



# Mountain West Community Revitalization Plan

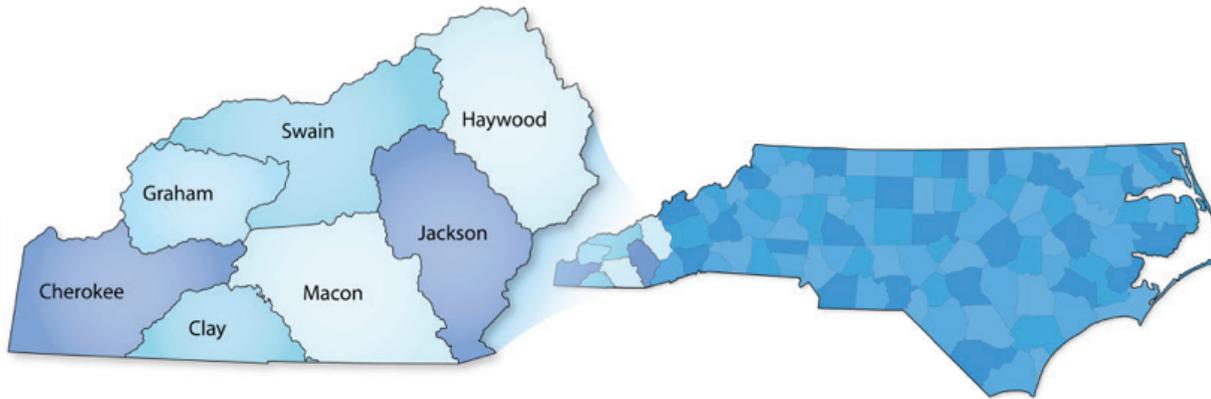
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# Executive Summary



The Mountain West Region is located in the mountains of southwestern North Carolina. The region consists of Swain, Graham, Macon, and Clay counties, and includes several key municipalities including Robbinsville, Town of Fontana Dam, Town of Lake Santeetlah, Bryson City, Franklin, Highlands and Hayesville. Centrally located within the region is the Qualla Boundary—the territory of the Eastern Band of Cherokee Indians (EBCI). Home to just over 67,000 residents, the region’s communities are topographically remote from large economic centers to the east, west, and south. Given its rurality, many potential investors, residents and visitors do not have extensive knowledge of the region’s story and assets.

The region’s isolation also creates many economic development challenges, including insufficient transportation and infrastructure. Many areas in the region are underserved, or not served at all, by modern telecommunications infrastructure, which can significantly deter economic growth. Isolation, the lack of economic diversity, and small populations all contribute to issues that have historically had negative impacts on the region, such as limited access to talent to support industry as well as limited interest in regional cooperation.

In order to address these challenges, the Mountain West region has developed this Community Revitalization Plan. This plan is built on the belief that regional collaboration will achieve greater economic and community development results. The plan described in this document was developed as part of the America’s Best Communities competition, but is also designed to serve a broader purpose. It is intended to synthesize the region’s other significant planning efforts in order to create a plan that presents the region’s multiple economic and community development strategies in a single strategy document informed by a consistent vision for the future. This strategy document will help guide the work of regional stakeholders, and particularly the work of the Mountain West Alliance partners which includes the Southwestern Commission, county economic developers, Western Carolina University, three community colleges, the Eastern Band of Cherokee Indians, and several important private sector contributors such as Drake Software, BalsamWest Fiber Net, Duke Energy and Frontier Communications.

The organizational structure of the Mountain West Community Revitalization Plan is prescribed by the guidelines of the America’s Best Communities Prize Competition. The Plan is built on seven goals that, when achieved, will help accomplish the Mountain West Region’s long-term vision. Each goal addresses one or more challenges facing the region as it works to revitalize communities and strengthen the economy. Several of these goals speak directly to the mission of the Mountain West Alliance and its core partners.

For instance, these regional leaders will seek to establish a recognized regional brand. In the past, the Advantage West Economic Development Group filled this marketing role for a wider 23-county region in Western North Carolina. However, with this group has subsequently closed its doors and there is a need to fill this gap by creating a regional brand that speaks more directly to the Southwestern North Carolina area. While there are several important large employers in the area (e.g., Harrah’s Cherokee Casino, Consolidated Metco, and Drake Software, etc.), the region’s economy is dominated by small firms and entrepreneurs. As a result, the Mountain West Alliance will take the lead in developing and marketing a brand and message that speaks to both businesses and potential entrepreneurs

In addition, the region will seek to strengthen its ability to support existing industries and businesses. Beyond tourism, the region has a number of ‘export’ industries—technology, light manufacturing, gaming—that bring new money into the community. There is an ongoing need to make sure that companies in these industries have easy access to the resources, services, and workers that will allow them to grow and prosper in the region. Currently, many support services exist but they are not always delivered as efficiently as they could be. Through the community revitalization plan, the Mountain West Alliance will play a key role as an information broker and connector to make sure that companies are effectively and efficiently connected to the economic development resources and training providers that can help them grow. Through this effort, the Mountain West Alliance will also track and monitor the competitive factors driving their region’s economic base, and then use this knowledge to get ahead of any possible disruptions.

Given the region’s rural nature, entrepreneurs are vitally important to its economic vitality. Sole proprietors represent almost 30 percent of the region’s total employment. Because of this, the community revitalization plan lays out activities that will create an environment that supports and fosters entrepreneurship. In order to enhance this entrepreneurial ecosystem, the Mountain West Alliance’s core partners will work to expand entrepreneurial and small business financing options through a regional revolving loan fund and angel enterprise fund. Much like their efforts to support existing business, they will also work to better connect entrepreneurs to key support services like those available through the community college small business development centers. Networking opportunities will also be organized to connect entrepreneurs not only to service providers, but to other entrepreneurs as well.

The primary responsibility for addressing the challenges described above will be the Mountain West Alliance and its core partners. However, the region faces a number of other important economic and community development challenges. The Mountain West Alliance partners will be active in addressing these challenges, but other regional stakeholders are better positioned to lead the strategy implementation efforts necessary to accomplish the community revitalization plan’s other goals.

Tourism remains an important economic driver in the region. Tourists bring outside money into the economy, which not only creates employment opportunities but also contributes to the local tax bases. Tourism is also a common way in which people are introduced to the region, and therefore is vital for attracting new residents, entrepreneurs, or second home buyers. However, it is not without its challenges, as many tourism-related jobs are relatively low paying and seasonal in nature. Moreover, the region is not seen as a destination as much as the nearby city of Asheville, and unlike Gatlinburg it is not viewed as a “Gateway to the Smokies”. In order to promote and expand regional tourism opportunities, regional stakeholders will work collaboratively to craft a common narrative that unifies the region’s natural amenities and cultural attractions and present the region as a single destination, rather than a collection of individual attractions. They will also work to support businesses that create more year round tourist opportunities.



The Mountain West region is relatively isolated, with few interstate highways and major thoroughfares. Low density development and the mountainous terrain make infrastructure projects like major road construction and maintenance or last-mile broadband access, both challenging and expensive. Moreover, the region has to compete with more urban and faster growing regions for state infrastructure funding. Given these challenges, the community revitalization plan seeks take several important steps to reduce isolation. In doing so, regional stakeholders will work collaboratively through a public-private coalition to monitor and advocate for regional infrastructure investments. They will also establish public-private partnerships to expand broadband services in underserved and difficult-to-reach areas in the region, as well as improve high speed internet access in the region's downtown areas.

Downtown areas are important and even though the region has no large urban area, there are several small towns that are important to the regional character. Through the community revitalization plan regional stakeholders will take several steps to revitalize and strengthen communities by making them more vibrant places to live, work and visit. Consequently the plan lays out steps for encouraging reinvestment in downtowns to make them more attractive. It also includes plans to stimulate the development of better housing choices, particularly more multi-unit homes that are affordable for younger residents looking to buy their first home or for older residents looking to downsize and be closer to services and amenities. The plan also lays out several activities that will create more shared work spaces, so that entrepreneurs can get out of their homes and contribute to the vibrancy and life in the downtown areas.

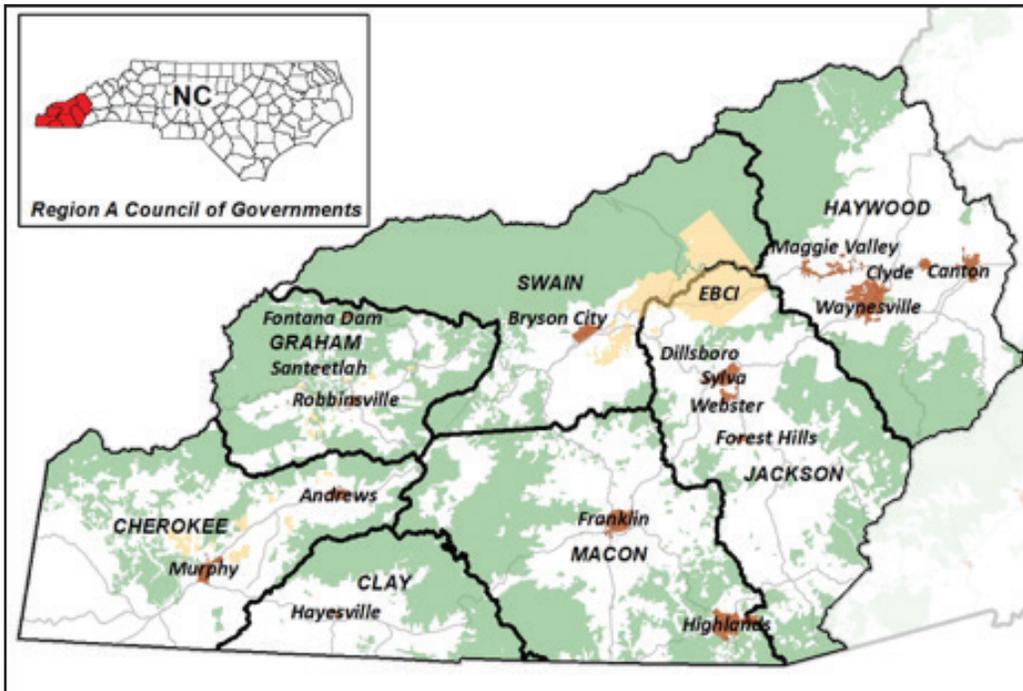
In order to make sure all of these activities are implemented effectively, stakeholders will need to take a more regional and inclusive approach to addressing increasingly complex economic and community development challenges. As a result, the community revitalization plan includes several strategies designed to train current and future leaders and thereby expand community capacity. These strategies include connecting leaders to the resources of Western Carolina University, establishing a rural leadership institute to promote more regional perspectives toward problem solving, and encouraging nonprofits and civic organizations in the region to include youth and young adult representatives on their board of directors.



# Introduction

The Mountain West Region is located in southwestern North Carolina. The region consists of Swain, Graham, Macon, and Clay counties, and includes several key municipalities including Robbinsville, Town of Fontana Dam, Town of Lake Santeetlah, Bryson City, Franklin, Highlands and Hayesville. Centrally located within the region is the Qualla Boundary—the territory of the Eastern Band of Cherokee Indians (EBCI). The region’s estimated population was 67,374 in 2014. The four counties are part of the Southwestern Commission Council of Government’s service area (see Figure 1) which is also known as Region A Council of Governments.

**Figure 1: Southwestern Commission Council of Government Service Area**



Tourism is an important regional economic driver, but the downside to a tourism economy is that it tends to create relatively lower paying, seasonal service jobs. Beyond tourism, the region has a relatively few other “export” industries that bring new money into the region. As a result, the region strives to diversify its economic base to provide its residents more stable, year-round, higher-paying jobs.

Nestled in the southern Appalachian Mountains, the region’s communities are topographically remote from large economic centers to the east, west, and south. This isolation creates many economic development challenges, including insufficient transportation and infrastructure. Many areas in the region are underserved, or not served at all, by modern telecommunications infrastructure which can significantly deter economic growth. Isolation, the lack of economic diversity, and small populations all contribute to issues that have historically had negative impacts on the region: limited access to talent that could provide community leadership; public apathy toward community revitalization; and limited interest in regional cooperation.

Existing community leaders acknowledge these key issues and are seeking innovative ways to address them. Consequently, local leaders are seeking out new approaches to economic development, and recognize the importance of taking a more regional approach to solving local challenges. As such, the region’s economic development efforts are beginning to focus more on strategies designed to recruit small, technology-intensive, knowledge-based industries, as well as foster increased entrepreneurial activity. These types of economic development strategies require greater cooperation and collaboration across the communities in the region in order to maximize limited resources and to compete as one in the broader global marketplace. For these efforts to be effective, the communities of the region must brand and market themselves as a region instead of counties and towns competing against each other.

# About the Mountain West Community Revitalization Plan

The Mountain West Community Revitalization Plan centers on the belief that regional collaboration will achieve greater results. The plan described in this document was developed as part of the America's Best Communities competition, but is also designed to serve a broader purpose. It is intended to synthesize the region's other significant planning efforts in order to create a plan that presents the region's multiple economic and community development strategies in a single strategy document informed by a consistent vision for the future.

This strategy document will help guide the work of regional stakeholders, and particularly the work of the Mountain West Alliance partners. The Mountain West Alliance was launched in 2013, and its partners include the Southwestern Commission, county economic developers, Western Carolina University, three community colleges, the Eastern Band of Cherokee Indians, and several important private sector contributors such as Drake Software, BalsamWest Fiber Net, Duke Energy and Frontier Communications.

This section provides important background on several aspects of the region's economic and community development planning efforts. First, it describes the region's participation in the America's Best Communities competition. Next it provides context about several of the region's important recent planning efforts, and the community engagement process that informed those efforts. It then lays out the region's vision for the next 20 years. Finally, it explains the organization of the economic and community development strategies.

## The America's Best Communities Competition

The development of the Mountain West Community Revitalization Plan has been funded through the America's Best Communities Prize Competition, sponsored by Frontier Communications, DISH Network, CoBank and The Weather Channel. The America's Best Communities Prize Competition is intended to promote community revitalization in smaller and medium-sized rural communities with an overarching goal of providing a wealth of creative ideas about how to revitalize small towns and rural communities across the United States.

The Mountain West Region was one of over 135 communities who submitted an application for the America's Best Communities Prize Competition in early 2015. In April of 2015, the region was selected as one of 50 quarterfinalist communities. As a quarterfinalist, the Region has been provided funding support for the development of the Mountain West Community Revitalization Plan. The Mountain West region will submit the Mountain West Community Revitalization Plan in October 2015, and if selected as a semifinalist will compete with 15 communities for one of three final grand prizes, worth \$1 million or higher. An investment of this size has the potential to transform the Mountain West regional economy in a truly significant way.

The Mountain West Region's application effort has been led by the Southwestern Commission (SWC) in partnership with Graham Revitalization Economic Action Team (GREAT). Other application team members included representatives from the Economic Development Commissions of Clay, Graham, Macon, and Swain Counties. The overall goal of the Mountain West Community Revitalization Plan is to provide a framework for the region to strengthen its economy, focusing especially on strategies to be implemented by members of the Mountain West Alliance Partnership.

# Existing Strategic Planning Efforts and Initiatives

The Mountain West Community Revitalization Plan leverages and builds on a variety of initiatives and strategic planning efforts that have been undertaken in the region during the past five years, each of which focuses on greater good of the region. The following are the key initiatives and plans shaping the development of the Mountain West Community Revitalization Plan.

- **Opt-In Regional Vision**<sup>1</sup> – The Opportunity Initiative (Opt-In) Regional Visioning was a 15-month effort to better understand and inform the range of choices facing local governments, businesses and residents in the seven westernmost counties of North Carolina and in the Eastern Band of Cherokee Indians. The Opt-In Regional Vision focused on transportation and rural economic development opportunities to create a collaborative regional vision. The effort—informed by the input of over 1,000 regional stakeholders—produced short and long-term recommendations for implementing the vision.
- **Southwestern NC Economic Development District** – A Comprehensive Economic Development Strategy (CEDs)<sup>2</sup> – Southwestern NC Economic Development District covers seven counties in southwestern North Carolina. The Comprehensive Economic Development Strategy (CEDs) is designed to bring together the region’s public and private sectors in the creation of an economic roadmap to diversify and strengthen regional economy. The current CEDs was developed in 2012 and updated in late 2015. The CEDs encompasses 13 goals developed by an advisory committee comprised of economic development professionals, representatives of major institutions and private industries, and other regional partners.
- **Mountain West Alliance**<sup>3</sup> – The Mountain West Alliance (MWA) is a regional economic development partnership comprised of county economic developers from the 7 western counties of North Carolina and representatives from the Southwestern Commission Council of Government, Eastern Band of Cherokee Indians (EBCI), and Western Carolina University. MWA’s focus is on branding and marketing the region, increasing regional cooperation, and consolidating the economic development resources of the region.

The development of these planning efforts required extensive community engagement activities. Over the past four years, regional leaders have captured public insights about where the region should invest its time and efforts. The most extensive public engagement efforts took place through the Opt-In Regional Visioning process, completed in 2014, engaged more than 1,000 of the region’s residents through meetings which ranged from one-on-one interviews to a regional summit.

The Southwestern NC Economic Development District’s Comprehensive Economic Development Strategy (CEDs) is developed every five years, and updated annually, by input from an advisory committee comprised of 30 regional leaders. Supported by the Southwestern Commission, this effort focuses on generating expert input from the region’s economic development professionals and private sector partners to identify strategies to achieve the vision of regional leaders and citizens.

Furthermore, to supplement and validate the significant amount of community input and engagement undertaken in the region during the past four years, additional community input was sought from community and business leaders to help shape this Mountain West Community Revitalization Plan. Because the applicant team already had comprehensive public input from across the region resulting from the Opt-In Regional Visioning and CEDs processes, this effort focused on completing the picture of the challenges facing the region, identifying national best practices, and supplementing existing insights to inform this strategic planning process. To build on the important work that pre-dated this opportunity, the applicant team focused much of its work in recent weeks on synthesizing findings from those recent community engagement activities into innovative strategies that would achieve the change that the region’s people had already identified.

1. <http://www.optinswnc.org/>

2. <http://www.regiona.org/wp-content/uploads/2011/06/2012-Final-CEDs-9-30-12.pdf>

3. <http://www.regiona.org/ced/mwa/>

# The Mountain West Region in 2035

The region's original Vision was developed through the Opportunity Initiative (Opt-In) Regional Visioning effort undertaken from March 2013 through May 2014. The vision was created through a robust public engagement process involving over one thousand individuals throughout the region. The Mountain West Community Revitalization Plan's Vision builds upon the Opt-In Regional Vision, further refining the strategies and performance metrics. The Vision is a picture-in-words of the region in 2035 if the Mountain West Community Revitalization Plan and other ongoing regional efforts are successful.

## **It is 2035...**

*The Mountain West region is growing and prospering. The change envisioned by the region's residents over 20 years ago has occurred, and the region has improved in many ways: the quality of the natural environment, the regional economy and its role in the global economy, the way residents get around, and the appearance of the towns and villages.*

*The region is a beautiful place. The awesome beauty of the Blue Ridge Mountains of Southwestern North Carolina and the irresistible scenic views remain what makes this region special. They are even better now, as private property owners have chosen to add major tracts of land and notable features and places to the already vast portfolio of protected lands. Emphasizing and promoting the beauty of the landscape has played a major role in the region's economic turnaround.*

*Tourists come year-round to enjoy the mountains, forests, lakes, and scenic vistas. Fishing and boating are popular in the region's pristine waterways. "Grown Locally" is an attribute found on food and product labels in stores, restaurants, and thriving farmers' markets. Some businesses have located here because they are directly involved in the outdoor recreation industry. Others have found that proximity to the outdoors and to vibrant towns has made the area attractive to a young, talented workforce.*

*Marketed as one, the Mountain West region competes globally. A razor-sharp focus on regional cooperation has created a business climate that has attracted entrepreneurs, start-ups, knowledge businesses, and "green" manufacturing, while reestablishing and strengthening local agriculture. Education has played an important role. A partnership of local businesses and educational institutions has worked together to give residents the skills needed for current and future jobs, and has given employers the qualified workforce they require.*

*There are now more regional transportation choices and improved infrastructure. The road network is safe and efficient. It minimizes impacts on cultural and scenic resources, and supports the needs of small town economies. There are roads in place that connect the region to the larger surrounding areas and state-of-the-art telecommunication infrastructure providing global access to and from the region for industries, residents and tourists. There are more alternatives to moving around within the region's towns, with multi modal transportation networks in place. People continue to drive cars, but in many towns, sidewalks and biking and pedestrian paths have made it easier to get around without a car. Local and regional transit routes have also become more available and frequent.*

*Small towns in the region planned wisely for population and job growth, and created prosperous and vital town centers. They have implemented the right blend of fair regulations and incentives to attract housing and commercial developers to existing downtowns and areas well served by infrastructure. This has resulted in vibrant, bustling main streets where businesses thrive, and a variety of housing choices coexist, attracting young and older residents alike. The focus on existing population centers has contained sprawling development and left intact the rural and independent lifestyles that many in the region prefer. The Mountain West region has reached its stride. It is different and special. Even as substantial changes have occurred, it has kept its strong individualism and independence, its distinctive towns, its traditional arts and crafts, its music and speech, and its local customs. It has established itself as the authentic and quieter side of the Great Smoky Mountains, steeped in mountain culture, while efficient, prosperous, welcoming, connected, and mobile.*

# Organization of the ABC Community Revitalization Plan

The organizational structure of the Mountain West Community Revitalization Plan is prescribed by the guidelines of the America's Best Communities Prize Competition. The Plan is built on seven goals that, when achieved, will help accomplish the Mountain West Region's long-term vision. Each goal addresses one or more challenges facing the region as it works to revitalize communities and strengthen the economy. By accomplishing its goals, the region will:

- Establish a recognized regional brand,
- Support existing industry or business,
- Create an environment that supports and fosters entrepreneurship,
- Promote and expand regional tourism opportunities,
- Reduce isolation,
- Revitalize and strengthen communities, and
- Expand community capacity.

The first three challenges listed above speak directly to the mission of the Mountain West Alliance. The Mountain West Alliance partners are working collaboratively to recruit and retain businesses and strengthen the regional economy. To do so, they are working on activities that help bring cohesion and coordination to the region economic development efforts, particularly in the region's external marketing. Given the importance of this effort, this strategy lays out the challenges most directly relevant to the Mountain West Alliance and how the partners plan to address these challenges over the next 1-2 years. Under each goal are strategies and tactics designed to help accomplish the goal. Performance measures, lead implementing organizations, supporting participants, and potential funding sources have been outlined for each strategy.

The region also faces other development challenges, such as reducing isolation or revitalizing the region's downtowns, which will impact the region's economic future. Strategies have been developed through the region's prior planning efforts to address many of the critical community and economic development challenges. The Mountain West Alliance partners will be involved in many of these other strategies, although other regional stakeholders will have the primary responsibility for leading the implementation efforts. As a result, the other regional challenges and strategies are addressed subsequent to those that are most relevant to the Mountain West Alliance partners.



# Challenges and strategies facing the Mountain West Alliance

As noted above, several regional goals are directly relevant to the work of the Mountain West Alliance. These goals include establishing a recognized regional brand, supporting existing industry or business, and creating an environment that supports and fosters entrepreneurship. This section will identify the challenges facing the region, and the strategies that will be undertaken to address each respective challenge. The lead implementing organization for the strategies laid out below will be the Mountain West Alliance and/or its core partners. For each strategy, we will identify the primary activities involved in completing the strategy, the metrics by which the Mountain West Alliance and its partners will use to measure their progress, other involved partners, and potential funding sources to support these activities.

## Goal #1: Establish a recognized regional brand

In order to attract new investment and talent, the Mountain West region will establish a brand that conveys the region’s story and assets to businesses, visitors and potential residents.

**Challenge #1: Businesses and entrepreneurs lack a firm understanding and awareness of the region’s story and assets.**

### Explanation and justification

Over the past several decades, the region’s economic development marketing was handled in large part by the Advantage West Economic Development Group. Advantage West provided economic development marketing and services to 23 counties in Western North Carolina, including the four counties of the Mountain West region. However due to a loss of state funding, Advantage West closed its doors in June 2015, leaving the region without an organization to fill this marketing role.

Even with Advantage West, the region experienced some difficulty in telling its story because it was often overshadowed by what was going on in the nearby Asheville region. The region has a different kind of economy from many other parts of the state, and its rural nature and mountain culture make for a compelling and unique story. While there are some larger and key employers like Drake Software, Harrah’s Cherokee Casino, and manufacturers like Consolidated Metco in Bryson City and Franklin Tubular Products in Franklin, most regional establishments are very small in size.

**Figure 2: Establishments by employment size**

	1 to 4	5 to 19	20 to 99	100 to 499	500+
<b>Mountain West</b>	62.1%	30.5%	6.4%	1.0%	0.0%
<b>North Carolina</b>	52.9%	32.6%	12.3%	2.0%	0.2%
<b>United States</b>	54.6%	31.4%	11.7%	2.1%	0.3%

Source: US Census Bureau County Business Patterns

Figure 2 shows the percent of total establishments by employment size based on data provided by the US Census Bureau’s County Business Patterns. Within the Mountain West region, 62.1 percent of all establishments have only 1 to 4 employees, which is a greater proportion than either the state (52.9 percent) or the nation (54.6 percent). Importantly, only 6.4 percent of establishments have 20 to 99 employees, which is roughly half as much as the state (12.3 percent) or the nation (11.7 percent). Firms of this size are often those that see the most significant growth in the region.

# Challenges and strategies facing the Mountain West Alliance (cont'd)

Business demographics are important for shaping the region's marketing efforts, as greater emphasis may be placed on attracting certain entrepreneurs and small businesses that make their location choices based more on lifestyle than proximity to markets. As a result, the region's marketing efforts might focus around its natural amenities and quality of life. This strategy needs to align with the region's tourism efforts, because often tourism is the first way that many potential residents are introduced to the region.

Figure 3 shows that the region has been successful in attracting relatively wealthier in-migrants to the region. According to data collected by the US Internal Revenue Service, the region attracted 415 more in-migrants than it lost to out-migration.<sup>4</sup> This is particularly unusual for a rural region. Every county except Graham had a positive net migration between 2012 and 2013. More importantly, the adjusted gross incomes of in-migrants (\$43,467 per return) exceeded that of out-migrants (\$32,636 per return). The difference between these two figures was particularly higher in Macon County, where income per return was \$17,541 greater for in-migrants than for out-migrants. These in-migrants provide an important pool of new talent, leadership, and entrepreneurs.

## Motivation for new strategic direction

**Figure 3: Mountain West Migration Patterns**

Area	In-migrants*	Out-migrants*	Net migration	Adjusted gross income per in-migrant return	Adjusted gross income per out-migrant return
Clay	825	676	149	\$43,684	\$31,390
Graham	303	366	-63	\$35,310	\$28,609
Macon	2,478	2,274	204	\$52,195	\$34,654
Swain	1,234	1,109	125	\$27,530	\$30,621
<b>Mountain West</b>	<b>4,840</b>	<b>4,425</b>	<b>415</b>	<b>\$43,467</b>	<b>\$32,636</b>

Source: US Internal Revenue Service, *Statistics of Income* (2012-2013)

\*Does not include migrants from within the region

There is a clear need for the region to create a consistent marketing message that appeals to both companies and to potential new residents and entrepreneurs. Through the establishment of the Mountain West Alliance—a public-private partnership charged with marketing the region to businesses and entrepreneurs—the region will be able to craft this message. It will also provide staff support so that the region's economic development stakeholders and key employers

4. These figures do not include migrants who moved from one county in the region to another (e.g., Clay to Macon).

# Challenges and strategies facing the Mountain West Alliance (cont'd)

## Strategies and Tactics

### **Strategy 1.1.1: Complete a data analysis and asset inventory of the Mountain West region.**

#### *Tactics:*

- Outline project scope and select consultant
- Work with consultant to complete the analysis and inventory
- Review the project results to gain a greater understanding of the region and where to focus economic development activities
- Integrate data and information into economic development activities and marketing strategies

#### *Performance Measures:*

- Data analysis and asset inventory completed by June 2016
- Begin integrating data and information into economic development activities beginning in July 2016

#### *Lead Implementing Organizations:* Southwestern Commission and the Mountain West Alliance

- Supporting Participants: Local economic development commissions, chambers of commerce and tourism development authorities and other economic development stakeholders

#### *Funding:* Grant from the Economic Development Administration

### **Strategy 1.1.2: Develop a marketing strategy and platform to communicate and convey the economic story of the Mountain West region to businesses and entrepreneurs.**

#### *Tactics:*

- Create a position at the Southwestern Commission to staff the Mountain West Alliance
- Develop a Mountain West Alliance logo and branding strategy
- Develop a Mountain West Alliance website
- Integrate the regional brand into local marketing strategies and materials

#### *Performance Measures:*

- Staff position filled by July 2016
- Logo and branding strategy developed by December 2016
- Website live by February 2017

#### *Lead Implementing Organizations:* Southwestern Commission and the Mountain West Alliance

- Supporting Participants: Local economic development commissions, chambers of commerce and tourism development authorities and other economic development stakeholders

#### *Funding:* Pilot the staff position utilizing grant funding, then secure ongoing funding through MWA stakeholders

# Challenges and strategies facing the Mountain West Alliance (cont'd)

## Goal #2: Support existing industry or business

The Mountain West region will ensure that businesses and entrepreneurs are able to access a wide array of economic and workforce development support services, and do so in an efficient manner.

**Challenge #1: The region needs ongoing information to track its unique competitive advantages (e.g., technology, light manufacturing, gaming, agriculture and food manufacturing, etc.) and where regional firms fit within their supply chains.**

### Explanation and justification

The Mountain West region has a number of key economic drivers that provide the foundation for the region's economy. Unlike locally-serving industries (e.g., retail, most healthcare services) that grow or decline based on population trends, 'export' industries are vitally important to the region. This is due to the fact that they sell most of their products outside of the region, bringing new money into the community rather than just recycling it within. Among the region's 'export' industries are technology, light manufacturing, gaming and tourism (the latter sell primarily to visitors).

The challenge that the region faces is that beyond tourism, many of the region's 'export' industries (those that bring new money into the community) are comprised of a small number of medium-sized companies. Figure 4 shows the employment, relative concentration<sup>5</sup>, and number of establishments for the region's largest export industries. The common theme that emerges from the data is that these jobs are concentrated within a few companies. Harrah's Cherokee Casino is the export industry that creates the most jobs (Tribal employment is included within the Local Government NAICS code). It is highly concentrated within the region and is a source of employment growth. Computer systems design and related services is another growth industry, with Drake Software accounting for much of this employment. Similar patterns are seen in the region's largest manufacturing sectors—like Drake Software, Harrah's Cherokee Casino, and manufacturers like Consolidated Metco in Bryson City and Franklin Tubular Products in Franklin, most regional establishments are very small in size.

**Figure 4: Employment trends in key 'export' industries**

NAICS	Description	2010 Jobs	2015 Jobs	2010 - 2015 Change	2014 Estab.	2015 Relative Concentration
9039	Local Government, Excluding Education & Hospitals#	4,511	5,306	795	33	5.58
5415	Computer Systems Design & Related Services	561	746	185	13	2.36
7211	Traveler Accommodation	597	596	(1)	59	1.91
7139	Other Amusement & Recreation Industries	558	595	37	25	2.89
3371	Household & Institutional Furniture & Kitchen Cabinet MFG	453	397	(56)	5	9.49
3261	Plastics Product MFG	197	376	179	1	3.98
3219	Other Wood Product MFG	269	251	(18)	7	6.83
3399	Other Miscellaneous MFG	248	212	(36)	8	4.42
3323	Architectural & Structural Metals MFG	121	152	31	3	2.41
3359	Other Electrical Equipment & Component MFG	131	128	(3)	3	6.07

Source: Economic Modeling Specialists International, 2015 Q2

#Tribal employment (incl Tribal-owned casinos) is included within Local Government

These industries are highly concentrated in the region, and are thereby key pillars of the economy, but only a small number of firms contribute to this employment. Only traveler accommodations and amusement and recreation industries have a larger set of establishments.

5. Relative concentration is measured using location quotients (LQ), which measure the relative percentage of the region's industry employment, as compared with the cluster's national employment share. An LQ greater than 1.0 means that the region has a larger relative concentration of industry employment than the overall national economy. Furthermore, if the industry's LQ is growing over time, then industry employment is becoming more concentrated in the region; this suggests an improvement in the region's relative competitiveness.

# Challenges and strategies facing the Mountain West Alliance (cont'd)

Overall, the region has a relatively low level of economic diversity, particularly within its export sectors. **Figure 5** shows that counties within the Mountain West region have relatively low levels of industrial diversity.<sup>6</sup> In terms of a percentile ranking of counties nationwide, two of the region's counties—Graham and Swain—are significantly less diverse than many counties nationally. Only the region's most populous county—Macon County—is close to the top quarter of counties in terms of its percentile ranking (74th percentile). It is important to note that with this kind of economic structure, the Mountain West region is not alone, as many rural regions face similar challenges.

**Figure 5: Industrial diversity by US percentile ranking**

County	Industrial Diversity
Clay	54th Percentile
Graham	27th Percentile
Macon	74th Percentile
Swain	3rd Percentile
Southwestern Commission*	33rd Percentile

Source: <http://arc.creconline.org/>

Decisions about the region's major employers are often made outside the region. While this is not the case with Harrah's Cherokee Casino or Drake Software, it is the case for many of the region's larger manufacturers. As was the case with the closing of the Stanley Furniture plant in Robbinsville, decisions to close plants are outside of local control, but they can have devastating consequences for the local community and the region. Many regions seek to offset the risks associated with this lack of employment diversity by promoting entrepreneurship and small business support strategies that support greater local ownership and control. However, the challenge with these strategies is that the jobs are created several at a time, while the job losses from a major plant closing are large and can occur in an instant.<sup>7</sup>

## Motivation for new strategic direction

Information is an important component for any strategy seeking to assess and understand the risks associated with the lack of economic diversity. Local economic developers need to track and monitor the competitive factors driving their region's economic base, and then use this knowledge to get ahead of any possible disruptions. Many of these factors include understanding where regionally-based firms fit within the broader networks. For instance, economic development practitioners might seek to understand the corporate structure of their local firms and be able to identify where the decisions that affect those firms are made. Similarly, economic developers should also seek to learn about where locally-based firms fit within the region's broader supply chains. In doing so they will be better able to understand how demand shifts in particular industries may pose threats or create opportunities for local firms.

6. Using North American Industry Classification System (NAICS) based industries, industry diversity measures the number of industry types in a region and the evenness of employment across the industry types that employ a region's residents. Low industrial diversity implies employment concentrated in only a few industry types, while high industrial diversity implies employment distributed relatively evenly across many industry types.

7. For more information on economic diversity see: [http://www.arc.gov/research/researchreportdetails.asp?REPORT\\_ID=108](http://www.arc.gov/research/researchreportdetails.asp?REPORT_ID=108)

# Challenges and strategies facing the Mountain West Alliance (cont'd)

Tracking this information will allow local economic developers to anticipate issues or opportunities before they arise. Another one North Carolina's regional economic development organizations—The NC East Alliance—has created interactive portals that allow stakeholders, existing companies and potential investors to easily find information about companies in their targeted clusters and key transportation corridors.<sup>8</sup> Easy access to this information can help facilitate more proactive economic development strategies. Greater awareness of regional assets can help stakeholders more quickly take advantage of opportunities as they arise.

Some of these more proactive development strategies are already ongoing within the region. The Qualla 2020 Initiative from the Cherokee Preservation Foundation of the Eastern Band of Cherokee Indians represents one such effort to actively pursue greater economic diversity.<sup>9</sup> By looking to support and promote small business entrepreneurship, tourism, and knowledge-based services, the EBCI is making progress toward creating an economy that is less dependent on gaming revenues. Continually tracking and monitoring the region's economy, and particularly its 'export' industries, will be vital to supporting similar proactive region-wide diversification efforts.

## Strategies and Tactics

**Strategy 2.1.1: Develop an online portal to serve as a data and resource directory for entrepreneurs and businesses and a one-stop location for all economic development data, resources and events for the region.**

### *Tactics:*

- Outline project scope and select consultant/web developer
- Work with consultant/web developer to complete the development of the portal
- Market and publicize the portal to prospective users
- Maintain and update the information and data on the portal

### *Performance Measures:*

- Begin marketing the portal in April 2016
- Online portal live online by May 2016
- Grow usage of the portal by 10% annually beginning in 2017

### *Lead Implementing Organizations:* Southwestern Commission and the Mountain West Alliance

- Supporting Participants: Local economic development commissions, chambers of commerce and tourism development authorities, Western Carolina University and other economic development stakeholders

**Funding:** Initial grant from the Economic Development Administration, and then secure ongoing funding through MWA stakeholders

8. <http://www.nceast.org/interactive-maps>

9. <http://cherokeepreservation.org/what-we-do/economic-development/economic-diversification-initiatives/qualla-2020/overview/>

# Challenges and strategies facing the Mountain West Alliance (cont'd)

**Challenge #2: The region has an inadequate number of highly skilled, technical workers to support the region's key driver industries (e.g., information technology, light manufacturing).**

## Explanation and justification

As noted above, some of the region's key economic drivers are in information technology and manufacturing. In order to grow and thrive in the region, these industries need an ample supply of skilled workers capable of adapting to their changing and competitive environment. However, the workforce challenges of these industries differ. The region will need to find creative solutions to address these challenges.

**Figure 6** shows the region's most common computer-related occupations. The most common occupation is computer user support specialists. This occupation stands apart from many of the computer-related occupations because most require a post-secondary degree, and often a 4-year degree. They also tend to pay higher than average wages. Given the region's rural nature, finding these highly skilled workers can prove challenging. Facilitating continued growth of IT-related activities will require the region to increase the number of people with IT knowledge and skills. The challenge for the region will not only be to attract workers with these skills in the short term, but also encouraging area students to enter these fields, so as to ensure a future talent pool. Additionally, these workers are likely to be a strong source of entrepreneurial talent, so another challenge facing the region will be to encourage these skilled workers to pursue entrepreneurial ventures.

**Figure 6: Region employment trends in computer-related occupations.**

SOC	Description	2010 Jobs	2015 Jobs	2010 - 2015 Change	Typical Entry Level Education	2015 Relative Concentration	Median Hourly Earnings
15-1151	Computer User Support Specialists	130	180	50	Some college, no degree	1.81	\$15.24
15-1132	Software Developers, Applications	60	73	13	Bachelor's degree	0.59	\$29.01
15-1142	Network and Computer Systems Administrators	56	69	13	Bachelor's degree	1.08	\$24.63
15-1121	Computer Systems Analysts	41	50	9	Bachelor's degree	0.53	\$23.86
15-1131	Computer Programmers	40	47	7	Bachelor's degree	0.88	\$28.91
15-1152	Computer Network Support Specialists	24	30	6	Associate's degree	0.99	\$21.47
15-1133	Software Developers, Systems Software	20	22	2	Bachelor's degree	0.32	\$29.87
15-1134	Web Developers	10	13	3	Associate's degree	0.60	\$12.57
15-1199	Computer Occupations, All Other	15	12	(3)	Bachelor's degree	0.31	\$12.92

Source: *Economic Modeling Specialists International, 2015 Q2*

# Challenges and strategies facing the Mountain West Alliance (cont'd)

The workforce challenges facing manufacturers in the region is somewhat different. **Figure 7** shows the region's ten most common production-related occupations. With the exception of workers in furniture-related fields, these occupations have all shown modest growth since 2010. The common theme among these occupations is that they generally require little more than a high school degree. Therefore, the challenges facing the region's manufacturers are attracting workers with adaptable skills, as well as continually building the skills of their workforce as manufacturing processes become more advanced. While companies often have the resources and capacity to undertake ongoing incumbent worker training, the region's smaller manufacturers must find creative ways to provide training opportunities, in order to remain competitive.

**Figure 7: Region employment trends in production-related occupations**

SOC	Description	2010 Jobs	2015 Jobs	2010 - 2015 Change	Typical Entry Level Education	2015 Location Quotient	Median Hourly Earnings
51-2092	Team Assemblers	215	221	6	HS diploma or equivalent	1.10	\$11.88
51-7042	Woodworking Machine Setters, Operators, & Tenders, Except Sawing	127	118	(9)	HS diploma or equivalent	9.34	\$11.11
51-1011	First-Line Supervisors of Production & Operating Workers	89	92	3	Postsec. non-degree award	0.89	\$23.48
51-8031	Water & Wastewater Treatment Plant & System Operators	70	81	11	HS diploma or equivalent	4.10	\$17.44
51-4072	Molding, Coremaking, & Casting Machine Setters, Operators, & Tenders, Metal & Plastic	46	69	23	HS diploma or equivalent	3.05	\$15.51
51-4021	Extruding & Drawing Machine Setters, Operators, & Tenders, Metal & Plastic	43	65	22	HS diploma or equivalent	5.16	\$17.49
51-7011	Cabinetmakers & Bench Carpenters	55	50	(5)	HS diploma or equivalent	3.18	\$16.20
51-9121	Coating, Painting, & Spraying Machine Setters, Operators, & Tenders	44	47	3	HS diploma or equivalent	2.96	\$15.42
51-9061	Inspectors, Testers, Sorters, Samplers, & Weighers	42	46	4	HS diploma or equivalent	0.53	\$16.61
51-4121	Welders, Cutters, Solderers, & Brazers	42	44	2	HS diploma or equivalent	0.68	\$14.23

Source: *Economic Modeling Specialists International, 2015 Q2*

## Motivation for new strategic direction

The region has already undertaken a number of important workforce development efforts. These efforts are focused both on introducing future workers to career and entrepreneurial opportunities and helping existing employers to meet their workforce needs. For instance, the Cherokee Preservation Foundation has funded the Western Regional Service Alliance to support STEM-E (Science, Technology, Engineering, Math and Entrepreneurship).<sup>10</sup> This initiative provides training, technology and equipment for Western North Carolina students and teachers to allow them to better understand how STEM-E subjects translate into area jobs, or jobs that they may be able to create for themselves. Continuing to expand and strengthen efforts like this will help students understand that STEM-E subjects can be instrumental in their ability to live and prosper in the region when they are done with school.

The region's community colleges represent another important asset in strengthening the region's workforce. North Carolina's community colleges have a strong national reputation for providing customized training that is vital to companies adding jobs, making technology investments, or increasing their productivity. The program works well when a company needs training for an existing cohort of workers, but the region has many small companies that do not have enough workers or resources to fund training sessions on their own. The region could encourage greater usage of the colleges' customized training programs by facilitating collaboration among small companies so that they can build scale and pool resources in order to take advantage of the customized training opportunities.

10. <http://cherokeepreservation.org/wp-content/uploads/2014/03/Ga-du-gi-2015FINAL.pdf> (see p. 22-23)

# Challenges and strategies facing the Mountain West Alliance (cont'd)

## Strategies and Tactics

**Strategy 2.2.1 Establish consortia among smaller companies with similar workforce training needs to enable them to access customized training.**

### *Tactics:*

- Identify the common workforce training needs of smaller companies
- Develop customized training proposals for companies with common needs and meet with employers
- Hold customized training and obtain employer and worker feedback
- Evaluate training efforts and make appropriate adjustments

### *Performance Measures:*

- Provide customized training to at least 8 companies by January 2017

*Lead Implementing Organizations:* Southwestern Workforce Development Board, Southwestern Community College and Tri-County Community College

- *Supporting Participants:* Mountain West Alliance, local economic development commissions, chambers of commerce and tourism development authorities and other economic development stakeholders

*Funding:* North Carolina Community College System, Federal Workforce Investment Act

**Challenge #3: The region's service providers are not sufficiently coordinated to share information and assistance with regional employers in a way that could ultimately lead to more economic and workforce development opportunities.**  
**Explanation and justification**

Given the region's small population size and rural nature, it is essential that the region's multiple economic, workforce, and community development stakeholders work collaboratively to most effectively and efficiently meet the needs of regional employers. Among the stakeholders that play an important role in the region's economic development include county economic development commissions (Macon EDC, Graham County EDC, Clay County EDC, Swain County EDC), community colleges (Tri-County Community College, Southwestern Community College), Western Carolina University, Region A Workforce Development Board, the Southwestern Commission, the Mountain West Alliance and many others. These organizations seek input from regional employers so as to inform their activities. Collectively, these organizations possess a wide and deep knowledge of the challenges that the region's employers face. However, individual conversations with each service provider are an inefficient method for gathering information, particularly for employers. The service providers are often seeking similar information and, in cases in which this information is not shared, may be asking redundant questions and undertaking overlapping efforts.

### **Motivation for new strategic direction**

Resources are too scarce for the region to tolerate inefficiencies. Given the limited resources local economic development service providers possess, structures are needed to combine the efforts and networks of each service provider, to maximize regional impact. The Mountain West region's service providers are collaborative, but this cooperation could be more systematic. This means regular communication, addressing issues with a regional perspective, and a clear understanding and articulation of roles.

# Challenges and strategies facing the Mountain West Alliance (cont'd)

A more organized method for sharing information will make service providers more aware of the challenges that companies face, and will allow them to better connect companies in need to services available, even if an individual service provider cannot deliver the help themselves. For instance, an economic developer's conversation with a company might lead to a referral to the local workforce board or community college. Additionally, the more the Mountain West region's service providers communicate, the more likely they are to deliver a common, consistent message about the region and its assets to external audiences. Systematic cooperation and communication among regional service providers also benefits companies, by making it easier to enter into the ecosystem of service providers through "no wrong door."

## Strategies and Tactics

**Strategy 2.3.1: Standardize local efforts into an integrated business retention and expansion (BRE) call program across the region that ensures consistent information is gathered and critical information regarding the region's businesses and industry is shared with appropriate economic development organizations and service providers.**

### *Tactics:*

- Develop a standardized set of questions and visitation process
- Identify the businesses which should be visited annually in each county
- Conduct visits
- Analyze data and information gathered and share appropriately
- Follow up with appropriate businesses to address issues, challenges or opportunities identified

### *Performance Measures:*

- Launch a standardized process by July 2016
- Interview 90% of targeted businesses annually
- Increase the level of understanding and awareness by economic developers and services providers of key businesses and their industry

### *Lead Implementing Organizations:* Southwestern Commission and the Mountain West Alliance

- Supporting Participants: Local economic development commissions, chambers of commerce, utilities, Southwestern Workforce Development Board, Southwestern Community College, Tri-County Community College and other economic development stakeholders

*Funding:* Grant funding and resources contributed from each of the participating economic development organizations.

## Goal #3: Create an environment which supports and fosters entrepreneurship

The region will possess a vibrant entrepreneurial ecosystem that provides existing and potential entrepreneurs with the capital, resources, facilities and networks required to launch and grow their businesses.

# Challenges and strategies facing the Mountain West Alliance (cont'd)

## Challenge #1: Regional entrepreneurs need greater access to investment capital.

### Explanation and justification

Entrepreneurship is vital to small, rural communities. Without the base of larger existing employers found in more urban regions, rural residents often create their own employment opportunities. These entrepreneurial opportunities can take many forms. For some workers, these opportunities afford them the freedom to live wherever in the world they chose, including in the Mountain West Region. For others, entrepreneurial activities represent an important source of supplementary income to better support themselves and their families. In both situations, entrepreneurial activities are important sources of employment and economic dynamism.

**Figure 8: Proprietorships as a percent of total employment**

County	Proprietors Emp. (2013)	Total Emp. (2013)	Proprietorships as a % of Total Emp.
Clay	1,721	3,706	46.4%
Graham	1,260	3,623	34.8%
Macon	5,334	16,762	31.8%
Swain	1,277	7,714	16.6%
<b>Total</b>	<b>9,592</b>	<b>31,805</b>	<b>30.2%</b>

Source: US Bureau of Economic Analysis

**Figure 8** shows that proprietorships account for over 30 percent of total employment within the 4-county Mountain West region. These data, drawn from the US Bureau of Economic Analysis, show that figures range from 16.6 percent in Swain County to over 46 percent in Clay County. In order for these entrepreneurial efforts to grow, entrepreneurs need a supportive ecosystem that provides infrastructure, guidance, support, and capital.

Access to capital is a significant impediment for many entrepreneurs, preventing them from hiring staff, securing important support services, or investing in equipment. Rural regions lack the extensive network of investors found in more urban areas. As a result, both entrepreneurs and small businesses often have to borrow against their home, put expenses on credit cards, or borrow from friends and family to close the gap.

### Motivation for new strategic direction

The former regional development organization in Western North Carolina, Advantage West, had supported the Blue Ridge Angel Investment Network. However, this effort was largely focused around the Asheville area. Within the Mountain West region specifically, the Southwestern Commission's Revolving Loan Fund (RLF) has provided credit to entrepreneurs and small businesses since 1984.<sup>11</sup> This RLF serves the seven counties in the SWC's service area and provides short-term financing, in conjunction with funds from other lending sources, so that entrepreneurs and small businesses can access capital. Businesses can use these funds to finance investments in site preparation, building renovation and expansion, equipment as well as working capital. This fund has been jointly funded by the SWC, the Appalachian Regional Commission, and the US Economic Development Administration.

11. <http://www.regiona.org/ced/revolving-loan-fund/>

# Challenges and strategies facing the Mountain West Alliance (cont'd)

Given that many traditional, commercial lenders are so risk averse, the region's RLF remains a vital economic development tool that will allow the region to support new entrepreneurial ventures, and foster growth in existing small businesses. Very little lending occurred during the Great Recession, and no loans were made from the RLF from 2007-2012. Since 2012, the RLF has lent \$1,075,000 to local businesses which were then able to create 53 jobs and retain another 33. Additionally, the region is working to provide greater access to capital for entrepreneurs through the Pinnacle Angel Enterprise Fund. The fund was created through a partnership between the Southwestern Commission and Western Carolina University's Corporation for Entrepreneurship and Innovation.

## Strategies and Tactics

### **Strategy 3.1.1: Establish the Pinnacle Angel Enterprise Fund, to provide equity funding to start-up and second stage businesses.**

#### *Tactics:*

- Develop the proposed framework, policies and procedures for the Angel Investment Network
- Identify qualified Angel investors to participate in the fund and solicit participation
- Secure capital commitments for the Network
- Market the Network to entrepreneurs, businesses and service providers who work with them
- Begin investing to qualified businesses

#### *Performance Measures:*

- Establish a framework, policies and procedures by June 2016
- Engage 20 Angel Investors to participate in the fund by January 2017
- Leverage \$500,000 in funds committed to the Network by January 2017
- Invest in at least 4 of businesses annually beginning in 2017

*Lead Implementing Organizations:* Western Carolina University's Corporation for Entrepreneurship and Innovation, Southwestern Commission and the Mountain West Alliance

- Supporting Participants: Local economic development commissions, chambers of commerce and tourism development authorities, qualified Angel investors, philanthropic organizations and other economic development stakeholders

*Funding:* Angel investments for the fund and grant funding for fund administration

### **Strategy 3.1.2: Continue to operate and adequately capitalize the Southwestern Commission's Revolving Loan Fund (RLF).**

#### *Tactics:*

- Market and promote the RLF to entrepreneurs, businesses and service providers who work with them
- Maintain RLF's requirements, operating parameters, governance structure and loan administration
- Secure additional capital to replenish the RLF as needed

# Challenges and strategies facing the Mountain West Alliance (cont'd)

## *Performance Measures:*

- Provide credit financing to at least 4 of businesses annually
- Assist businesses create at 10 jobs annually
- Assist businesses to make total capital investments Of \$300,000 annually
- Maintain a minimum fund capitalization of \$500,000
- Maintain a default rate below 2%

## *Lead Implementing Organizations:* Southwestern Commission and the Mountain West Alliance

- Supporting Participants: Economic Development Administration, the Appalachian Regional Commission, the State of North Carolina, local economic development commissions, chambers of commerce and tourism development authorities and other economic development stakeholders

## *Funding:* Grant funding

### **Strategy 3.1.3: Establish a microenterprise loan fund to provide loans of \$25,000 and smaller loans to small business in the region.**

## *Tactics:*

- Develop the proposed framework, policies and procedures, governance structure for the microenterprise loan fund
- Obtain funds to capitalize the fund
- Market and promote the fund to start-ups, home-based businesses, small businesses and service providers who work with them
- Secure additional capital to replenish the fund as needed

## *Performance Measures:*

- Provide credit financing to at least 10 of businesses annually
- Assist businesses to make total capital investments Of \$150,000 annually
- Maintain a minimum fund capitalization of \$200,000
- Maintain a default rate below 10%

## *Lead Implementing Organizations:* Southwestern Commission and the Mountain West Alliance

- Supporting Participants: Economic Development Administration, the Appalachian Regional Commission, the State of North Carolina, local economic development commissions, chambers of commerce and tourism development authorities and other economic development stakeholders

## *Funding:* Grant funding

# Challenges and strategies facing the Mountain West Alliance (cont'd)

**Challenge #2: Many entrepreneurs lack knowledge of the supportive programming and technical assistance available to them throughout the region.**

## **Explanation and justification**

In addition to accessing capital, another common challenge facing entrepreneurs and small businesses is their inability to effectively leverage the support services available to them. Many support services exist, but entrepreneurs don't always know about them or their usefulness. Moreover, many entrepreneurs are not predisposed to actively seek support or feel as though they cannot afford the services that are available.

Within the region, there are numerous support services available to entrepreneurs and small businesses. These service providers include:

- Small Business Centers (SBCs) at Tri-County Community College (Graham and Clay counties) and Southwestern Community College (Macon and Swain Counties),
- The Small Business Technology and Development Center (SBTDC) at Western Carolina University,
- The Western Carolina University Center for Entrepreneurship and Innovation, and
- The North Carolina Manufacturing Extension Partnership.

The SBCs and SBTDC offer guidance and classes on accessing capital and financing, marketing, business planning, market intelligence, and government contracting. The WCU Center for Entrepreneurship and Innovation is not only working to instill students and future workers with an entrepreneurial mindset, but can also connect businesses with the university's myriad resources. The North Carolina Manufacturing Extension Partnership (based at NC State and working collaboratively with the North Carolina Community College System) offers small manufacturers access to lean manufacturing, quality assistance, and growth services consulting at a subsidized rate. These are just a select group of service providers that can help strengthen and grow small businesses, and this list does not include important professional services (like patent attorneys) or technical services (like prototyping facilities or specialized machine shops).

## **Motivation for new strategic direction**

Given the importance that new business formation and business growth plays with the regional economy, creating an environment conducive to these activities is paramount to the region's economic development. Improving information about available support services and effectively leveraging these potentially underutilized resources is a critical component for creating a healthy entrepreneurial ecosystem. Among its many activities, the Mountain West Alliance is currently working to develop a web-based data portal where entrepreneurs and small businesses can find education and support services, business mentors, and information about educational and networking events and opportunities. This portal, combined with other complimentary activities, should assist regional entrepreneurs overcome many of their critical challenges.

# Challenges and strategies facing the Mountain West Alliance (cont'd)

## Strategies and Tactics

**Strategy 3.2.1: As part of the online portal, include a virtual one-stop location where entrepreneurs and small businesses can access information about support services, technical assistance, financing, and up to date listings of educational and networking events.**

### *Tactics:*

- Outline the information and resources that should be included in the online portal
- Work with consultant/web developer to integrate the virtual one-stop into the development of the online portal
- Market and publicize the portal to entrepreneurs and small business owners
- Maintain and update the information, data and calendar of events on the portal

### *Performance Measures:*

- Begin marketing the portal in April 2016
- Online portal live online by May 2016
- Grow usage of the portal by 10% annually beginning in 2017
- Increase inquiries to SBCs and other service providers by 10%

### *Lead Implementing Organizations:* Southwestern Commission and the Mountain West Alliance

- Supporting Participants: Community College Small Business Centers, Western Carolina University's Small Business Technology and Development Center & Corporation for Entrepreneurship and Innovation, North Carolina State University Industrial Extension Service Manufacturing Extension Partnership and other entrepreneurial development stakeholders

*Funding:* Grant from the Economic Development Administration, then secure ongoing funding through entrepreneurial development stakeholders

**Strategy 3.2.2: Expand the quantity and quality of networking opportunities throughout region in order to increase the interaction between and among entrepreneurs, service providers and others.**

### *Tactics:*

- Inventory the networking opportunities currently held in the region and identify gaps
- Work with organizers of current networking opportunities to grow and expand appropriately
- Based on identified gaps, develop new networking events such as 1 Million Cups, Biz Brews/Tech Brews, Startup Weekend, Hackathons and Jellys.
- Market the networking opportunities to entrepreneurs, businesses and service providers who work with them
- Evaluate the effectiveness of each networking event and make appropriate adjustments

### *Performance Measures:*

- Annually hold at least 16 of networking events across the region beginning June 2016
- At least 160 entrepreneurs participate in networking events in 2016
- Hold at least one regional networking in each county in 2016
- Annually increase by 10% the number of entrepreneurs participating in networking events beginning in 2017

# Challenges and strategies facing the Mountain West Alliance (cont'd)

*Lead Implementing Organizations:* Mountain West Alliance and small business development centers

- *Supporting Participants:* Local economic development commissions, chambers of commerce and tourism development authorities, Western Carolina University's Small Business Technology and Development Center & Corporation for Entrepreneurship and Innovation, North Carolina State University Industrial Extension Service Manufacturing Extension Partnership and other entrepreneurial development stakeholders

*Funding:* Grant funding and local sponsorships

# Challenges and strategies facing the broader Mountain West region

The primary responsibility for addressing the challenges described above will be the Mountain West Alliance and its core partners. However, the region faces a number of other important economic and community development challenges. The Mountain West Alliance partners will be active in addressing these challenges, but other regional stakeholders are better positioned to lead the strategy implementation efforts. Much like the previous section, this section will identify the challenges facing the region, and the strategies that will be undertaken to address each respective challenge. For each strategy, we will identify the primary strategy implementation activities, organizations participating in the implementation, and potential funding sources to support these activities.

## Goal #4: Promote and expand regional tourism opportunities

The region will grow its tourism infrastructure through deeper regional collaboration that will promote the region as a single unified destination rather than a collection of individual attractions.

**Challenge #1: While the region possesses many natural attractions and unique cultures and experiences (e.g., Native American, Appalachian), many visitors do not view it as a destination of choice.**

### Explanation and justification

The region possesses many natural amenities which drive much of the region's tourism activities. The region sits next to the southern edge of the Great Smoky Mountains National Park, with communities like Cherokee and Bryson City serving as key centers for tourists visiting the park. In addition to the Great Smokies, the region has many other public lands that allow people the opportunity to hike, camp, fish and explore the outdoors. These areas include the Blue Ridge Parkway, Nantahala National Forest, Joyce Kilmer Memorial Forest, the Appalachian Trail, Bridal Veil and Cullasaja Falls, and three Tennessee Valley Authority Lakes (Chatuge, Fontana and Hiwassee).

Beyond its natural attractions, tourists are also drawn to the region's Appalachian culture through arts, crafts, and music. The Native American culture provides another draw, as the region is home to the Eastern Band of Cherokee Indians and attractions such as the Museum of the Cherokee Indian, the Qualla Arts and Crafts Mutual, and the Oconaluftee Indian Village in Swain County. Additionally, the gaming facilities at the Harrah's Cherokee Casino in Cherokee draw in thousands of visitors annually.

The impacts of these tourist activities are significant for the region's economy. Tourists bring outside money into the economy, which not only creates employment opportunities but also contributes to the local tax bases. Tourism is also a common way in which people are introduced to the region, and therefore is vital for attracting new residents or second home buyers.

The North Carolina Economic Development Partnership's Tourism Economic Impact Model (TEIM) estimates the impact of tourism spending in each North Carolina County.<sup>12</sup> Figure 9 shows the tourism impact for the region's four counties. Overall, tourism generates about \$374 million in the four county region, and directly contributes about 3,500 travel and tourism jobs. It also contributes about \$38 million in state and local tax revenues, or roughly \$556 per resident. The greatest impact was in Swain County, which is adjacent to the Great Smoky Mountains National Park and includes the town of Cherokee, the headquarters of the Eastern Band of Cherokee Indians. The region's largest county—Macon County—also benefits significantly from the travel and tourism spending.

12. <http://partners.visitnc.com/research-3/economic-impact/teim.html>

# Challenges and strategies facing the broader Mountain West region (cont'd)

In spite of this industry's regional importance, it is not without its challenges. Currently, many of the jobs associated with these activities are relatively low paying and seasonal in nature. Moreover, the region is not seen as a destination as much as the nearby city of Asheville, and unlike Gatlinburg it is not viewed as a "Gateway to the Smokies". The region's tourism development authorities collaborate through the "Smoky Mountain Host" regional tourism partnership, which provides an important venue for making regional marketing decisions. However, more can be done to strengthen these relationships and engage in more extensive collaborative activities.

**Figure 9: Economic Impacts of Travel and Tourism**

County	Revenue 2014 (\$ millions)	Direct Travel & Tourism Jobs	State & Local Tax Revenues 2014 (\$ millions)	Per Capita State & Local Tax Revenues (2014)
Clay	\$13.00	60	\$1.94	\$180.91
Graham	\$25.71	250	\$2.87	\$324.42
Macon	\$148.78	1,180	\$18.13	\$526.74
Swain	\$186.93	2,050	\$15.32	\$1,033.52
<b>Total</b>	<b>\$374.42</b>	<b>3,540</b>	<b>\$38.26</b>	<b>\$556.00</b>

Source: Economic Development Partnership of North Carolina, Travel Economic Impact Model 2014

## Motivation for new strategic direction

The region's tourism industry is an important element of the region's economy, but more could be done to increase its overall impact. There are a number of ways to pursue these opportunities, for instance, supporting businesses that create more year round opportunities for tourists. Additionally, the region needs to be viewed by potential visitors as a single destination, rather than a collection of individual attractions. Creating this message will require deeper regional collaboration. Stakeholders will need to craft a common narrative that unifies the region's natural amenities and cultural attractions.

Other regions within the Appalachian region have enjoyed great success with this approach. For instance, South West Virginia's "Crooked Road" has created a regional destination by connecting attractions around Appalachian Music.<sup>13</sup> Similarly, the Roanoke, Virginia region has built much of its marketing efforts around its outdoor amenities. The 'Roanoke Outside' effort and message is used in support of both its economic development and tourist attraction efforts.<sup>14</sup>

## Strategies and Tactics

### Strategy 4.1.1: Leverage the region's history, cultural heritage and natural amenities to enhance the visitor experience and extend the visitor's stay in the Mountain West region.

#### Tactics:

- Incorporate the regional brand into the broader regional tourism marketing efforts
- Increase regional marketing to targeted visitor audiences
- Develop a wayfinding system to the region's cultural and historic sites
- Develop collateral materials that help inform and direct visitors to cultural and historic sites

*Implementing Organizations:* Local tourism development authorities, chambers of commerce, Southwestern Commission and the Mountain West Alliance

*Funding:* Grant funding leveraged through tourism-related stakeholders, occupancy taxes

13. <https://www.myswva.org/tcr>

14. <http://www.roanokeoutside.com>

# Challenges and strategies facing the broader Mountain West region (cont'd)

## Goal #5: Reduce Isolation

The Mountain West region will be vigilant in its efforts to close crucial gaps in the region's infrastructure.

**Challenge #1: The region has no comprehensive inventory of the region's infrastructure and infrastructure capacity.**

### Explanation and justification

The Mountain West region is relatively isolated, with few interstate highways and major thoroughfares. Low density development makes the personal automobile the region's primary form of transportation mountainous terrain has made major road construction and maintenance challenging and expensive. Moreover, the region has to compete with more urban and faster growing regions for state transportation funding. Road access is nevertheless vital to the region's economy, as it allows workers to get to work and industry to get its goods to market. The region's roads are also vitally important to its tourism industry. These challenges are not necessarily unique to the Mountain West region and are experienced by other rural Appalachian communities. The most important initiative designed to address this issue is the Appalachian Highway Development System (ADHS). ADHS, created in 1965, is intended to reduce isolation, generate economic development opportunities in previously remote locations, and connect Appalachian communities to the interstate system.<sup>15</sup> To date roughly 85 percent of the ADHS has been completed.

The Mountain West Region is served by two ADHS Corridors—A and K. Corridor A is entirely improved but has two segments of approximately 8 miles are left to complete. Corridor K has three segments, comprising approximately 18 miles of road, are left to improve or complete—one segment at the NC28/U.S. 19-74 intersection, another segment from Stecoah to Robbinsville, and the final segment from Robbinsville to Andrews. One of these segments is between Andrews (in Cherokee County) and Almond (in Swain County), and will provide access to Graham County and Robbinsville. Challenges have arisen in completing this section because the proposed route would cross two mountain ridges, numerous streams and waterways, national forest land, and several areas of cultural significance. Due to these difficulties, approval of the Final Environmental Impact Statement has been delayed since 2008 and in the meantime the dedicated funding for this project has become uncertain.<sup>16</sup> Failure to complete these projects has left large parts of the region isolated, particularly in Graham County.

Roads are not the only infrastructure that is inadequate in the region. Low density development patterns also results in large areas of the region not being served by water and sewer lines, gas lines, and broadband. Where they do exist, data on their age and condition is often minimal at best. Similarly, it is important for the region to be able to track the availability of its commercial and industrial real estate and facilities, both in terms of its availability and current usage.

### Motivation for new strategic direction

Many of the decisions made about funding projects like Corridor K, major gas lines, or broadband investments are made by institutions and private companies who operate outside the region. However, local leadership can be diligent in tracking the progress of these projects while actively advocating for regional concerns. For instance, the Opt-In Regional Vision called for the creation of a Corridor K Taskforce. This taskforce—comprised of public and private regional leaders—would engage state and federal agencies to secure funding, address any concerns, and push for a timely completion of the project.<sup>17</sup>

15. <http://www.arc.gov/adhs>

16. <http://www.optinswnc.org/wp-content/uploads/2015/01/Opt-In-Regional-Vision-Volume-1-Final.pdf> (p. 37)

17. <http://www.optinswnc.org/wp-content/uploads/2015/01/Opt-In-Regional-Vision-Volume-1-Final.pdf> (p. 37)

# Challenges and strategies facing the broader Mountain West region (cont'd)

More generally, public and private leaders should actively engage with and support the work of the Southwestern Rural Planning Organization<sup>18</sup> to identify, prioritize, and advocate for projects that strengthen the region's connectivity and contribute to its economic development. They should also work to maintain the scenic quality of the roads which helps to attract visitors and tourists. In order to support these activities, the region will maintain an inventory of its transportation assets, as well as other key pieces of economic development such as the region's commercial and industrial sites.

## Strategies and Tactics

### **Strategy 5.1.1: Identify and maintain an inventory of the region's infrastructure assets.**

#### *Tactics:*

- Create and continuously update an inventory of the infrastructure assets
- Create and continuously update GIS based maps of water, sewer, gas, broadband, commercial and industrial sites, housing, etc. infrastructure, including age, state-of-repair, capacity and occupancy.
- Maintain current understanding of available public sector funding sources for infrastructure investments and communicate funding opportunities to local governments

*Implementing Organizations:* Local governments, utilities, Western Carolina University's Geography Program, Southwestern Commission

*Funding:* Grant funding

### **Strategy 5.1.2: Establish a public-private coalition to advocate for increased state and federal infrastructure investments in the region.**

#### *Tactics:*

- Recruit and organize members to the coalition
- Develop a consensus on the coalition's mission, priorities and activities
- Begin advocacy activities for priority areas/projects

#### *Performance Measures:*

- Have public and private sector participation from each county in the region
- Secure funding, or additional funding, for priority projects

*Implementing Organizations:* Local economic development commissions, chambers of commerce and tourism development authorities, and local governments, Southwestern Rural Planning Organization and the Mountain West Alliance

*Funding:* Local sponsorships

18. <http://www.regiona.org/transportation-planning-rpo/>

# Challenges and strategies facing the broader Mountain West region (cont'd)

**Challenge #2: In spite of a strong fiber backbone, many communities and residents are unable to effectively utilize this asset due to insufficient last-mile broadband infrastructure.**

## Explanation and justification

High-speed internet access is no longer a luxury, but rather a necessary utility for communities to compete in a 21st Century economy. This is especially true for rural communities where there are fewer opportunities for face to face interactions and connections. Rural businesses rely on the internet to market their goods and services, conduct business to business transactions, and access vital services. A strong internet connection is also vital for individuals in rural communities because it allows for remote working situations (work from home) or tools to help them pursue entrepreneurial ventures.

Broadband technologies, which provide high-speed, always on, internet access have evolved rapidly over the past two decades. Through 2011, 96 percent of households in urban areas and 92 percent of rural households had broadband access.<sup>19</sup> Unlike many other rural regions, the region has a strong fiber backbone. This is due in large part to the development of BalsamWest Fiber Net, which emerged from a partnership between two of the region’s major employers—the Eastern Band of Cherokee Indians and Drake Software—in 2003.<sup>20</sup> BalsamWest constructed over 400 miles of underground fiber and it, along with other broadband providers like MCNC and ERC, provide an important connection for essential services like hospitals, schools, and state and county governments. It is a vital tool for supporting the region’s economic development opportunities.

In spite of this strong fiber backbone, the Mountain West region’s rural nature creates significant challenges for providing broadband access to area businesses and residents. “Last mile” connections are both costly and complicated due to the region’s mountainous topography and low density development patterns. These challenges make it difficult for many households to have access to truly high-speed, reliable internet access. Figure 10 illustrates the disparity between households with a wireline connection (e.g., DSL, Copper, Cable, Optical/Fiber) and a wireless connection (e.g., Terrestrial Fixed/Terrestrial Mobile).

**Figure 10: Internet Connectivity**

Area	% households without <i>wireline</i> providers	% households without <i>wireless</i> providers
Clay	78.5%	0.1%
Graham	64.4%	0.8%
Macon	18.8%	0.9%
Swain	60.4%	0.7%
<b>North Carolina</b>	<b>2.3%</b>	<b>0.2%</b>
<b>United States</b>	<b>3.0%</b>	<b>0.1%</b>

Source: National Broadband Map (broadbandmap.gov)

Virtually all homes have access to some form of internet access, but the percentage of households with access to a wireline connection is lower than either the state or nation average, and in some cases significantly so. Over 60 percent of the homes in Clay, Graham and Swain counties lack access to a wireline provider. This number is less in Macon County—the most populous county in the region—where 19 percent lack access to a wireline connection, but this is still more than 6 times greater than the national average. While technologies like Cable and DSL are not nearly as fast as Fiber, they remain faster and more reliable than many wireless connections that provide customers with less reliable, slower and more costly connections. This may inhibit the ability of workers to effectively work remotely or pursue entrepreneurial ventures.

19. <http://www.ers.usda.gov/media/1133263/eb-23.pdf>

20. <http://balsamwest.net/history.php>

# Challenges and strategies facing the broader Mountain West region (cont'd)

## **Motivation for new strategic direction**

Broadband telecommunications infrastructure is vital for connecting the Mountain West region's residents, entrepreneurs, and businesses to the world, allowing them to compete in a global economy. Being rural, the region already faces some greater challenges than more densely populated areas. Closing this connectivity gap will be vital for the region's future development, and a number of steps need to be taken to improve access and address last mile connectivity challenges. For instance, regional stakeholders can work with private service providers to better identify key gaps and then identify opportunities and resources to expand the network. These types of public-private partnerships are important vehicles for extending and expanding broadband services to the region's rurality because the ROI is not great enough to incent private sector service providers.

Access to the newest technologies is important for rural communities to keep up and get ahead of the competition. Given the last mile connectivity challenges facing many parts of the regions, an effective way to introduce advanced broadband services will be to 'light up' downtowns with improved fiber access. This is one way to draw more businesses to downtown areas and support the development of shared workspaces for remote workers or lone eagle entrepreneurs.

Strategies and Tactics

### **Strategy 5.2.1: Establish public-private partnerships to expand broadband services in underserved and difficult-to-reach areas in the region.**

*Tactics:*

- Inventory of the underserved areas
- Bring together public sector and private sector providers and discuss potential solutions and partnerships
- Prioritize initial projects based on need and opportunity and begin implementation

*Implementing Organizations:* Frontier and BalsamWest, Southwestern Commission, MCNC, ERC, other utilities, local governments, Mountain West Alliance, local economic development commissions, chambers of commerce and tourism development authorities

*Funding:* Grant funding and private sector investment

### **Strategy 5.2.2: Deploy high speed wireless access in the region's downtown areas.**

*Tactics:*

- Bring together public sector and private sector providers, chambers of commerce and main street organizations and discuss potential solutions and partnerships
- Determine the feasibility, costs and potential funding sources for deployment in each downtown
- Prioritize projects based on need and opportunity and begin implementation
- Maintain networks and upgrade as needed to meet demand

*Implementing Organizations:* Frontier Communications, BalsamWest, Southwestern Commission, Mountain West Alliance, local economic development commissions, chambers of commerce and tourism development authorities, local governments, MCNC, ERC and other utilities

*Funding:* Grant funding and local sponsorships

# Challenges and strategies facing the broader Mountain West region (cont'd)

## Goal #6: Revitalize and strengthen communities

To make the region more attractive to businesses, visitors, and residents, the Mountain West region will invest in making its downtown areas more vibrant places to live, work and visit.

**Challenge #1: Many regional downtown communities and corridors require reinvestment to make them more attractive to tourists and residents.**

### Explanation and justification

The region has no large urban area, but there are several small municipalities that are important to the character of the region. As shown in Figure 11, the municipalities range from Franklin (pop. 3,900) and Bryson City (pop. 1,436) to very small municipalities like the region's newly incorporated Town of Fontana Dam (established in 2011), home to the Fontana Village Resort. Even though they are each relatively small, these municipalities only account for 11 percent of the region's total population. Nevertheless, these areas are vital to the region's economic future as they are key job centers and places for commercial activity.

**Figure 11: County and Municipality Populations**

Area	2014
<b>Macon County</b>	<b>33,875</b>
Franklin	3,900
Highlands	926
<b>Swain County</b>	<b>14,274</b>
Bryson City	1,436
<b>Clay County</b>	<b>10,581</b>
Hayesville	348
<b>Graham County</b>	<b>8,644</b>
Robbinsville	600
Lake Santeetlah	44
Town of Fontana Dam	7

Source: US Census Bureau, 2014 Population Estimates

In spite of this importance, a number of the region's downtown areas and main streets are in a vicious cycle of decline and neglect whereby unattractive Main Streets and minimal economic activity discourage new residents, visitors, or investment. The town of Robbinsville in Graham County has many empty storefronts and a need for reinvestment. Through its Reimagining Robbinsville plan, the town has taken concrete steps to beautify its Main Street and drive more activity to its downtown.<sup>21</sup> During the Opt-In strategy engagement process, a number of regional leaders and residents displayed a lack of understanding about the benefits of denser, more intentional development. That has slowed efforts to create more in-fill development in these municipalities.

### Motivation for new strategic direction

The region's Opt-In strategy called for greater efforts to direct growth in the form of housing, retail, or other types of commercial development to existing communities. Focusing this development makes the provision of key infrastructure (e.g., High-speed Internet) and services (e.g., Waste Removal) more efficient and cost effective. Moreover, revitalizing the region's quaint mountain town centers makes them more attractive places for tourists and potential residents.

Beautifying these town centers and encouraging new investment is essential for breaking the vicious development cycle that communities like Robbinsville experienced. As part of this process, public and private sector leaders need to review existing codes and regulations that influence key development decisions (e.g., use type, lot size) to ensure that local policies appropriately balance the needs of property owners and developers with the requirements for creating denser development in the region's downtowns.

21. <http://datalibrary.nemac.org/swnc/sites/default/files/Reimagining%20Robbinsville.pdf>

# Challenges and strategies facing the broader Mountain West region (cont'd)

## Strategies and Tactics

### **Strategy 6.1.1: Increase the revitalization and historic preservation efforts in the downtown areas of communities in the region.**

#### *Tactics:*

- Assist each downtown area develop a revitalization action plan or update their existing plan
- Assist cities create Business Improvement Districts to help facilitate and fund projects
- Identify potential funding sources for specific projects
- Develop funding programs which incent property owners to make property improvements, such as a façade improvement grant program

*Implementing Organizations:* Municipal governments, Southwestern Commission, local economic development commissions, chambers of commerce and tourism development authorities, NC Main Street Program

*Funding:* Grant funding, public sector investments and private sector investments

### **Strategy 6.1.2: Increase investments in the maintenance and development of trails and greenways, pedestrian infrastructure, and public gathering spaces to promote healthy living and attract visitors.**

#### *Tactics:*

- Assist local governments develop or update bike and pedestrian plans
- Identify potential funding sources for specific projects
- Complete the missing links in popular recreational trail loops
- Ensure new transportation projects appropriately accommodate pedestrian and bike usage

*Implementing Organizations:* Municipal governments, Southwestern Rural Planning Organization, local economic development commissions, chambers of commerce and tourism development authorities, NC Main Street Program

*Funding:* Grant funding, public sector investments and private sector investments

### **Strategy 6.1.3: Encourage and support communities in the reviewing and updating their existing codes and regulations which impact development issues, and community image and appearance.**

#### *Tactics:*

- Assist each local government review their existing codes and regulations to determine their impacts on development activities and develop potential revisions
- Identify best practices for communities which appropriately balance regulation and development
- Encourage local governments to effectively utilize their code enforcement and nuisance and other regulations to improve the appearance of their communities.

*Implementing Organizations:* Local governments, Southwestern Commission, local economic development commissions, chambers of commerce and tourism development authorities Western Carolina University's Public Policy Institute

*Funding:* Local government, Grant funding and private sector investment

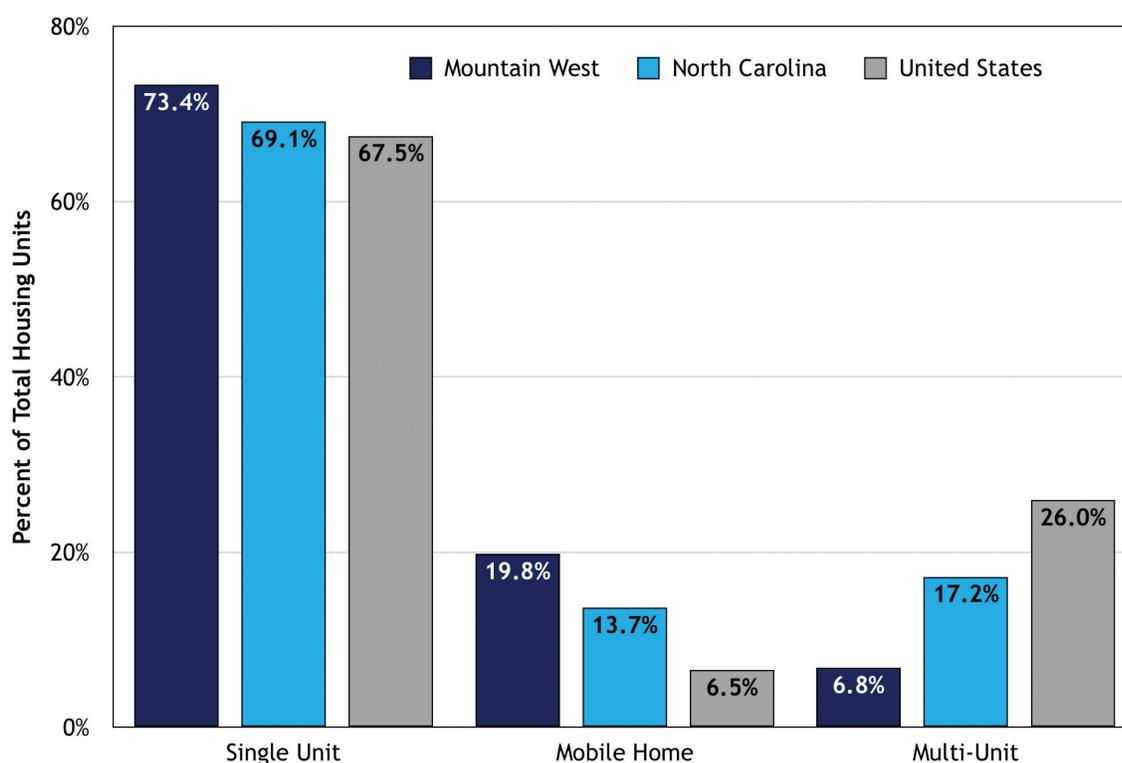
# Challenges and strategies facing the broader Mountain West region (cont'd)

## Challenge #2: Many communities have an insufficient range of attractive and affordable housing choices.

### Explanation and justification

Housing choices in the region remain relatively limited, as the majority of homes are single unit, owner occupied houses. As shown in Figure 12, the overwhelming majority—almost three quarters—of housing units within the region are single unit (primarily detached) homes. This is not surprising in a rural region, and it is notable that this is above the average for housing units both within North Carolina and the nation as a whole. There is also a disproportionately large proportion of mobile homes in the region. Mobile homes account for almost one in five housing units, which is more than three times the national average and 6 percent higher than the state average. Multi-unit homes are in short supply as only seven percent of units have multiple households, which is significantly lower than the state or the nation.

Figure 12: Housing types



Source: US Census Bureau, American Community Survey, 2009-2013, DP04

This housing stock has many consequences for the region's residents. It contributes to a general lack of density which can make the provision of services more inefficient. Denser development can lead to more efficient policing, emergency, and trash removal services and infrastructure like water, sewer and broadband. The lack of multi-unit housing options contributes to the lack of residents living in downtowns, thereby limiting opportunities to develop new Main Street businesses, attractions or amenities.

# Challenges and strategies facing the broader Mountain West region (cont'd)

It also contributes to the general lack of choice that people have in pursuing housing. **Figure 13** shows that over 70 percent of homes are owner-occupied, which again is greater than the state or national average. That so many homes are detached single family homes or mobile homes can make it difficult for some homeowners to find affordable and/or quality housing. This is particularly the case for young families looking to buy their first new home buyers that might not be able to afford a single family home, but could afford a condominium or townhouse. Without these options, they typically purchase manufactured homes that may have higher monthly payments (because FHA financing amortization schedules are shorter than for traditional homes) and depreciate (rather than appreciate) in value. Similarly, older residents or retiring in-migrants may want smaller residences that require less maintenance or greater access to other people and services.

**Figure 13: Owner and rental occupied housing**

	Percent Owner-Occupied	Percent Renter-Occupied
Mountain West	70.9%	29.1%
North Carolina	66.4%	33.6%
United States	64.9%	35.1%

Source: US Census Bureau, American Community Survey, 2009-2013, DP04

## Motivation for new strategic direction

The available housing choices will greatly influence the region's ability to attract and retain young families, provide for older residents, and create downtowns where people want to live. In short, it is a critical factor that will determine the region's economic future in moving forward, efforts must be made to more fully understand the range of available housing options and assess the demand for a wider range of housing opportunities. Upon doing so, the region's key stakeholders (e.g., utility companies, private developers, local housing and social service agencies, county and local governments, etc.) can more effectively pull together plans to provide the range of housing that speaks to the needs of the region's residents.

# Challenges and strategies facing the broader Mountain West region (cont'd)

## Strategies and Tactics

**Strategy 6.2.1: Complete a housing analysis and assessment to better understand the region's housing market and current and future housing needs.**

*Tactics:*

- Outline project scope and select consultant
- Work with consultant to complete the analysis and assessment
- Review the results and develop appropriate next steps for housing development in the region based on the assessment.

*Implementing Organizations:* Local governments, Southwestern Commission, local economic development commissions, chambers of commerce and tourism development authorities, area realtors and housing developers/builders

*Funding:* Local government, grant funding and private sector investment

**Strategy 6.2.2: Develop strategies and incentives to encourage housing development which meets the region's identified housing needs.**

*Tactics:*

- Based on the completed housing analysis and assessment, prioritize the housing needs in each community in the region
- Identify existing financing and incentive programs which match with the housing needs and where there are gaps with the housing needs
- Evaluate existing financing and assistance programs for homebuyers, identify gaps and take appropriate action
- Work with developers and builders to develop housing projects which help to address each community's identified housing needs.
- Explore the feasibility of involving non-profit organizations, faith based organizations, student groups and other volunteer groups to help reduce construction costs

*Implementing Organizations:* Municipal governments, Southwestern Commission, local economic development commissions, chambers of commerce and tourism development authorities, area realtors and housing developers/builders, local financial institutions

*Funding:* Grant funding, public sector investment and private sector investment

# Challenges and strategies facing the broader Mountain West region (cont'd)

**Challenge #3: Regional downtowns do not have the facilities necessary to support entrepreneurs in targeted industries.**

## **Explanation and justification**

The availability of facilities that can support different types of entrepreneurial development is another way to attract people to work and live in the region's downtown communities. These facilities can provide entrepreneurs with basic office equipment, meeting space, and shared administrative services. They can pull entrepreneurs out of the relative isolation of their homes and into downtown areas where they can interact and connect with other entrepreneurs, in order to exchange important knowledge about their business experiences and information about services they have found useful. Providing entrepreneurs with a physical space also makes it easier for service providers to find them. Additionally, incubators may allow entrepreneurs to take an important step toward adding one or more employees.

Beyond just the general office space provided by standard business incubators, more specialized facilities can facilitate specific types of entrepreneurial ventures. Food incubators or commercial kitchens provide the equipment that many aspiring entrepreneurs cannot afford, but nevertheless need, to get their catering or food product businesses off the ground. Similarly, 'maker spaces' allow creative workers to make small scale products or access the equipment they need to produce product prototypes.

These spaces are important complementary pieces to a regional entrepreneurial ecosystem, but they are not commonplace within the Mountain West region. The region is working to develop the Stecoah Valley Center Business Incubator in Graham County. It will be a mixed-use incubator built in a converted 10,000 square foot gymnasium, and will provide facilities for retail, manufacturing, and entrepreneurial development. Once completed, the facility will be able to support job training and entrepreneurial development programs, as well as start-up businesses related to the arts, culinary arts, agriculture and viticulture, and technology development. While this represents an important asset for Graham County, these facilities are not present elsewhere in the region, and particularly in those places with some of the larger regional population centers.

## **Motivation for new strategic direction**

While business incubators are helpful, they are hard to financially support if there is not significant demand, or if area entrepreneurs are not able to pay market-rate rents. That said, there are other ways to create facilities that support entrepreneurial and business development. Regional stakeholders can work with private developers and property owners to build co-working spaces in the region's downtowns and main streets. By placing work spaces in central locations, it is easier to provide entrepreneurs with access to support services and key infrastructure like high speed internet. Co-working spaces in town centers will contribute to the vibrancy of the region's downtowns by giving entrepreneurs a reason to spend time and money there, benefiting the community's other merchants and businesses.

# Challenges and strategies facing the broader Mountain West region (cont'd)

## Strategies and Tactics

### **Strategy 6.3.1: Establish co-working spaces in the region's downtowns or other appropriate areas.**

#### *Tactics:*

- Develop information regarding the benefits and key features of a co-working space
- Identify potential locations for co-working spaces in each county
- Work with property owners to determine the feasibility of creating a co-working space
- Market and publicize the establishment of a co-working space once it is created

*Implementing Organizations:* Local governments, private developers, local economic development commissions, chambers of commerce and tourism development authorities, small business centers, Tri-County Community College, Southwestern Community College, Western Carolina University's Small Business Technology and Development Center & Corporation for Entrepreneurship and Innovation, Southwestern Commission, the Mountain West Alliance and other entrepreneurial development stakeholders

*Funding:* Grant funding and local sponsorships

### **Strategy 6.3.2: Determine the feasibility of establishing additional incubator space in the region.**

#### *Tactics:*

- Research the potential demand and uses for additional incubator space
- Based on research results, identify potential locations, and facility features and services
- Work with property owners, potential operator, and funders to determine the feasibility, development costs, and operating costs for the space
- If feasible, move forward with the development of a space.

*Implementing Organizations:* Local governments, private developers, local economic development commissions, chambers of commerce and tourism development authorities, small business centers, Tri-County Community College, Southwestern Community College, Western Carolina University's Small Business Technology and Development Center & Corporation for Entrepreneurship and Innovation, Southwestern Commission, the Mountain West Alliance and other entrepreneurial development stakeholders

*Funding:* Grant funding and sponsorships

# Challenges and strategies facing the broader Mountain West region (cont'd)

## **Strategy 6.3.3: Determine the feasibility of creating at least one makers space in the region.**

### *Tactics:*

- Research the potential demand for a maker space in the region
- Based on research results, identify potential locations, and facility features and services
- Work with property owners, potential operator and funders to determine the feasibility, development costs and operating costs for the space
- If feasible, move forward with the development of a space(s).

*Implementing Organizations:* Local governments, private developers, area manufacturers, local economic development commissions, chambers of commerce and tourism development authorities, small business centers, Tri-County Community College, Southwestern Community College, Western Carolina University's Small Business Technology and Development Center & Corporation for Entrepreneurship and Innovation, Southwestern Commission, the Mountain West Alliance and other entrepreneurial development stakeholders

*Funding:* Grant funding and sponsorships

## **Goal #7: Expand community capacity**

Public and private leaders in the Mountain West region will take a regional and inclusive approach to addressing increasingly complex economic challenges.

### **Challenge #1: Community leaders frequently focus locally in addressing increasingly complex problems facing the entire region.**

#### **Explanation and justification**

Like many rural areas, the region faces a myriad of difficult and complex challenges. These challenges are increasingly difficult for communities to address alone, as resources, particularly public resources, become scarcer. Moreover, many local leaders do not have the deep knowledge needed to address the complexity of challenges in a fully informed manner. Many places, particularly in rural areas, have found regional approaches for addressing these problems to be more effective than localized approaches. These regional efforts allow communities to share expertise and learn from other similar communities. It also allows them to leverage more resources and build broader coalitions of support.

This is not to say that the region never acts regionally. In fact, the region has engaged in some regional very meaningful initiatives. The Opt-In initiative brought together North Carolina's seven westernmost counties, their 16 municipalities, and the Eastern Band of Cherokee Indians to create an ambitious regional strategy.<sup>22</sup> While the initial motivation for this effort was the challenges emerging from the construction of Corridor K, the region's leaders took the opportunity to craft a vision and strategies that addresses many of the region's pressing economic, transportation and environmental challenges.

22. <http://www.optinswnc.org/>

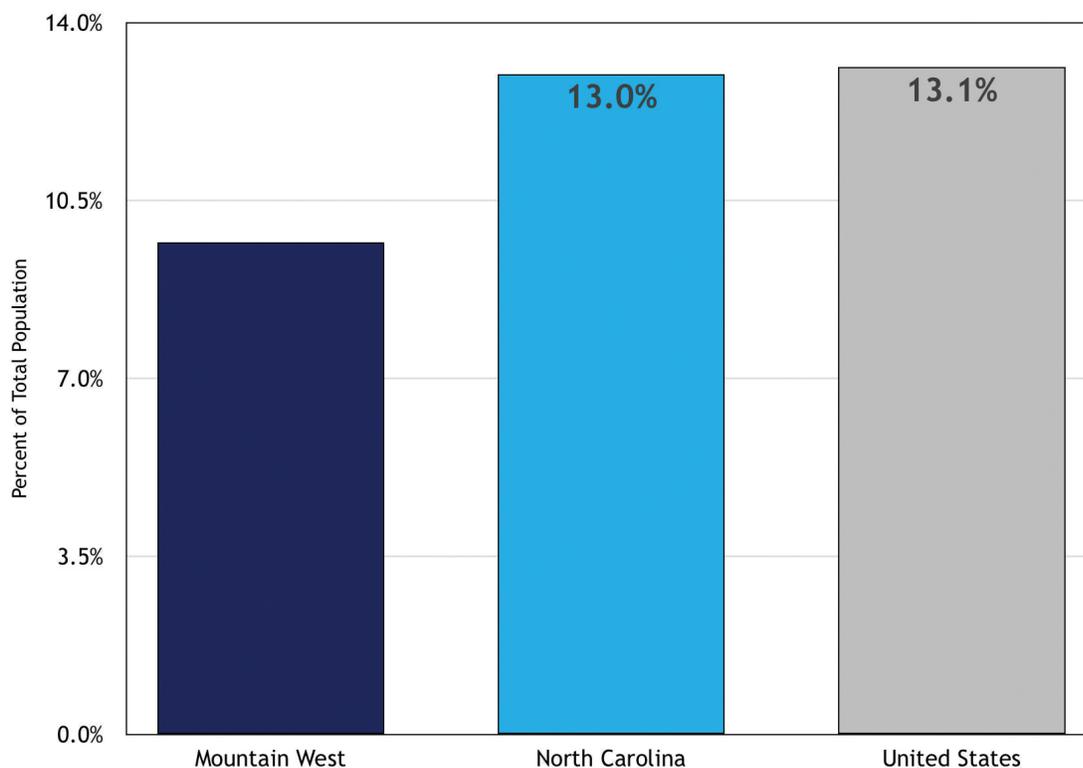
# Challenges and strategies facing the broader Mountain West region (cont'd)

## Motivation for new strategic direction

Efforts like the Opt-In initiative are important and should be recognized, but to a certain extent they are unique in their scope and ambition. Moving forward, community leaders should take a regional perspective as the default approach to addressing its most challenging questions. Doing so will require building the capacity of regional leaders through training on new approaches and strategies for solving problems. Within the region, this capacity building is already underway through the efforts such as the Coulter Regional Leadership Program. This program is funded by Cherokee Preservation Foundation and housed at Western Carolina University in nearby Jackson County.<sup>23</sup> This program works to engage leaders from the Eastern Band of Cherokee Indians and the seven westernmost counties of North Carolina to anticipate emerging challenges and work collaboratively to find the solutions that work best for their communities and the region as a whole.

The region needs to build upon the efforts and experiences of the Coulter Regional Leadership program by creating a rural regional leadership institute that can prepare government, non-profit and private sector leaders to develop more regional solutions. Other Appalachian communities have had success in these types of community capacity building efforts. For instance, Berea College's (KY) Brushy Fork Institute<sup>24</sup> has created a program designed to encourage greater participation in community and regional leadership, promote collaborative and inclusive community and economic development, and share practical methods for community development and planning. By systematically growing, training, and preparing the region's leadership, the Mountain West region will have the capacity to better address current and future challenges.

**Figure 14: Percent of total population aged 25 to 34**



Source: US Census Bureau, American Community Survey,

23. <http://www.wcu.edu/academics/faculty/coulter-faculty-commons/WNCLeadershipInitiative/CoulterRegional.asp>

24. <https://www.berea.edu/brushy-fork-institute/>

# Challenges and strategies facing the broader Mountain West region (cont'd)

## Strategies and Tactics

**Strategy 7.1.1: Grow the impact and reach of the Millennial Campus at Western Carolina University as an initiative for university faculty and students, businesses, nonprofits, and government agencies to work together in applied research, projects and programming that benefits the western North Carolina region.**

### *Tactics:*

- Pull together on-campus constituencies and regional partners to identify potential priority projects
- For each priority project, establish a project team, develop a project scope of work and implementation timeline and launch the project.
- Upon completion of initial projects, review results, evaluate efforts and make appropriate adjustments and initiate new round of projects
- Promote the initiative and its successes

*Implementing Organizations:* Western Carolina University's Millennial Initiative, Southwestern Commission, Mountain West Alliance, local governments, local economic development commissions, chambers of commerce and tourism development authorities, other nonprofits

*Funding:* Grant funding and private sector investment

**Challenge #2: Younger residents or newer residents have few opportunities to assume leadership positions on area economic and community development organizations' boards.**

### **Explanation and justification**

Younger workers (population aged 25 to 34) are often seen as a critical demographic because they are the source of new families and creative energy. However, this demographic group is underrepresented in the Mountain West region's leadership. Figure 14 shows that 9.7 percent of the region's overall population falls within this age cohort—about 34 percent less than the state and national average. Finding ways to attract and retain this demographic, particularly the young professionals, will be important to the region's economic future.

Many of the strategies described above contribute to this goal. Younger people looking to start careers and/or families will want to live in places that offer challenging and rewarding jobs, attractive places to live and work, and a variety of housing choices. Yet to attract and retain the best and brightest of this group there needs to be opportunities for them to have a meaningful voice in shaping their community and region's future.

However, these younger citizens are often not aware of, or asked to participate in, the activities of the region's economic and community development groups. In many rural places, the boards and leadership of these groups are often comprised of a small and sometimes overlapping group of people. The networks of these people seldom extend to people in the younger demographic, leaving a lack of generational diversity on their boards.

### **Motivation for new strategic direction**

Given that many of these community and economic development groups are fundamental in making decisions that shape the region's future, the region would benefit from greater representation from its younger generation. Since they are most likely to participate in the region's future, they should be involved in crafting that vision. Moreover, the more involvement and ownership they have in their community and its economic development, the more likely they are to put down deeper roots in the region. As a result, community and regional organizations should seek out younger entrepreneurs and professionals, and ensure that they are adequately represented in their leadership groups.

# Challenges and strategies facing the broader Mountain West region (cont'd)

## Strategies and Tactics

### **Strategy 7.2.1: Continue to work toward the formation of a Regional Rural Leadership Institute that prepares future leaders for the region.**

#### *Tactics:*

- Develop the Institute's core mission, primary fields of activities, governance structure (free-standing organization or part of a larger organization), operations structure and funding model
- Work with legal counsel, if necessary, to incorporate the organization and develop articles of incorporation and by-laws, and secure nonprofit tax status
- Establish a formal board/advisory committee and develop leadership curriculum and programming activities
- Secure multi-year funding commitment from stakeholder investors and partners

*Implementing Organizations:* Western Carolina University, the Eastern Band of Cherokee Indians, Tri-County Community College and Southwestern Community College, Mountain West Alliance, Southwestern Commission, local governments, local economic development commissions, chambers of commerce and tourism development authorities, businesses, nonprofits

*Funding:* Grant funding, public sector sponsorships, private sector sponsorships, participation fees

### **Strategy 7.2.2: Encourage nonprofits and civic organizations in the region to include youth and young adult representatives on their board of directors.**

#### *Tactics:*

- Develop an inventory of non-profits and civic organizations in the region and identify any which have designated youth or young adult board positions
- Identify the benefits of including youth and young adults on boards and develop support materials (fact sheets, best practices, case studies, etc.)
- Reach out to nonprofits and civic organizations
- Assist interested nonprofits and civic organizations recruit youths and young adults
- Track nonprofits and civic organizations who include youth and young adults
- Track you and young adults who serve or express an interest and serve as a referral source for nonprofits and civic organizations

*Implementing Organizations:* Western Carolina University, Southwestern Commission, the Eastern Band of Cherokee Indians, Tri-County Community College, Southwestern Community College, the Community Foundation of Western North Carolina United Way of Cherokee and Clay Counties, school districts, area foundations, local economic development commissions, chambers of commerce and tourism development authorities, civic organizations, nonprofits, local governments

*Funding:* Grant funding and private sector investment

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- **Sarah Thompson**, Southwestern Commission
- **Dr. Tony Johnson**, Western Carolina University Millennial Campus
- **Dr. Ed Wright** – Western Carolina University Corporation for Entrepreneurship & Innovation
- **Eastern Band of Cherokee Indians**