and Hiwassee River Valleys, LTLT has helped to conserve watershed lands of the

municipalities of Waynesville, Sylva, Bryson City, Murphy and Andrews. It has conserved some 40 miles of river frontage and hundreds of acres of prime farmland.

LTLT has worked with the Cherokee to conserve ancient settlement sites, it is working to revitalize the largest National Register Historic District in Region A in northern Macon County, and it is partnering with multiple organizations to expand the local food network in the region. It also is actively involved in the promotion of sustainable forest management and wildlife habitat restoration.

Industrial Parks

There is available industrial park space in most parts of the District, and only Graham County has no vacant available industrial property under public control. Swain County is planning a speculative Information Technology building to take advantage of new high-speed broadband internet in the county.

Social Enterprises

The district contains 3 social enterprises. They are Industrial Opportunities Inc. (IOI) in Cherokee County, Haywood Vocational Opportunities in Haywood County and Webster Enterprises in Jackson County. These companies are creating jobs and serving adults with disabilities in our region. The combined payrolls, fringe benefits and economic impacts are significant. IOI's current annual economic impact is $17,666,667 and tax impact of $1,569,300 with a total workforce of 376. 100 of these employees are adults with disabilities in their vocational training programs. HVO has a larger economic impact which was unavailable at the time of this update.

Health Services

Excellent health care is available in the District and regional hospitals and medical centers have undergone some transformations in the past year. Haywood Medical Center, Swain County Hospital and Harris Memorial Hospital have formed a partnership to provide care, reduce costs, and share resources. Cherokee Hospital, Angel Medical Center, Highlands-Cashiers Hospital and Murphy Medical Center work cooperatively with the new partnership and with regional hospitals in Asheville. In Graham County, Tallulah Health Center has announced that it is joining Mission Medical Associates of Asheville. Tallulah Health Center has been the sole provider of treatment for the past twenty years with the exception of the local health department

which provides limited services. Over 200 active physicians, 600 registered nurses and 500 licensed practical nurses provide medical care in the District.

With the exception of Haywood and Jackson Counties, there is a noticeable shortage of dental care in the District. This is especially acute in Clay and Graham Counties. The number of people per provider in those counties is over three times the state average. Also, none of the dental care providers in the District accept Medicaid patients. Some indigent patients have had to go as far as Charlotte to get dental care. A new project was begun by volunteers in Jackson County to develop a free mobile dental clinic which will serve the District.

Electric Power

There are currently six electrical service providers operating in the District. Haywood Electrical Membership Cooperative (HEMC) and Progress Energy serve Haywood County. The Town of Waynesville in Haywood County is an "electric city" buying electricity wholesale for resale to town customers. HEMC also serves some of southern Jackson County; however, most of Jackson County and all of Macon, Swain, and Graham Counties are served by Duke Energy. The Town of Highlands in Macon County is an "electric city" buying from Duke. Blue Ridge Electrical Membership Cooperative (BREMC) and Duke Energy serve Clay County and Cherokee County. Murphy Electric Power Board serves Murphy. Both BREMC and Murphy Electric Power Board buy wholesale from the Tennessee Valley Authority (TVA).

Interactive Technology

(Much of the following information is taken from the Connectivity Plan for North Carolina's District A.)

Demand continues to increase for high-speed telecommunications (broadband) capabilities. Fiber optic lines provide the highest bandwidth for services like video conferencing, distance learning, and the exchange of large volumes of information, including graphics. The low population density of this District makes it especially challenging to serve cost effectively because it is very expensive to run optic fiber over the long distances between towns, especially through rugged mountain terrain.

The District's two local telecommunications providers are Frontier Communications and Bell South. Frontier covers the entire District except for Haywood County. It provides the area with fiber optic capabilities and digital switching, including ATM/SONET technology. Frontier

has in place a "fiber ring" around the District's major towns. Frontier officials indicate that its switching infrastructure requires continual and very expensive upgrading to keep up with the higher demands of data and graphics transmission, and the increasing average time that users spend on-line. Bell South offers frame relay services, connectionless data services, and dial-up digital switched services and has also begun offering fast packet services for connecting disparate data networks.

Southwestern Community College, serving Jackson, Macon and Swain Counties, is in a partnership with the District's largest knowledge-based industry, Drake Enterprises, and the Eastern Band of Cherokee to complete a 200 mile, 144 strand fiber ring around the District. This partnership has been incorporated as Balsam West Fibernet, LLC. Inroads have been made in all counties.

The North Carolina Information Highway (NCIH) provides facilities to perform videoconferencing, distance learning, and the exchange of information over a high-speed fiber optic network. Currently, NCIH sites are located at Haywood Community College, Southwestern Community College, and Tri-County Community College (Murphy and Robbinsville). Western Carolina University is on the North Carolina Reasearch and Information Network (NCREN). There are also sites at Macon Program for Progress' New Horizons Child Development Center in Franklin, the Health Department in Jackson County, and Murphy High School.

From 2005 through 2009 the EDD raised over $6 million, primarily from foundations to provide broadband infrastructure for public schools in Cherokee, Clay, Graham, Jackson, Macon and Swain Counties. All public schools, colleges and libraries within the District now have high speed internet capability.

There are several internet service providers (ISPs) available in the District, including local companies and national providers, e.g. AOL, Sprint, Earthlink, and D-Net. The Mountain Area Information Network is a federal and state funded system that provides public access to internet services for public and non-profit entities located in the District.

Education

North Carolina has a centrally controlled public education system, with the state bearing most of the operations costs of schools. Local boards are charged with providing capital facilities, most maintenance and utilities, and operating supplements to enhance local education. In the area of local government expenditures for public schools, the District remains well behind the state average. In the latest available data, per capita expenditures by

counties in the District varied from $41.27 (Swain) to $146.20 (Haywood). At the same time, the state average was $151.73 per capita. These disparities in spending also track the District's high school and college graduation rates.

College graduation rates range from 8% in Cherokee County to 20% in Jackson County where Western Carolina University (WCU) is located.

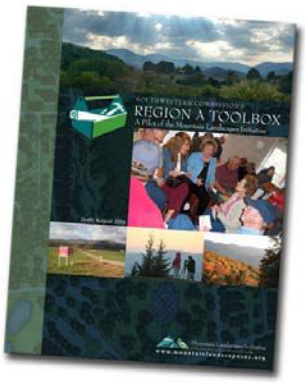
WCU is located in the physical heart of the District. It has a Regional Workforce Development Center that supports training for emerging high-tech, "new economy" industries. Programs in the new facility include integrated multimedia-based programs including digital video, digital sound recording and media production, applied engineering facilities and laboratories for technology-based manufacturing, three-dimensional epoxy laser modeling and information network design. Many of these high tech resources will be incorporated into the University's Millennium Campus. The university offers graduate, post-graduate, and graduate certificate programs. It also brings cultural opportunities to the District through theater, music and art events which are open to the public.

Three community colleges serve all counties in the District. Haywood Community College, Southwestern Community College and Tri-County Community College offer Associate, Vocational and Continuing Education programs and coordinate efforts with the local Workforce Development Board to meet the needs of the workforce.

G. Environment

The Southwestern Economic Development District is located in the epicenter of the Southern Appalachian & Blue Ridge Provinces, a landscape that has been described by various writers as the "*back of beyond*." As mentioned previously, the environment is a major draw for tourism in the District. National Forests, National Recreation Areas and Wildlife Preserves are numerous in the area. Combined with state parks in the area and the Great Smoky Mountains National Park, the large number of square miles of public land contributes to the District's natural beauty as well as its economy. Efforts have been made to preserve the quality of the natural environment not in public hands; however, there are significant pressures from land developers who take advantage of the area's loose restrictions on building and site preparation. Careful management of these natural resources is critical to balance the growth of tourist spending in the area with preservation of water and soil quality.

In 2007 the EDD staff facilitated a regional meeting with elected officials, planning committees, developers, contractors, energy providers, engineers and media representatives to discuss concerns about unsuitable and unsafe building practices. Historically, the region has had an aversion to planning and zoning and a strong voice for personal freedom with regard to land use. New concerns were brought to view after some homes in the area were destroyed as a result of their being built on unstable or steep slopes. Another concern was poor road construction into new developments where fire and rescue vehicles are unable to travel. The roads were either too curvy, too steep or both. Following the 2007 meeting, several charrettes were held throughout the EDD to address concerns and to develop a Toolbox for use by local municipalities. The Toolbox includes examples of best practices for development in regard to safety and land use. Other tools address farm preservation, ridge top preservation, affordable housing transportation, water quality, erosion control and watershed protection. The Toolbox has provided a model for wise use of land and water in the area. As previously mentioned, this project received a Trailblazer Award from the National Association of Development Organizations in August, 2010.



The Toolbox principles are being applied throughout the region in the development of comprehensive plans, transportation plans and other land-use initiatives. Matching mini-grants, managed by the Southwestern Commission and the Appalachian Regional Commission, are available to local governments and nonprofits to implement best management strategies as identified in the Toolbox.

2. ANALYSIS OF ECONOMIC AND COMMUNITY DEVELOPMENT PROBLEMS AND OPPORTUNITIES

The following are assets and liabilities relating to economic development in the District.

Assets:

1) High quality of life, including beautiful surroundings, ample outdoor recreational opportunities, low crime, and good health care

2) Strong retail/service/government base

3) Excellent community colleges, providing 2-year degree programs, certificate programs, distance learning to university programs, industry training, and small business assistance and a regional university

4) Leadership from a number of state and local agencies in identifying and capitalizing on opportunities for local job creation and investment, including assisting existing industry

5) Public school systems that are increasingly using technology in course delivery and teaching technology-related skills that articulate well with community college programs

6) Moderate labor costs and taxes, especially considering available tax credits from the state

7) Competitive water/sewer and electricity rates and expanding natural gas system

8) Local airports, with major upgrades in progress; and, two hour access to regional and international airports

9) Proximity to Atlanta, Knoxville, Chattanooga, Asheville and Charlotte and other metropolitan areas on the eastern interstate corridors

Liabilities:

1) Low educational attainment and skill levels of a large number of adults; many younger adults lack responsible work values and ethics

2) Lack of infrastructure, including water/sewer, natural gas lines, telecommunications, broadband and four-lane highways

3) Distance of up to two hours from nearest interstate highways and related services

4) Lack of access to venture and other capital

5) Lack of multimodal transportation systems

6) Undercapitalization of local cultural and entertainment options, e.g. heritage tourism, greenways, and interconnected trail systems

7) Lack of available high speed internet capability in some areas

8) Little support for land use management and zoning

9) Shortage of affordable housing

10) Vulnerability of I-40 and US highway 64 to rock slides

A. Other government plans and workforce strategies

AdvantageWest

AdvantageWest is western North Carolina's regional economic development organization. The District's seven counties are all in the AdvantageWest 23-county service area. Chartered by the North Carolina General Assembly in 1994, AdvantageWest is a non-profit public-private partnership whose primary focus is marketing the North Carolina mountains to business and corporations seeking to relocate or open a new facility or expand an existing business; and to those who might otherwise improve the quality of life for citizens through activities such as filmmaking and tourism.

AdvantageWest covers nearly 10,000 square miles, an area larger than eight U.S. states. Publications such as Money, Kiplinger's, Outside, American Style, Modern Maturity and Forbes have ranked western North Carolina as a top destination for living, working, recreation, arts, technology, and retirement.

The following goals are identified as priorities in the AdvantageWest five year plan:

Goal 1: Grow and support several "clusters of innovation" in regional niches with education, infrastructure, services, and technology transfer

Goal 2: Institutionalize capacity for strategic thinking, research, policy development, collaboration and leadership on the regional economy

Goal 3: Change the culture of educational institutions (K-1), community colleges, and universities) and the expectations and skills of workers to meet the needs of growing companies in clusters of innovation

Goal 4: Establish "tier 2" level of broadband internet service for the entire service area

Appalachian Regional Commission Goals and Objectives and NC Strategies

The entire EDD is within the 26 counties of North Carolina served by the Appalachian Regional Commission. ARC's overall plan, together with North Carolina's ARC strategies are summarized as follows.

ARC Goal #1: Increase Job Opportunities and Per Capita Income in Appalachia to Reach Parity with the Nation

Strategic Objective 1.1: Foster Civic Entrepreneurship

Strategic Objective 1.2: Diversify the Economic Base

Strategic Objective 1.3: Enhance Entrepreneurial Activity in the Region

Strategic Objective 1.4: Develop and Market Strategic Assets for Local Economies

Strategic Objective 1.5: Increase the Domestic and Global Competitiveness of the Existing Economic Base

Strategic Objective 1.6: Foster the Development and Use of Innovative Technologies

Strategic Objective 1.7: Capitalize on the Economic Potential of the Appalachian Development Highway System

ARC Goal #2: Strengthen the Capacity of the People of Appalachia to Compete in the Global Economy

Strategic Objective 2.1: Foster Civic Entrepreneurship

Strategic Objective 2.2: Enhance Workforce Skills through Training

Strategic Objective 2.3: Increase Access to Quality Child Care and Early Childhood Education

Strategic Objective 2.4: Increase Educational Attainment and Achievement

Strategic Objective 2.5: Provide Access to Health-Care Professionals

Strategic Objective 2.6: Promote Health through Wellness and Prevention

ARC Goal 3: Develop and Improve Appalachia's Infrastructure to Make the

Strategic Objective 3.1: Foster Civic Entrepreneurship

Strategic Objective 3.2: Build and Enhance Basic Infrastructure

Strategic Objective 3.3: Increase the Accessibility and Use of Telecommunications Technology

Strategic Objective 3.4: Build and Enhance Environmental Assets

Strategic Objective 3.5: Promote the Development of an Intermodal Transportation

ARC Goal 4: Build the Appalachian Development Highway System to Reduce Appalachia's Isolation

Strategic Objective 4.1: Foster Civic Entrepreneurship

Strategic Objective 4.2: Promote On-Schedule Completion of the ADHS

The ARC's Area Development Program seeks to augment the US Department of Transportation Highway Program and bring more of Appalachia's people into America's economic mainstream. At least half of ARC's area development grant funding is directed to

projects that benefit counties and areas in the Appalachian region designated by ARC as "economically distressed". ARC identifies Clay, Graham and Cherokee counties as counties that are at risk of becoming distressed.

State of North Carolina Economic Development Plan

Governor Perdue's economic development plan is driven by the principal of innovation. The governor is striving to create an innovation-based economic development portfolio that includes a diversified business climate, a green economy, a supportive entrepreneurial environment, thriving Main Street communities and a well educated workforce. Federal and state funding will be accessed to help develop infrastructure systems that are critical to the decision-making process for companies to locate and expand in western North Carolina communities. Having quality roads, water and sewer systems and access to broadband are essential components in attracting and retaining businesses in communities. Federal and state funding will also be used to strengthen the entrepreneurship network in Western North Carolina. Small businesses are a critical component of the economic development landscape.

The Governor's plan has seven principal goals:

Goal 1: Develop an outstanding education system and a highly qualified workforce.

Goal 2: Invest in science, technology and university outreach.

Goal 3: Ensure a competitive environment for the recruitment and retention of business, capital investment, and jobs creation.

Goal 4: Create strong metropolitan growth centers that generate regional business development, shared prosperity, and a high quality of life, in partnership with surrounding areas.

Goal 5: Develop thriving rural areas that maintain a high quality of life; mobilize the state's resources to create strong regional partnerships and programs that foster broader economic development opportunities in rural North Carolina.

Goal 6: Develop a competitive infrastructure and promote sustainable economic development.

Goal 7: Maintain and strengthen tourism, film, and sports industries; preserve protect, and promote out state's cultural, natural, and heritage assets.

Governor Perdue announced in August of 2010 that North Carolina has received $115 million in five federal recovery grants to extend broadband connectivity in North Carolina. These funds will create jobs and help spur economic development through expanded access to high-speed Internet in underserved areas. Through two rounds of recovery funding, North Carolina has received over $255 million for broadband. One of these grants will assist the EDD via funding for BalsamWest FiberNet and the WNC Education and Research Consortium.

Local Governments Economic Development Strategies

Cherokee County:

a. Completion of Comprehensive Master Plan including a transportation componenet
b. Focus on retaining and expanding existing industry
c. Retrain and retain high quality workers; Increase high school and college graduation rates; encourage students to obtain Career Readiness Certificates
d. Develop and expand multimodal transportation system including:
    i. Better inter-county/interstate connections
    ii. Davis Creek Road Upgrades
    iii. Bike path from Murphy to Andrews
    iv. Joe Brown Highway Upgrades
    v. Shuler's Creek Road Upgrades
e. Secure natural gas service
f. Develop interconnected greenway and/or trail systems
g. Improve information technology capacity across county
h. Extend runway extension and market Western Carolina Regional Airport (formerly Andrews-Murphy Airport), build terminal building, connect to Andrews' public water and sewer systems
i. Build more recreation facilities in the western portion of the county
j. Increase affordable housing availability
k. Set aside new land for industrial development
l. Develop and implement smart growth management tools
m. Improve solid waste management and recycling systems
n. Implement Murphy and Andrews components of Blue Ridge National Heritage Area Tourism
o. Interconnect Andrews and Murphy sewer systems along US 74-19-129

Town of Andrews:

a. Investigate/replace aging/leaking water and sewer lines
b. Develop an alternative wastewater treatment with water recovery
c. Extend water and sewer service beyond town limits to pick up new customers
d. Develop an alternative raw water source to meet future demand
e. Develop industrial park and alternative industrial sites
f. Downtown beautification and revitalization
g. Greenway and trail system
h. Improve solid waste management and recycling systems

i. Participate in western cluster of NC STEP (Small Town Economic Prosperity) program via NC Rural Center
j. Complete and "close" permanent conservation easement (transfer of development rights) on town's active Beaver Creek Watershed to State of NC in exchange for $1.67M Clean Water Management grant.

Town of Murphy:

a. Replace aging/leaking water and sewer lines
b. Extend water and sewer to areas that need service
c. Renovate Police Department
d. Improve solid waste management and recycling systems
e. Upgrade water treatment plant
f. Develop park at old L&N Depot and restore railroad service to Murphy (via GSMR)
g. Increase parking downtown
h. Downtown beautification, pedestrian improvements, and revitalization
i. Greenway and trail system
j. Complete (in cooperation with Cherokee County) renovation of existing sewer system in vicinity of Valley River and new extensions to areas of Pleasant Valley-Regal Street

Clay County:

a. Develop surface water source on TVA Lake Chatuge (to replace groundwater wells), including surface water treatment system / plant
b. Extend water and sewer services to un-served areas and growth corridors
c. Develop and implement smart growth management tools
d. Develop greenways and trail systems in cooperation with the US Forest Service and Towns County ,Georgia
e. Increase affordable housing availability
f. Develop and expand inter-modal transportation system including inter-county/interstate connections
g. Implement components of Blue Ridge National Heritage Area Tourism Plan
h. Renovate / expand county's wastewater treatment plant
i. Participate (with Hayesville) in western cluster of NC STEP (Small Town Economic Prosperity) program
j. Secure natural gas service
k. Improve broadband internet and information technology service across county

Town of Hayesville:

a. Annex growth areas
b. Provide municipal services to growth areas
c. Downtown beautification, pedestrian improvements, and revitalization
d. Improve and extend sidewalk system
e. Participate in western cluster of NC STEP (Small Town Economic Prosperity) program

Graham County:

a. Construct new county administration building, social services department and jail
b. Create an effective strategy for promotion of entrepreneurship among residents
c. Design and implement a marketing model to attract and retain businesses
d. Develop and implement smart growth management tools (Re: Mountain Landscapes Initiative)
e. Provide infrastructure to aid in the development of tourism amenities, especially motel, restaurant, camping and other small businesses
f. Increase information technology infrastructure and availability through cooperative efforts with private providers and local governments
g. Increase broadband internet/information technology at Robbinsville Campus of TCCC
h. Expand "green energy" workforce training opportunities at Robbinsville Campus of TCCC
i. Increase affordable housing availability
j. Develop and expand intermodal transportation system including inter-county/interstate connections (e.g. completion of Appalachian Corridor K).
k. Implement components of Blue Ridge National Heritage Area Tourism Plan
l. Develop greenway and trail systems that focus on eco-tourism
m. Secure natural gas service

Town of Robbinsville:

a. Replace aging & leaking water/sewer lines
b. Extend water/sewer to un-served areas and growth
c. Downtown revitalization, pedestrian improvements, and beautification
d. Construct new sewer treatment plant on Sand Hole Road
e. Construct new water storage tank
f. Implement NC STEP (Small Town Economic Prosperity) program

Town of Lake Santeetlah:

a. Upgrade existing water system
b. Develop sewer system through public/ private partnerships
c. Develop transportation plan focusing on walking and biking
d. Repair existing roads in need of resurfacing

Town of Fontana:

a. Replace water treatment system and new water storage tank
b. Street resurfacing and lighting
c. Funding and construction of a welcome center
d. Repair sewer treatment plant and the aging service lines within the town
e. Pedestrian and enhancement improvements
f. Solid waste collection and disposal

Haywood County:

a. Extend (in cooperation with the county's four towns) water/sewer infrastructure to unserved areas and growth corridors
b. Develop interlocal system of water/sewer system operations

c. Expand recreation opportunities
d. Develop and implement smart growth management tools
e. Develop greenways and trails system
f. Increase affordable housing availability
g. Improve solid waste management and recycling systems
h. Develop and expand multimodal transportation system including inter-county/interstate connections
i. Implement components of Blue Ridge National Heritage Area Tourism Plan
j. Market ten acre "shovel ready" site at Beaverdam Industrial Park in Canton
k. Complete amenities at the newWestern NC Regional Livestock Market near Canton
l. Continue redevelopment of Imperial Hotel in Canton
m. Continue work with the Town of Waynesville on Land Use Plan and Industrial Buildings

Town of Canton:

a. Extend water/sewer service to un-served areas and growth corridors
b. Enhance recreation infrastructure, equipment and opportunities
c. Additional downtown revitalization, pedestrian improvements, and beautification
d. Upgrade and extend Champion Drive sewer system to better serve intersection with I-40, including MedWest's new urgent care center
e. Implement NC STEP (Small Town Economic Prosperity) program

Town of Clyde:

a. Enhance recreation opportunities, primarily recreation infrastructure and equipment
b. Downtown revitalization, pedestrian improvements, and beautification
c. Greenway development
d. Develop a wastewater system master plan and a Preliminary Engineering Report to resolve severe wastewater collection problems. The town has excessive inflow and infiltration and has been assessed civil penalties for sanitary sewer overflows.
e. Cooperate with Junaluska Sanitary District (JSD) to construct increased water transfer capacity from Canton through Clyde to JSD

Town of Maggie Valley:

a. Replace aging/leaking sewer lines and extend the sewer system (the Town owns/operates the public sewer system)
b. Replace aging water lines and extend water system in cooperation with the Maggie Valley Sanitary District (which owns and operates the water system and predates the formation/charter of the Town of Maggie Valley)
c. Expand water/sewer service to un-served areas and growth corridors
d. Upgrade water treatment plant (Maggie Valley Sanitary District)
e. Work with Maggie Valley Sanitary District and State of NC to secure permanent conservation easement for Campbell Creek Watershed
f. Develop public transportation system
g. Enhance recreation opportunities including Parham Park
h. Downtown revitalization, pedestrian improvements, and beautification
i. Greenway development

Town of Waynesville:

a. Concentrate commercial development in existing commercial areas and prevent urban sprawl
b. Continue downtown revitalization and expand efforts to adjacent areas
c. Continue to enhance, implement and enforce unified land use plan and development guidelines
d. Protect/restrict development on steep grades
e. Incorporate smart growth principles in planning efforts
f. Increase emphasis on pedestrian friendly planning
g. Greenway development
h. Improve multimodal transportation systems to interconnect neighborhoods
i. Increase tourist attractions and amenities
j. Continue improvement of water and sewer system (interconnections with Maggie Valley and JSD

Jackson County:

a. Extend Tuckaseigee Water and Sewer Authority's (TWSA) water/sewer distribution and collection systems to unserved areas and growth corridors
b. Complete TWSA's current $15M project to expand and upgrade Wastewater Treatment Plant #1
c. Continue work with TWSA and Cashiers Community to improve and expand public water and sewer services in the Cashiers area
d. Continue work on Cashiers Recreation Center Complex
e. Continue development of greenways and trails systems
f. Continue/complete Phase II Jackson County Services Park-Webster Complex
g. Increase affordable housing availability
h. Develop and expand multimodal transportation system including inter-county/interstate connections
i. Assist Western Carolina University in development of Millennial Campus
j. Improve traffic patterns on Highway 107
k. Implement components of Blue Ridge National Heritage Tourism Plan

l. Complete East Carolina University Dental Services Training Facility at Southwestern Community College
m. Continue enhancements of county subdivision ordinance, growth management plan and slope development ordinance
n. Continue support of 441 Small Area Growth Management Plan and Ordinance
o. Support new Homtex industry/jobs in former Stonewall Building

Town of Dillsboro:

a. Annex and extend services to growth corridors
b. Continue development of recreation opportunities
c. Greenway trail development
d. Develop alternative parking
e. Improve affordable housing availability
k. Replace old water and sewer lines in cooperation with Tuckaseigee Water and Sewer Authority
l. Complete development of Monteith Park
m. Reinstate train service to Dillsboro (GSMR)

Village of Forest Hills:

a. Plan for town growth and expansion of city limits, including protection provided by extra-territorial jurisdiction
b. Work with Tuckaseigee Water and Sewer Authority to provide and extend water/sewer service in town
c. Develop additional municipal services
d. Continue greenway development

Town of Sylva:

a. In cooperation with Tuckasigee Water and Sewer Authority, extend services to growth corridors and unserved areas
b. Develop/enhance further recreation opportunities
c. Downtown revitalization, pedestrian improvements, and beautification
d. Continue greenway development
e. Continue revitalization of Mill Street commercial area
f. Improve traffic patterns on Highway 107
g. Complete Park Pavilion area adjacent to downtown
h. Continue work with the Land Trust for the Little Tennessee on Pinnacle Park management

Town of Webster:

a. Manage growth to keep non-commercial, residential life style
b. Greenway development

Macon County:

a. In cooperation with Towns of Franklin and Highlands, extend water/sewer to unserved areas and growth corridors
b. Expand the new campus of Southwestern Community College on Siler Road

c. Upgrade and maintain state of the art information technology and high technology training facilities at Macon County Center of Southwestern Community College
d. Develop and implement smart growth management tools consistent with the Mountain Landscapes Initiative
e. Continue to improve greenways and trails systems
f. Increase affordable housing availability
g. Improve solid waste management and recycling systems
h. Develop and expand multimodal transportation system including inter-county/interstate connections
i. Manage development of commercial areas along Hwy 441 South
j. Implement components of Blue Ridge National Heritage Tourism Plan

Town of Highlands:

a. Continue with implementation of managed growth strategies
b. Provide quality recreational and cultural activities for residents
c. Protect town water supplies, including storm water management
d. Provide water and sewer to un-served areas
e. Improve parking and traffic circulation
f. Participate in NC Dept of Commerce "Small Towns" Main Street program
g. Prepare a Capital Improvement Plan, an asset management plan, and a Preliminary Engineering Report to determine the feasibility and costs of sewering areas of Highlands that are not on the town's system. Only 25% of the town currently has public sewer service and there are numerous failing septic tanks. Nearly 85% of septic permits are issued under provisionally suitable conditions. Even with the current service area, the town's wastewater treatment plant has exceeded 80% of capacity during rain events.

Town of Franklin:

a. Upgrade and expand water and wastewater treatment plants, to include new sludge digester at wastewater treatment plant
b. Extend water/sewer service to designated growth corridors.
c. Downtown revitalization, pedestrian improvements, and beautification
d. Continue greenway development
e. Implement Main Street plan
f. Increase affordable housing availability
g. Implement NC STEP (Small Town Economic Prosperity) program

Swain County:

a. Implement components of Swain Heritage Tourism Plan as also identified in Blue Ridge National Heritage Area Tourism Plan
b. Develop a heritage museum at the Old Courthouse in cooperation with the National Park Service
c. Further develop recreation facilities and programs
d. Upgrade and maintain state of the art information technology and high technology training facilities at Swain County Center of Southwestern Community College
e. Continue efforts to relocate Swain Center of Southwestern Community College to new, better located and more useable facility closer to Bryson City

f. Develop and implement smart growth management tools Consistent with the Mountain Landscapes Initiative
g. Develop greenways and trails systems
h. Build, develop and market IT spec building to take advantage of new high-speed internet in the county
i. Increase affordable housing availability
j. Develop additional public parking
k. In cooperation with the Town of Bryson City, extend water and sewer lines into growth areas outside town limits
l. Participate (with Bryson City) in western cluster of NC STEP (Small Town Economic Prosperity) program
m. Improve downtown parking options

Town of Bryson City:

a. Improve infrastructure within city limits
b. Downtown revitalization, pedestrian improvements, and beautification
c. Greenway development
d. Develop additional public parking
e. Participate (with Swain County) in western cluster of NC STEP (Small Town Economic Prosperity) program
f. Conduct a water system audit, and develop a water system map. The project also will develop a water system model. The town cannot account for approximately 47% of water loss and does not have a map of its water system.

Regional:

a. Mountain Landscapes Planning Initiative Toolbox Implementation Fund – matching mini-grants to implement objectives
b. Community Partnership for Older Adults
c. Blue Ridge Natural Heritage Area development
d. Extension of internet fiber optic ring: region-wide build-out of "last mile" broadband capacity
e. Develop additional industrial product within Southwestern EDD, including certified sites
g. Support MARC (Marketing Association for Rehabilitation Facilities, Inc.). MARC is a consortium of "vocational workshop" organizations which together employ approx. 1,500 WNC citizens, 90% of whom are physically and/or mentally challenged individuals. MARC serves 17 WNC counties
h. Facilitate, moderate and /or mediate between and among various local governments, community leaders and non-profits toward implementation of cooperative local projects and programs (new jails, water and sewer, growth management)
i. Promote growth in "Green Economy" and Clean Energy
j. Community Colleges "Green" Equipment Project
k. Develop an asset mapping framework of the region's infrastructure assets

3. GOALS AND OBJECTIVES NECESSARY TO SOLVE ECONOMIC DEVELOPMENT PROBLEMS

Economic development problems within the District are a result of plant closures, unskilled workforce, paucity of affordable housing, growing waste management problems and development without planning. Early on, the District's economic development plan focused on recruiting industry and exploiting the natural resources of the area including agriculture and mining. Now the focus is on preservation and wiser use of resources. Industrial development has slowed as the recruitment efforts around the country have become more competitive. The District's weak infrastructure, distance to populated markets and unskilled labor force make the area less desirable for industrial development. The District's local economic development strategy now puts the emphasis on retention and expansion of existing employers and training a skilled workforce.

The EDD's advisory committee created the following goals in 2007 based on discussions facilitated by the Southwestern Commission and input from regional economic development professionals. Since 2007 the committee has annually reviewed and measured the goals for current validity. Current year comments from the committee are in italics following each goal.

Goal 1: Partner with the NC Department of Commerce, AdvantageWest, The Appalachian Regional Commission and local governments to consciously treat existing companies with the same care and enthusiasm as new prospects, including tax advantages and incentives.

The advisory committee members consider this goal as important as it was in 2010. It is rated the second most important goal.

Goal 2: Nurture existing business incubators and create new ones to support entrepreneurs.

The advisory committee members indicated that this goal is ranked fifth in importance but still valid.

Goal 3: Ongoing recruitment of businesses and investment capital from outside the District using reasonable practices and incentives.

The advisory committee members stated that this goal has the same importance as in 2010 and is ranked third in importance.

Goal 4: Capitalize on opportunities related to ecotourism, including heritage and culture businesses and also capitalize on water, land and forest recreation businesses.

The advisory committee members indicated that this goal ranks last in importance to the local strategy. It is ranked seventh.

Goal 5: Better management of the second home construction industry so that subdivision and building standards will protect and respect the local environment and protect the consumer against unsafe building practices and locations.

The advisory committee members ranked this goal sixth in criticality due to the slowdown in construction and second home development.

Goal 6: Continue to improve infrastructure, affordable housing, and public transportation.

The advisory committee members rank this goal as tied with goal #3 as third most critical.

Goal 7: Meet the demands of changing technology and increase vocational skills and the work ethic through workforce development.

The advisory committee members ranked this goal as the most important goal in economic development in the region for the two past years. This is due to the rapidly changing landscape of technology and streamlining of manufacturing. Another contributing factor is the use of internet resources by entrepreneurial workers and businesses.

4. COMMUNITY AND PRIVATE SECTOR PARTICIPATION IN THE CEDS EFFORT

When the Public Works and Economic Development Act of 1965 (PWEDA) became law four decades ago, Southwestern North Carolina was, quite literally, a District that would now be considered third world. All seven counties of the EDD were initially designated RA

(Redevelopment Areas) by EDA because of very low personal incomes, high unemployment and high out-migration rates. The Appalachian Redevelopment Act (also of 1965) similarly defined all seven counties as "distressed," with four of the seven being "severely distressed."

The written record of the District's early history (1965-1975) indicates that local elected officials, community leaders and private sector representatives were united in their responses to the opportunities provided by PWEDA. Between 1965 and 1975 each of the seven counties produced an annually updated an OEDP (Overall Economic Development Program) which was prerequisite to any EDA investments. During this decade most of the District's jurisdictions received EDA grants. In 1975 all seven counties came together to create the Southwestern NC Economic Development District, concurrently forming a regional OEDP Committee and developing a District OEDP. Between 1975 and 2000 each of the seven county governments, together with the District's municipal officials, community leaders and private sector representatives worked with staff to keep the OEDP current, dynamic and valid. During this entire period the District maintained 100% participation of its member governments, including full payment of membership dues.

In 2000, the EDD developed its first CEDS (Comprehensive Economic Development Strategy) in response to amendments to PWEDA which, among other changes, required a transition from the OEDP to the CEDS. Stakeholders within the EDD responded positively to CEDS. The requisite CEDS Committee structure has been maintained and participation has been commendable during each annual update process.

Members of the 2011 CEDS committee are as follows:

Jack Chapman, Retired, Blue Ridge Paper, Canton, NC

Gene Farley, Owner, Farley Insurance, Robbinsville, NC

Vickey Wade, Program Director, Local Government Training Program, Western Carolina University, Cullowhee, NC

Tom O'Brien, President and CEO, Industrial Opportunities, Inc., Murphy, NC

Vicki Greene, Director of Economic Development, Southwestern NC, Sylva, NC

Mike Chapman , Product Development, Dnet Internet Services, Drake Enterprises, Franklin, NC

Rose Johnson, President, Haywood Community College, Hayesville, NC

Virginia Gribble, Manager, Employment Security Commission, Waynesville, NC

Jane Kimsey, Chairman, Employer Advisory Committee, ESC Franklin, NC

Russ Paine , HR Director, Murphy Medical Center, Murphy, NC

Nelse Bates, Owner, B&B Concrete Products, Franklin, NC

Demographics of CEDS committee:

5 -women	7 -private sector representatives
6 -men	4-public service

The EDD staff and CEDS Committee members reviewed the goals from 2010 and final group meeting on August 26, 2011. Input was provided by local government economic development directors and committee members, the regional Director of Workforce and Economic Development, Workforce Development Board members and EDD staff. State and regional plans were reviewed as part of the process as were local government priorities for economic development.

5. STRATEGIC PROJECTS AND PROJECTED NUMBERS OF JOBS TO BE CREATED

Project	County	Jobs Created in 2010	Jobs 2011
Evergreen Paper	Haywood	25	50
Western Carolina University Millennium Campus	Jackson	0	30
Harrah's Casino Employment Expansion	Jackson	250	200

Cherokee County Machined Product Cluster	Cherokee, Graham & Clay	75	50
Stanley Furniture	Graham	100	100
Great Smoky Mountain Railroad	Swain	5	6
Drake Enterprises Expansion	Macon	50	75
Knowledge-Based Internet Entrepreneur Development	All Counties	20	20
Homtex	Jackson	0	75

ECONOMIC CLUSTERS

Growth clusters

The following are national industry clusters that have been growing in the District relative to the United States as identified by US Bureau of Labor Statistics National Industry Specific Occupational Employment and Wage Estimates Industry Output and Employment Projections for the Year 2010.

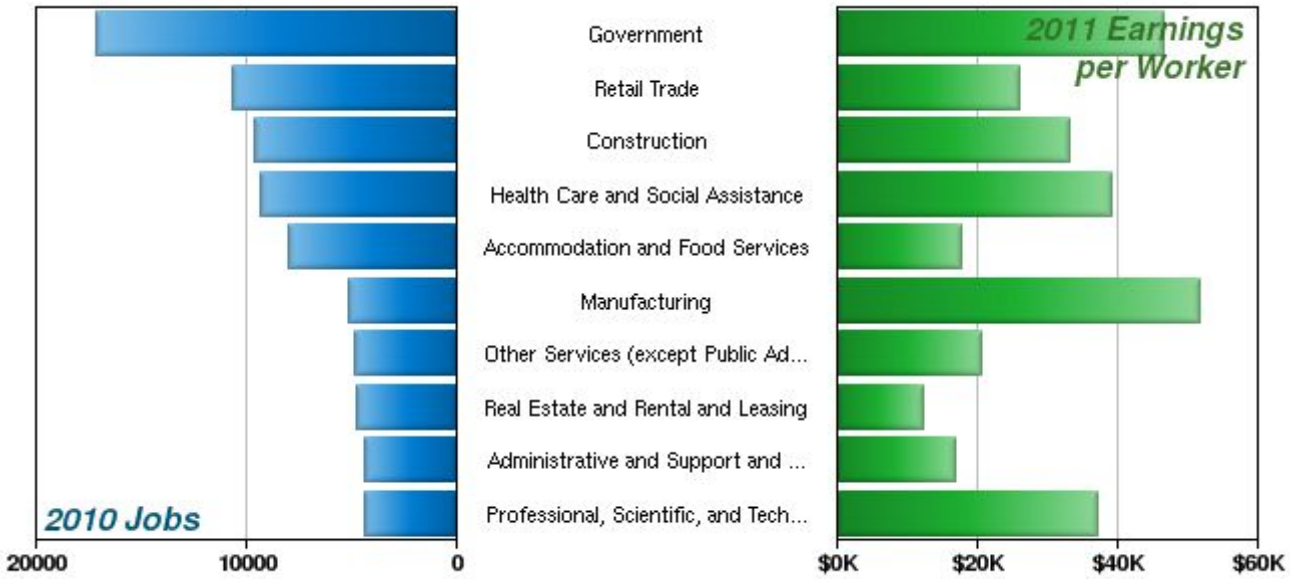
Business Clusters with the strongest growth and having high or growing concentration relative to the US:

- Pharmaceuticals and Medical Technologies
- Information Technology and Instruments
- Communication Services and Software
- Recreation and Tourism

Other Business Clusters important to the District:

- Hospitals, labs and specialized medical services
- Business support services
- Arts, crafts and design-related
- Retirement-related

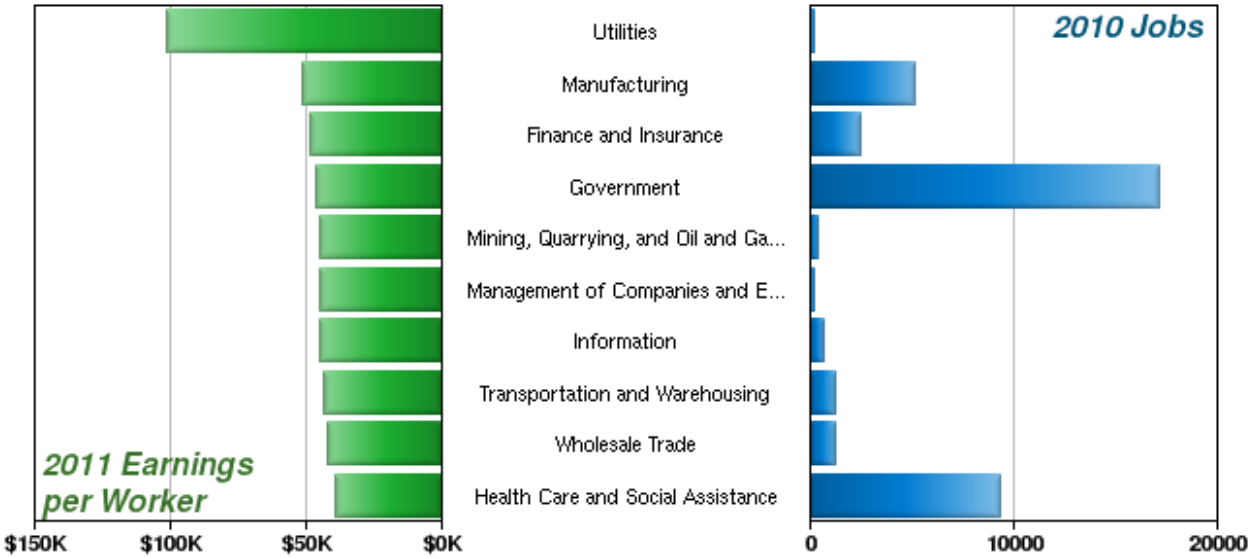
Largest Industries



NAICS Code	Description	2010 Jobs	2012 Jobs	Change	% Change	2011 EPW
90	Government	17,128	17,522	394	2%	$46,520
44-45	Retail Trade	10,645	11,013	368	3%	$26,094
23	Construction	9,634	9,596	-38	0%	$33,200
62	Health Care and Social Assistance	9,293	9,394	101	1%	$39,034
72	Accommodation and Food Services	7,977	8,301	324	4%	$17,755
31-33	Manufacturing	5,115	4,875	-240	-5%	$51,772
81	Other Services (except Public Administration)	4,888	5,079	191	4%	$20,566
53	Real Estate and Rental and Leasing	4,784	5,247	463	10%	$12,334
56	Administrative and Support and Waste Management and Remediation Services	4,368	4,832	464	11%	$16,718
54	Professional, Scientific, and Technical Services	4,362	4,755	393	9%	$37,153

Source: EMSI Complete Employment - 2011.3

Highest Paying Industries

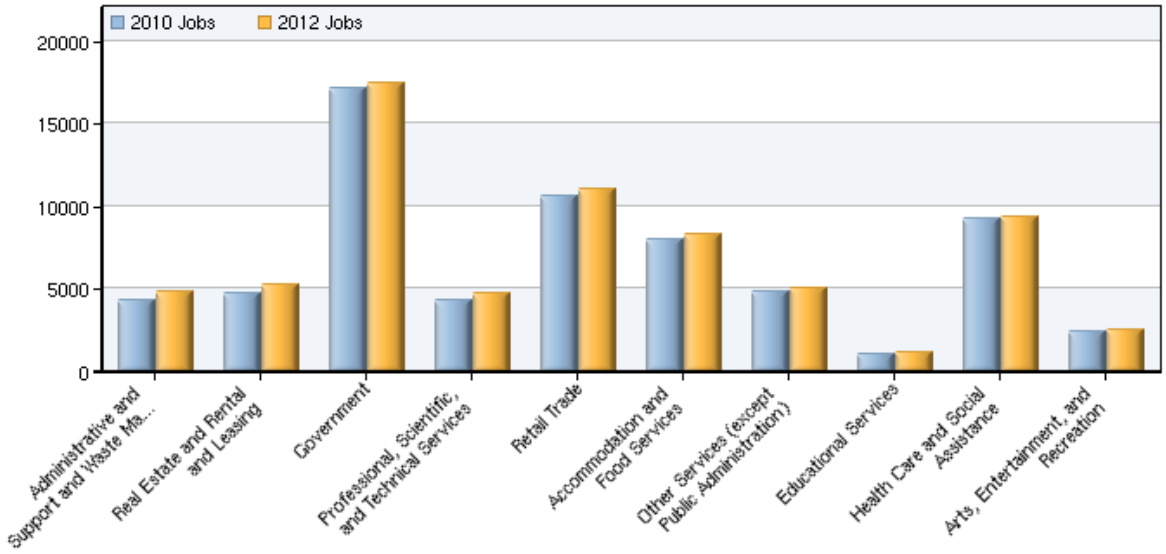


NAICS Code	Description	2010 Jobs	2012 Jobs	Change	% Change	2011 EPW
22	Utilities	192	200	8	4%	$101,671
31-33	Manufacturing	5,115	4,875	-240	-5%	$51,772
52	Finance and Insurance	2,435	2,521	86	4%	$48,831
90	Government	17,128	17,522	394	2%	$46,520
21	Mining, Quarrying, and Oil and Gas Extraction	335	406	71	21%	$45,035
55	Management of Companies and Enterprises	150	150	0	0%	$44,882
51	Information	699	746	47	7%	$44,813
48-49	Transportation and Warehousing	1,271	1,297	26	2%	$43,620
42	Wholesale Trade	1,255	1,328	73	6%	$42,404
62	Health Care and Social Assistance	9,293	9,394	101	1%	$39,034

Source: EMSI Complete Employment - 2011.3

*Note: Industries with fewer than 10 employees are not shown.

Fastest Growing Industries



NAICS Code	Description	2010 Jobs	2012 Jobs	Change	% Change	2011 EPW
56	Administrative and Support and Waste Management and Remediation Services	4,368	4,832	464	11%	$16,718
53	Real Estate and Rental and Leasing	4,784	5,247	463	10%	$12,334
90	Government	17,128	17,522	394	2%	$46,520
54	Professional, Scientific, and Technical Services	4,362	4,755	393	9%	$37,153
44-45	Retail Trade	10,645	11,013	368	3%	$26,094
72	Accommodation and Food Services	7,977	8,301	324	4%	$17,755
81	Other Services (except Public Administration)	4,888	5,079	191	4%	$20,566
61	Educational Services	1,034	1,148	114	11%	$22,926
62	Health Care and Social Assistance	9,293	9,394	101	1%	$39,034
71	Arts, Entertainment, and Recreation	2,442	2,531	89	4%	$20,681

Data Sources and Calculations

Industry Data

In order to capture a complete picture of industry employment, EMSI basically combines covered employment data from Quarterly Census of Employment and Wages (QCEW) produced by the Department of Labor with total employment data in Regional Economic Information System (REIS) published by the Bureau of Economic Analysis (BEA), augmented with County Business Patterns (CBP) and Nonemployer Statistics (NES) published by the U.S. Census Bureau. Projections are based on the latest available EMSI industry data, 15-year past local trends in each industry, growth rates in statewide and (where available) sub-state area industry projections published by individual state agencies, and (in part) growth rates in national projections from the Bureau of Labor Statistics.

State Data Sources
This report uses state data from the following agencies: North Carolina Employment Security Commission, Labor Market Information Division.

6. CEDS PLAN of ACTION

The following actions will be taken to achieve the goals of Comprehensive Economic Development Strategy:

Promoting economic development

- Continue meeting with local economic development directors to combine resources and find funding for projects
  EDD staff has regular meetings with state and local economic development directors and committees.

- Encourage business development with revolving loan fund and other non-traditional financing
  In 2011 the revolving loan fund will be combined in partnership with the Sequoyah Fund

- Seek funding sources for infrastructure projects
  In 2010, most of the 7 counties within the region had infrastructure projects utilizing various funding sources.

- Encourage private and public partnerships for job creation

- Extend fiber optic internet access in the District
  The fiber optic ring for Internet access continues to be expanded as a coordinated effort between private businesses and public agencies.

- Continue to increase competency of workforce
  Workforce development continues as a combined effort with the workforce development board, local businesses, economic development agencies, community colleges and chambers of commerce.

- Coordinate efforts with Advantage West, Blue Ridge National Heritage Area, Hand Made in America, and NC Department of Commerce to create and support new small businesses

- Provide assistance to local governments for planning and zoning activities, growth management and education
  The Mountain Landscapes Initiative, sponsored by the EDD created a Toolbox for local municipalities to use as templates for addressing planning and zoning activities.

- Locate sites for new business incubators, assist current incubators

- Assist local governments in development and promotion of Blue Ridge National Heritage Area businesses

As mentioned above, all counties have planning committees for participation in the Blue Ridge National Heritage Area project.

- Locate private and public resources for development of affordable housing
  The EDD continues to work with counties and municipalities to develop public and private means for building affordable housing.

Fostering effective transportation access

The Southwestern Economic Development District will continue to function as the Rural Transportation Planning Organization for the NC Department of Transportation. In doing so, measures will be taken to combine resources to provide transportation to citizens who have inadequate transportation access. Efforts will continue to encourage bicycle routes and pedestrian friendly streets. EDD staff will monitor the progress of train connections into the western part of the state, particularly into Asheville and will study the possibility of passenger rail line extension into the District when appropriate progress has been made. Assistance will be provided to municipalities and counties to relieve or prohibit congested traffic areas and plan highway and road access points and obtain funding for adequate planning. The EDD's Rural Transportation Planner will continue to facilitate meetings of area transportation authorities to coordinate efforts.

Enhancing and protecting the environment

Much of the early attempts at protection of this remote area came to the Southern Appalachians and Blue Ridge by virtue of the great environmental visionaries of the early twentieth century such as Theodore Roosevelt and Gifford Pinochet. Over 50% of the District was set aside in two National Forests (the Nantahala and the Pisgah) and a National Park (The Great Smoky Mountains National Park).

Oddly, very little additional environmental protection occurred during the next seventy years. The two notable exceptions being the Roy Taylor and Panthertown Valley additions to the Nantahala National Forest in Jackson County. This period also witnessed a substantial resistance to environmental protection. Paper mills dumped raw effluent into streams. Factory and power generation boilers were allowed to foul the air. The Great Smoky Mountains National Park has gained the distinction of having the most polluted air of any US National Park Citizens regularly spoke against environmental protection initiatives.

Environmental activists were reviled and threatened. The Governor's proposed Mountain Area Management Act (1976) was soundly defeated by community uprisings. Local government attempts to manage growth via zoning, watershed protection and subdivision regulations met the same fate.

By 2000, a palpable shift in environmental values had crept over the District. People grew scared to swim in some streams or to breathe outside air on hazy summer afternoons. The EPA forced paper mills to close or clean up. The NC Clean Smokestacks Act became law. The NC Department of Environment and Natural Resources forced local watershed protection. Letters to the editor asking for growth management by law became the norm in local newspapers. Between 1965 and 2010 the District's citizenry have transitioned from tacit support for environmental plunder (in the name of private property rights), to apathy, then alarm, finally to fear. Now there is widespread activism for a clean environment. District citizens are now regularly heard to voice outright anger when the geography, water and/or air of our District are recklessly deployed as commodities for private wealth enhancement.

Local elected leaders are beginning to respond. Candidates can now get elected on growth management platforms. Serious discussion and visible movement toward slope development ordinances, subdivision ordinances and land use management are underway in Haywood, Jackson, Macon and Swain Counties. High impact use ordinances are being adopted within the region.

The EDD has been successful in brokering the permanent conservation of retired municipal watersheds. The organization is partnering with local and regional land trusts to conserve prime farmland and working forests through the easement process. The District's GIS specialist is assisting local governments with the base mapping essential to growth management plans. District staff regularly facilitates sessions for local planning boards and strategic planning retreats for local governing boards. Without fail, growth management and environmental protection are agenda topics.

With a grant funded by the Z. Reynolds Smith Foundation, a neighboring regional council (Land-of-Sky) developed the framework for a comprehensive mountain ridge protection program that includes all the mountains of western North Carolina. This EDD will continue to work cooperatively with Land-of-Sky Regional Council to identify and examine all issues related to steep slope and mountain ridge development.

Specific issues are:

- Water quality (erosion and sedimentation, storm water pollution)
- Water quantity (storm water runoff, downstream flooding)
- Fish and aquatic species and impairment of headwater streams
- Loss of natural areas and endangered species
- Public health (drinking water, wastewater, air quality)
- Aesthetics and viewsheds
- Wildlife (habitat loss, fragmentation and travel corridors)
- Economic impacts of development (positive and negative)
- Public safety regarding landslides and emergency response routes

Strategies to address these concerns will center on the following:

- Public education and awareness
- Regulation (local, state and federal)
- Tax structure changes
- Land conservation programs (natural areas and working lands)

Effective development and use of workforce

Acknowledging that a strong workforce is the prerequisite to a healthy economy, the EDD will work with area community colleges and our regional university to provide training and education that will meet the needs for successful employment. A strategy for developing a three-pronged approach to workforce development will include:

- Assisting employers in using job profiling to identify actual work skills needed for specific jobs
- Working cooperatively with community colleges, the Southwestern Workforce Development Board, and the NC Employment Security Commission to administer assessments identifying qualified employees
- Providing training for the workforce in skill areas identified by the job profiling system

In addition, the EDD will take the following actions:

- Foster the development of small businesses and Internet entrepreneurs, through the use of business incubators & technology training in cooperation with schools, colleges and universities.
- Work with local school boards to reduce the high school drop out rate and provide adult education and GED classes
- Support the development of Western Carolina University's Millennium Campus for high technology education
- Identify and use natural assets within the District as a means for developing the workforce

Promoting technology

As previously mentioned, the local regional university is developing a high-tech campus as a resource for training and educating the workforce. A new engineering program at Western Carolina University is set to train students in progressive methods of engineering technology. In addition, high speed internet infrastructure will be expanded throughout the region. EDD staff will continue to work with local governments, high schools, and community colleges to help implement the expansion. The most likely avenue for this technology is a public-private venture involving the Eastern Band of Cherokee Indians, Drake Enterprises and Southwestern Community College.

Balancing resources through sound management of physical development

"To waste, to destroy our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed." -- Theodore Roosevelt

We have an understanding of the manmade ingredients that cause imbalances between man and the environment. Native peoples understood that their survival depended on a symbiotic relationship with the land and water. From current academic research and the applied knowledge of our soil, water and air, scientists know how to appropriately manage our natural resources that undergird our economic prosperity. Yet, we thunder on with a grudging

resistance to the environmental protection measures that we recognize as essential to our long term existence.

Growth in urban areas outside the District is now having an impact on the local environment. Most recently, the building of the Volkswagen assembly plant in Chattanooga has had an effect on Cherokee County in particular. Every community within the EDD is within three hours of the Atlanta metropolitan area which is about 120 miles in diameter. In terms of urban growth, the greater Atlanta area is said to be the fastest growing, sprawling metropolis in the country. Atlanta's growth is impacting the EDD more than the combined influence of Asheville, NC; Charlotte, NC; Greenville-Spartanburg, SC; and Knoxville, TN. The Counties of Cherokee, Clay and Macon are now considered to be in the commuter radius of Atlanta. Every creek-side, cove, pasture and mountain slope has become prime subdivision property. All EDD counties are facing tremendous growth pressures.

The region continues to make progress with long-range planning initiatives. Clay, Haywood, Macon, Jackson and Swain Counties have recently undergone comprehensive planning efforts resulting in adopted plans. Cherokee and Graham Counties are expected to begin their long-range planning processes in late 2011. The LDD continues to strengthen its partnership with the NC Department of Transportation in the coordination of their comprehensive transportation planning (CTPs) process. Counties that have completed CTPs include Jackson and Macon. Swain and Clay are nearing completion, Cherokee just starting and Graham preparing to start. There will be an effort to consolidate all the county-wide plans into a regional plan upon completion of the remaining counties. An ongoing transportation priority for the region continues to be the completion of the Appalachian Highway Development Systems Corridor K through Graham and Cherokee County. Local elected officials are struggling with fashioning and enforcing land-use management tools before the District's remaining, privately-owned open space disappears.

The District's citizens have historically been good stewards of their land, yet fiercely resistant to any mandated land use controls. The current wave of uncontrolled development has weakened this traditional resistance. Evidence of this dynamic is the new willingness of locals, for the first time, to protest new roads, rock quarries, asphalt plants and subdivisions. Public office candidates have recently begun to successfully run on growth management platforms. The positive reception of the Mountain Landscapes Initiative indicates a change in the perception of land use and planning. The District has employed a Rural Transportation Planner and a GIS Specialist whose primary duties are to support the District's member

governments as they design and deploy these measures. Looking to the next decade, the District staff will continue its long-standing focus on economic prosperity via infrastructure projects, including broadband technology. This focus will now have an equal partner in the form of substantial attention toward appropriate growth management.

Obtaining and utilizing adequate funds and other resources

EDD staff will assist communities to extend water and/or wastewater service to generate revenues for the system and/or tax base. Funding from the Appalachian Regional Commission, the Economic Development Administration, Community Development Block Grants, Clean Water Trust Fund, the North Carolina Department of Commerce and private sources will be identified. Assistance in grant application will be provided to local municipalities and counties.

1. PERFORMANCE MEASURES USED TO EVALUATE IMPLEMENTATION OF CEDS

Number of jobs created

In a District population of 194,102 with an employed labor force of 92,325 (2010 data), projections anticipate the creation of 425 new jobs during the 2011-2012 CEDS program year.

Number and types of investments undertaken

Most of the District's recently undertaken investments are in:

- Manufacturing with 2 recent investments in 2010-11
- Services with approximately 6 investments since 2010
- Hospitality and Gaming with 1 major investment in 2010 and continuing through 2012 to the amount of $633 million

Number of jobs retained

In addition to the constant drive of the District's economic development professionals to secure new jobs for the region, these same professionals are concurrently increasing energy

toward holding the jobs that are here now. One excellent example is the successful efforts to nurture and grow the "machined products cluster" in Cherokee, Clay and Graham Counties. The CEDS Committee predicts that this combined effort involving local economic directors, the District's community colleges, local elected leaders, AdvantageWest and the NC Department of Commerce will be successful in retaining 225 jobs that may have left the District, if not the nation.

Amount of private sector investment

Total new private investment in local enterprises is expected to be $640 million between 2010 and 2012. A bright spot for the westernmost counties is the recent construction of the new Volkswagen facility in Chattanooga. Volkswagen is looking to sub-contract with area production plants for parts productions. Cherokee County is the center of the machining industry in the region.

Harrah's Casino expansion is quite considerable which greatly impacts the total amount of investment. The hospitality and tourism jobs at the Casino pay comparatively well, are year-round and have benefits.

Changes in economic environment in District

The CEDS Committee expects that the Region's economic environment will continue to be attractive to many types of investments. The frequently mentioned reason is that "everyone wants to live and do business in the southern Appalachian Mountains". This mountain and valley region has always been thought of as physically attractive, but until the past 25 years it was also considered remote, backward and unfriendly to development due to a lack of infrastructure and trained labor.

The economic environment of the Region has changed significantly in the past century. The four-lane Appalachian Highway System built to interstate standards is largely complete, with the exception of a section in Graham County. Balsam West's Fiber Net information highway is expanding, offering high-speed bandwidth at urban prices. The District's labor force, as a whole, is much better equipped for 21st century jobs. Management of growth will be a significant as the challenge of securing new investments.

Evaluation

All of the activities described above have specific project goals and target dates. Each of these goals and dates is included either verbatim or by specific reference in several state or federal approved plans, including EDA. At the end of the EDD's fiscal year reports are prepared for the Board Directors and all funding agencies indicating whether targets and timelines have been achieved.

This District is cognizant of the Government Performance Reporting Act of 1997 and the requirements that Congress and the Administration (OMB) have placed on federal agencies to report succinct, accurate and reliable out-put and out-come measures.

The District will respond to EDA evaluation surveys and requests for specialized information in a reliable and timely manner.

The Commission will report to EDA our performance in meeting the goals and objectives of this CEDS update. This will be accomplished by assaying this document and listing actual outputs and outcomes as compared to those that were projected. Tasks which were not projected will be added to the annual performance report. However, the only real measures of success are functions of the well-being of the citizens of the District.

Are people employed? Are they making a living wage?

To this end, the District tracks and evaluates progress toward the goal of reaching or surpassing national averages for employment and income. In order to accomplish this ongoing evaluation, the District will benchmark against EDA published distress data for 24 month unemployment, and annual weighted per capita income.

2. METHODOLOGY FOR COOPERATION AND INTEGRATING CEDS WITH STATE'S PRIORITIES

This document will be sent to the North Carolina Department of Commerce, The Appalachian Regional Commission, and Advantage West and will also be available for review at the local office of the EDD. The EDD staff members are in frequent contact with the North Carolina Department of Commerce, various other regional commissions, and state and federal economic development entities. Strategies are shared and reviewed. The EDD is contacted when monies are available for state priorities within the region and also when there is new information regarding the economic status of counties within the region. EDD administrators are members of various state boards and advisory committees and staff members attend regular meetings and conferences related to economic development. The EDD has a long history of cooperation with the State of North Carolina and understands the importance of state priorities.

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