



**COMPREHENSIVE ECONOMIC
DEVELOPMENT STRATEGY (CEDS)
2007-2012**

Revised September 24, 2008

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

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Part 1: Executive Summary

INTRODUCTION

Land-of-Sky Regional Council (LOSRC) is designated by the US Department of Commerce Economic Development Administration (EDA) as the planning organization for an Economic Development District (EDD). The EDD is comprised of the four counties of Region B, North Carolina (Buncombe, Henderson, Madison and Transylvania counties). The Council's Comprehensive Economic Development Strategy, or CEDs, for the period 2007-2012 is a five-year strategic economic development plan for Region B.

A Board-appointed Strategy Committee developed the initial CEDs with input from an online survey, a Regional Resource Group, a strategic planning exercise by the full Board, and a staff review of local, regional and state plans and policies. The revised CEDs was edited by LOSRC staff with input from the Strategy Committee, the LOSRC Board and the public at large during a thirty-day public review process.

The LOSRC Board adopted the initial CEDs on September 26, 2007. The Board approved the edits for the revised CEDs on September 24th, 2008.

OVERARCHING THEME

The Strategy Committee chose "Regional Coordination" among local governments and other partners as the *overarching theme* of the CEDs. This theme applies to all strategic issues and solutions in the CEDs.

STRATEGIC PLAN FOR TIER 1 INITIATIVES

The CEDs contains five "Tier 1" strategic initiatives. These are the highest priority projects that emerged from the Strategy Committee's issue ranking process. These projects will be the main focus of Year 2 of the CEDs (October 2008-September 2009). An abbreviated version of the Goals, Objectives and Plans of Action for the five Tier 1 initiatives appears below.

Strategic Initiative 1: Regional Growth Management Planning

Goal:

The **goal** for the Growth Management Initiative is **regional coordination of growth management planning**.

Objectives:

- A Work with local governments, NC DCA (NC Division of Community Assistance) and other partners to **identify specific regional/local growth management issues, needs and action steps** by December 2008.
- B **Identify the roles** of Local Governments, LOSRC, DCA and other partners in regional growth management by July 1, 2009.
- C **Assist in providing adequate resources** to each local government planning office to tackle growth management issues in the 2008-2009 budget year (beginning July 1, 2008).
- D Achieve **coordinated border-to-border growth management in Region B by year-end 2010**. Implied by this objective is regional acceptance of coordinated growth management plans, policies and best practices through economic development and infrastructure decisions.
- E Pursue new legislation and regulatory tools to support growth management by Local Governments.

Plan of Action:

1. Produce a baseline **“State of the Region” growth management report for Region B**.
2. Hold a **regional Growth Management Summit series** to provide **a forum for a regional conversation on growth management**. This series of events will allow all participants to learn from each other’s vision for their own communities; determine how the vision of one community may affect others; and answer the question, “How can we work together to manage our regional growth more effectively?” These events may be coordinated with the Linking Lands and Communities project.
3. Local governing boards in the region **consider and adopt** design guidelines, ordinances and policies. The LOSRC Board could serve as a clearinghouse for local governments to coordinate with each other to help ensure consistent policies, guidelines and ordinances across their respective borders.
4. In 2009, LOSRC will issue a **State of the Region Report** on Growth Management which will report on progress and/or changes related to growth management in the region, including current and persistent threats, and identify next steps.
5. Land-of-Sky Regional Council will become the Lead Planning Agency (LPA) for the French Broad River Metropolitan Planning Organization, making effective regional transportation easier.
6. Continue as the LPA for the Land-of-Sky Rural Transportation Planning Organization (LOSRPO) since its chartering in 2003.
7. With both organizations housed at LOSRC, consider planning a state-of-the-art, coordinated, multimodal transportation system for the entire five-county region. This will benefit not only the transportation system in the region, but will speed attainment of our air quality goals.

Strategic Initiative 2: Transportation and Air Quality

Goal:

The **goal** of the Transportation and Air Quality Initiative is to **continue to meet and exceed air quality standards** to ensure protection of public health and the environment while providing for future economic prosperity and for integrated, state-of-the-art transportation services and systems to residents of the region.

Objectives:

- A **Keep pollution levels to 80% of the respective federal standards** for ozone, PM2.5, etc. in order to ensure protection of public health and the environment and to create a buffer against reaching potential non-attainment status.
- B **Double the average fuel efficiency of the region's transportation fleet by 2017.**
- C **Achieve a 20% reduction in vehicle miles traveled in the region by 2017.**
- D **Use alternative fuels and advanced transportation technologies** (including diesel retrofits) in **at least 20% of public fleets by 2012.** Set an example for the private sector by these actions.
- E Increase the public and private participation in the LOSRC Clean Cities program, **adding 75 alternative fuel or advanced technology vehicles each year.**
- F **Reduce local governments' petroleum use by 20% by 2012.** This objective is similar to the existing NC objective for state agencies and universities.
- G **Ninety percent of all communities in the Region will develop interconnected pedestrian and bicycle infrastructure by 2012.**
- H Use LOSRC's new role in a five-county coordinated transportation planning effort to provide better planning and improved access to funding for pedestrian and bicycle projects.
- I **Provide 21st century, multi-modal transportation to the entire 5-County transportation planning region,** featuring light rail infrastructure and increased public transit options linking nodes of high density development.

Plan of Action:

1. Land-of-Sky Regional Council will become the Lead Planning Agency for the French Broad River Metropolitan Planning Organization, making effective regional transportation easier.
2. Continue as the LPA for the Land-of-Sky Rural Transportation Planning Organization (LOSRPO) since its chartering in 2003.
3. With both organizations housed at LOSRC, consider planning a state-of-the-art, coordinated, multimodal transportation system for the entire five-county region. This will not only benefit the transportation system in the region, but will speed attainment of our air quality goals.
4. **Develop a strategy for exceeding by 20%, the revised federal air quality standards.** Local governments should lead development of this strategy since they are responsible for implementation. The regional Clean Air Campaign, Clean Vehicles Coalition, NC Division of Air Quality, WNC Regional Air Quality Agency, and City of Asheville's Transportation Demand Management Program and others will be key partners in these actions. Each part of the strategy should involve appropriate partners and target appropriate audiences.

5. **Encourage development of pedestrian and bicycle plans and infrastructure** in individual jurisdictions, and interconnect these through the Regional Greenways Plan.
6. **Plan for and acquire corridors for light rail access** to major cities and towns in the Region. Support expansion of existing freight and passenger rail to serve major cities and towns in the Region.
7. **Increase state and federal funding and incentives** to assist local governments and businesses in transitioning away from petroleum use and toward more fuel efficient and lower emission fleets.
8. Work with the local government members of the MPO and RPO, the North Carolina Department of Transportation, the Federal Highway Administration, the general public, and other partners to create a long-term, coordinated transportation vision, linking improved bicycle, pedestrian, transit, and light rail infrastructure. Ensure that all long-term transportation and land use planning products are coordinated.

Strategic Initiative 3: Housing

Goal:

The **goal** for the Housing Initiative is to **increase the stock of affordable, energy efficient housing throughout the region.**

Objectives:

- A Identify and promote **specific incentives for affordable housing** based upon best practices and successful models from other areas by December 2008.
- B Identify and promote **financial incentives for affordable housing** based upon best practices and successful models from other areas by December 2008.
- C **Adopt one new incentive per year** in each of the four Region B counties during the remaining four years of the CEDS (FFY 2009-2012).

Plan of Action:

1. Convene a **regional conversation on affordable housing** options and workforce housing, to include:
 - a. Workforce housing initiatives and incentives
 - b. HealthyBuilt Homes designs and affordable lending products
 - c. Approaches to making affordable housing available close to the workplace
 - d. Affordable alternatives to “a single family house on a lot”
 - e. A re-evaluation of manufactured housing as an affordability solution
2. Identify and support the design of local and regional policies, regulations, opportunities and initiatives that support affordable housing.
3. Identify specific financial incentives which will support the development of affordable, energy-efficient housing.
4. Continue to promote the Regional Housing Consortium in its role to lead and support the development of affordable housing throughout the four county region.

Strategic Initiative 4: Regional Brownfields Initiative (RBI)

Goal:

The **goal** for the Regional Brownfields Initiative is to **continue and expand this valuable program in the region.**

Objectives:

- A Utilize existing funding to **identify the best Brownfield opportunities** in the region and get sites into the Regional Brownfields Initiative by January 2008.
- B **Complete the assessment** of the project sites by June 2008.
- C **Obtain Brownfields Agreements and sites ready for re-development** by December 2008.
- D **Quantify the economic, social and environmental benefits** of the projects by February 2009.
- E **Obtain new Brownfields assessment funding** for additional projects by October 2008.
- F **Diversify RBI funding** by adding at least one additional funding source by October 2009.
- G **Increase awareness of the RBI** through education and outreach efforts on a quarterly basis.

Plan of Action:

1. The LOSRC Brownfields Internal Team and State Brownfields Program staff will work with local governments to evaluate the potential economic, social and environmental benefits of candidate Brownfield properties.
2. Select the best candidate properties and work with the developers to get the properties into the RBI.
3. Obtain new funds or allocate existing funds for the assessment of site conditions, and determination of remedial actions. Apply for assessment funds annually or semi-annually.
4. Perform assessments, determine remediation options and help negotiate Brownfields agreements.
5. Assist in the determination of the conditions of the Brownfields Agreements.
6. Assist developers with other aspects of site re-use planning as appropriate.
7. Encourage new sources of funding, including state sources and write proposals to secure them.
8. Create marketing materials and regionally disseminate on a regular basis.
9. Explore opportunities to collaborate with new partners for FY 2010 EPA Grant funds & apply to EPA for these funds.

Strategic Initiative 5: Clean Energy Planning and Entrepreneurship

Goal:

The **goal** of the Clean Energy Planning and Entrepreneurship Initiative is to create a clean, secure, resilient energy future and a robust regional economy for the Land-of-Sky Region.

Strategies:

1. Pursue economic development approaches that support entrepreneurial startups and expansions of existing clean energy businesses
2. Use a targeted approach to recruiting energy businesses by supporting regional entrepreneurs and selectively inviting outside companies to join growing clusters of energy-related companies within the region
3. Move toward using more regional energy resources in the future, principally energy efficiency and renewables
4. Assemble an integrated infrastructure that supports a broad spectrum of energy businesses
5. Establish an economic development and recruiting policy focused upon local energy resources, local companies, entrepreneurship, diverse sources of energy production, and engaging the public in providing a market for regional energy-oriented entrepreneurs
6. Articulate a value system based upon sustainability and resilience in our regional economy

Objectives:

- A Articulate a regional values statement.
- B Local governments adopt a regional strategic energy plan and 3–6 new incentives and public policies.
- C Establish partnerships and a marketing and public education program to increase consumer demand.
- D Create 10 new sustainable energy/fuels business startups or expansions in the region, creating 45 new jobs.
- E Recruit two sustainable energy/fuels businesses to the region, creating 20 new jobs.
- F Improve the existing business development support system for this business sector.
- G Conduct research and data collection to support project work.

Plan of Action:

This initiative is organized into “tracks.” The tasks for each track are listed below the track title.

PROJECT PREPARATION/KICK-OFF

1. Preliminary partner communication/steering committee formation.
2. Kick-off meeting with partners and steering committee.

REGIONAL VALUES TRACK

1. Gather steering committee and public input to complete regional values statement.
2. Test regional values statement with groups key to regional energy strategy success.
3. Communicate finalized regional values statement to partners, educational institutions, and the general public.

ENERGY PLANNING TRACK

1. Complete inventory of energy planning actions proposed in other geographic regions.
2. Evaluate actions proposed for other areas based on their potential applicability in our region.
3. Draft Region B strategic energy plan, including most promising strategies from elsewhere plus “home grown” strategies.
4. Complete development of regional energy scenarios for our region based upon these proposed actions.
5. Hold series of public meetings to develop a preferred energy future.
6. Set up a method to track progress toward preferred future during the planning period and beyond.
7. Facilitate adoption of regional energy strategy plan by Region B local governments.

COMMUNICATION & PARTNERS TRACK

1. Finalize partnerships.
2. Convene steering committee.
3. Establish email-based communication structure for steering committee and partners.
4. Continue to seek collaborative ventures and opportunities to leverage RC funds.
5. Begin marketing of plan to increase public/private awareness and adoption.

RECRUITMENT & BUSINESS DEVELOPMENT TRACK

1. Finalize inventory/”map” of sustainable energy-related businesses.
2. Identify business gaps that are slowing the development of regional energy clusters.
3. Develop strategy to fill high priority gaps with internal business development and selective external recruitment.
4. Develop white paper detailing conclusions from inventory and cluster prospects.
5. Track number of new sustainable energy/fuels business startups, expansions, and recruitments in the region.
6. Track number new jobs created as a result of new sustainable energy/fuels business startups, expansions, and recruitments in the region.

BUSINESS SUPPORT INFRASTRUCTURE TRACK

1. Continue consulting with existing green energy businesses to estimate outstanding workforce development needs.
2. Work with educational institutions to develop curricula and explore outposted university degree programs.
3. Assess existing business capital resources.
4. Draft report on existing workforce development and other business infrastructure resources, capital needs, and incentives.
5. Develop process to fill workforce development gaps and business development capital needs.
6. Work with educational institutions and businesses to provide needed workforce development improvements.

RESEARCH AND ANALYSIS TRACK

1. Develop regional version of energy flows diagram.
2. Refine regional estimates of energy dollar leakage.
3. Draft report on methodology for refining diagram and energy dollar leakage estimates.
4. Complete additional research and data analysis as needed to support project.

“Tier 2” Strategic Issues – several “Tier 2” issues were identified for a more limited scope of work during Year 1 of the CEDS. Depending upon the issue and resources, this could include research, discussions with key partners, fundraising or planning.

The Tier 2 issue areas are:

- Health Care
- Education
- Broadband Infrastructure
- Agricultural Jobs
- Entrepreneurship and Small Business
- Quality of Life
- Overall Affordability of Living in the Region

“Tier 3” Issues – The remainder of the 154 online survey issues are listed in the CEDS as Tier 3 issues. The Tier 3 list will serve as a reference, with no action in Year 1 of the CEDS.

The CEDS is organized as a responsive and “nimble” plan – one that can easily and quickly be adapted to unanticipated events such as natural disasters, economic development opportunities, etc., which require a sudden (and sometimes temporary) shift in direction or new focus. The “tier” concept above is part of this nimble design.

Part 2: Full Strategic Plan

INTRODUCTION

Land-of-Sky Regional Council (LOSRC) is a regional council of local governments serving four counties and 15 municipalities in Region B, North Carolina (Buncombe, Henderson, Madison and Transylvania counties). The Council's Comprehensive Economic Development Strategy, or CEDS, for the period 2007-2012 is a five-year strategic economic development plan for Region B. The CEDS is a required part of our economic development planning grant under the U.S. Department of Commerce Economic Development Administration (EDA). The Chairman of LOSRC appointed the following Strategy Committee to develop the 2007-2012 CEDS: Rodney Locks, Robin Cape, George Morosani, Jerry Plemmons, Larry Blair, Mark Burrows, Jack Roberts, Eddie Fox, Jason Chappell and Janet Bowman. As the Planning Organization for the four-county Economic Development District (EDD), LOSRC staffed the CEDS planning effort. The District Board (LOSRC Board) adopted the 2007-2012 CEDS on September 26, 2007.

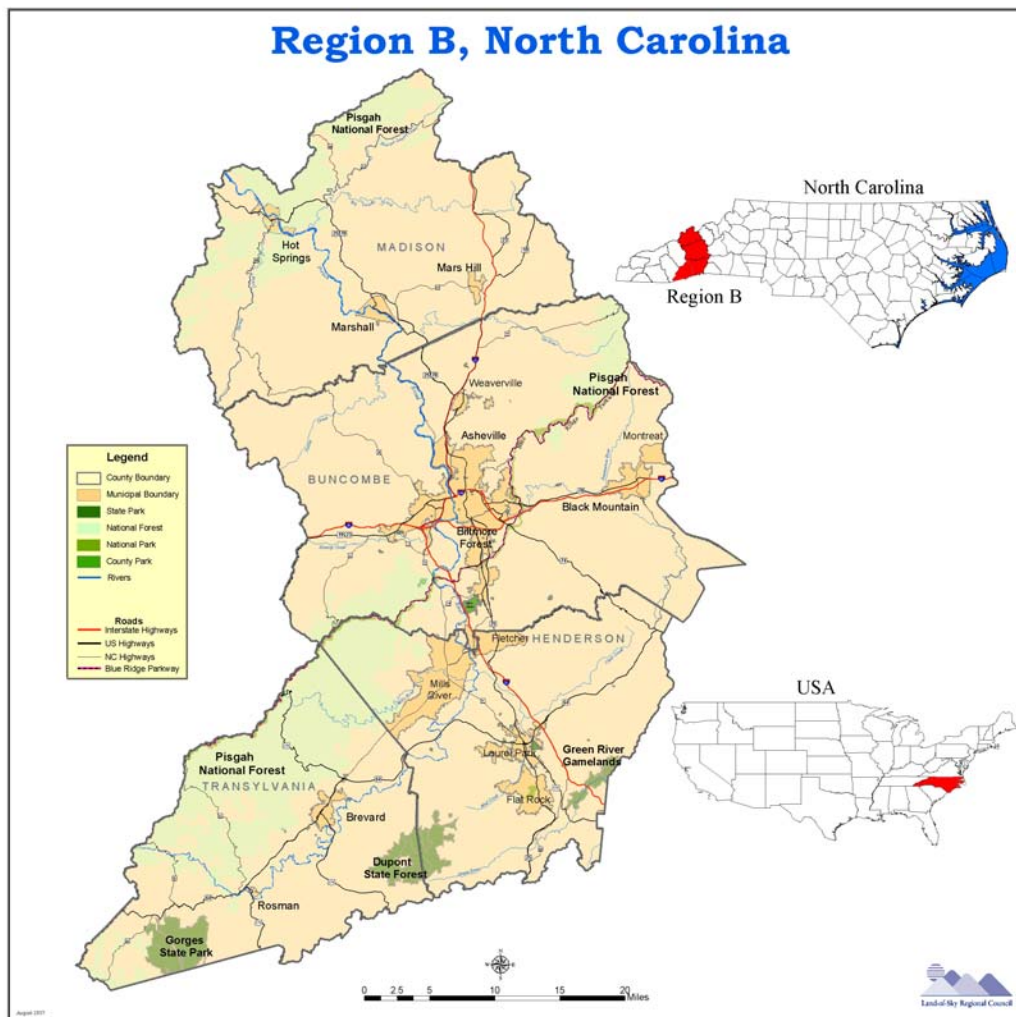


Figure 1. Location of the Land-of-Sky Economic Development District

STRATEGIC APPROACH TO THE CEDS

Strategic planning is often described as “a way to manage change.” The Economic Development District (Region B) is undergoing substantial change, and the CEDS reflects a proactive response to that change. As a strategic plan, the CEDS seeks to ascertain the forces, trends, and issues that will have the greatest impact upon our region, and position the region to make the most of related opportunities and to avoid or lessen the impacts of related threats. It is a practical plan, tempered by a realistic assessment of the strengths and weaknesses of LOSRC, our member governments, and our many private and public sector stakeholders, to take effective action on the critical issues.

Further, the CEDS is organized as a responsive and “nimble” plan – one that can easily and quickly be adapted to unanticipated events such as natural disasters, economic development opportunities, etc., which require a sudden (and sometimes temporary) shift in direction or new focus.

The CEDS attempts to enlist the efforts of many of LOSRC’s partners and allies to take effective action on strategic issues critical to the District. Whereas the CEDS extends far beyond the work plan of LOSRC staff, it is the primary determinant of our economic development plan of work.

OVERARCHING THEME

The Strategy Committee chose “Regional Coordination” as the *overarching theme* of the CEDS. The Committee envisions the member governments of LOSRC, plus our private and public sector partners, taking full ownership of regional strategies and cooperating to enact CEDS goals. It is called an “overarching” theme because it applies to all strategic issues and solutions in the CEDS.

RANKING OF STRATEGIC ISSUES

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

Regional Resource Group

In order to provide an effective means of community and private sector participation in the initial CEDS development effort, a 725-person “Regional Resource Group” was identified by LOSRC staff. This diverse group consists of public and private sector economic developers, bankers, business owners, corporate staff, city/county managers and elected officials, planners, university, community college and K-12 school system staff, workforce development personnel, natural resource agency and nonprofit staff, aging program volunteer board members, Brownfields revolving loan fund board members, transportation experts, housing nonprofit staff, and many others.

Online Survey

In consultation with Strategy Committee members and others, staff developed an online survey using the commercially-available Survey Monkey web tool. The survey listed 154 economic development issues and sub-issues, and asked respondents to indicate the importance of each issue, incorporating their personal view and professional experience. The ratings were “Very Important,” “Important,” “Somewhat Important,” “Not Important,” or “No opinion or you lack

the information to comment.” The survey instruction that defined “importance” read as follows:

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

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

The 154 issues were grouped into the following categories for the convenience of respondents:

- Business & Economic Development
- Workforce
- Education
- Infrastructure
- Growth Planning & Management
- Local Government
- Social/Cultural
- Health Care
- Natural Resources
- Energy

The online survey was sent to the Regional Resource Group of 725 people. A total of 220 respondents answered the survey, for a response rate of 30%.

LOSRC Board’s SWOT Exercise

The LOSRC Board conducted an issue-ranking exercise at its June 27, 2007, meeting. Board members ranked eight Topic Areas and 106 related Strengths, Weaknesses, Opportunities, and Threats (SWOT) as being of High (H), Medium (M) or Low (L) strategic importance. Staff compiled the ranking results, assigned each of these items to the corresponding issue on the online survey issue list, and entered a weighted ranking score for each item equal to: the number of H’s x 5 + number of M’s x 3 + number of L’s x 1.

Review of Local and Regional Economic Development Plans

Staff reviewed 23 city, county and regional economic development, workforce development, strategic plans and related documents, noting how many of the documents include each of the 154 online survey issues as a strategy or important topic. Staff recorded the number of plans/documents in which each issue occurred as an indicator of the relative importance of the issues to the authoring jurisdictions.

Issue Ranking

Staff used an Excel spreadsheet to sort the online survey results for the 154 issues according to the percentage of respondents who rated the issue as “Very Important.” The three top-ranked issues from this sort -- Protecting Water Quality and Quantity, Protecting Air Quality, and Housing Affordability -- were proposed as the basis for three strategic initiatives. Related issues that ranked high in the LOSRC Board’s SWOT exercise and in the local and regional plan review were grouped with each of the respective top three issues to form three issue “clusters.” The Strategy Committee reviewed the staff issue ranking results, discussed the

entire survey and ranking process, selected Tier 1, Tier 2 and Tier 3 issues, developed names for the three Tier 1 strategic initiatives, and created the overarching theme of “Regional Coordination.” On August 22, 2007, the LOSRC Board adopted a fourth strategic initiative on Brownfields as an important economic development strength of the region.

SELECTION OF STRATEGIC INITIATIVES

Tier 1 Strategic Initiatives – these are strategic solutions and projects which the Strategy Committee feels address not just the highest-ranking issues, but the issue “clusters” as a whole. For example, both the highest-ranked issue “Protecting water quality and quantity,” and its Related and Supporting Issues below, are considered part of a larger initiative on Regional Growth Management Planning. The region’s assets that need to be protected include natural, historical and cultural resources – not just water quality and quantity.

The Plans of Action for Year 2 of the CEDS are designed to implement the Tier 1 initiatives. The revised CEDS contains five Tier 1 initiatives. These initiatives and their issue “clusters” are:

1. **Regional Growth Management Planning**
 - a. **Key Issue: Protecting water quality and quantity** (including stormwater runoff)
 - b. **Related and Supporting Issues:**
 - i. Protecting mountain ridges and steep slopes
 - ii. Encouraging regional coordination on growth issues and strategies (including strengthening existing growth management systems)
 - iii. Availability of industrial sites
 - iv. Growth planning and management (including high level of public concern)
 - v. Rapid development
 - vi. Protecting cultural and historical sites
 - vii. Land conservation (including a regional conservation plan)
 - viii. Loss of farmland
2. **Transportation and Air Quality**
 - a. **Key Issue: Protecting air quality**
 - b. **Related and Supporting Issues:**
 - i. Traffic congestion
 - ii. Biofuels and Alternative-fuel vehicles
 - iii. I-26 Connector design
 - iv. Connectivity of transportation systems (e.g., bicycle to bus to airport)
 - v. Sidewalk, trail and bike path adequacy and accessibility
 - vi. Adequacy and accessibility of public transportation services
 - vii. Continued support for and participation in the Metropolitan Planning Organization (MPO) and the Rural Transportation Planning Organization (RPO)
 - viii. Greenways (as a multi-modal transportation method)
3. **Housing**
 - a. **Key Issue: Affordability**
 - b. **Related and Supporting Issues:**
 - i. Availability
 - ii. Mixed-income communities
 - iii. Supporting high-performance, energy-efficient building design and construction
 - iv. Higher density development, and energy efficiency

- v. Supporting commercial, residential and public sector energy conservation and demand-side management
 - vi. Recruiting, job retention and support for construction jobs that employ high efficiency building technologies
 - vii. Recruiting, job retention and support for construction jobs in the residential construction sector
4. **Regional Brownfields Initiative**
- a. **Key Issue: Revitalization and reutilization of idle and/or underutilized contaminated properties**
 - b. **Related and Supporting Issues:**
 - i. Availability of industrial sites
 - ii. Exodus of traditional industries
 - iii. Housing – affordability (cost of land)
 - iv. I-26 Connector Design
 - v. Infill development and traffic congestion
 - vi. Resource management and conservation – addressing resource fragmentation of natural, cultural, public lands, and working lands
 - vii. Water and sewer availability
 - viii. Protecting air quality (by infill and reducing VMT)
 - ix. Protecting water quality (via cleanup of Brownfields sites)
5. **Clean Energy Planning and Entrepreneurship**
- a. **Key Issue: Develop renewable energy sources, support sustainable energy jobs, and improve energy efficiency in the regional economy**
 - b. **Related and Supporting Issues:**
 - i. Job retention and construction, high-efficiency building technologies
 - ii. High-performance, energy efficient building practices
 - iii. Recruiting, job retention and support for sustainable energy [businesses]
 - iv. Commercial, residential and public sector energy conservation and demand side management
 - v. Develop renewable energy sources (solar, wind, biofuels, hydro)

For each of these five Tier 1 initiatives, the CEDS contains a fully-developed strategic action plan. The overarching theme of “Regional Coordination” is implied as a basic part of each initiative.

Tier 2 Strategic Issues – Tier 2 issues were also ranked as being of high impact to the region by the Strategy Committee. However, in recognition of limited resources and the need to focus those resources on the most important issues, the Strategy Committee did not create a strategic initiative to address the issue, but rather decided upon a more limited scope of work for the Tier 2 issues for Year 1 of the CEDS. During that time, staff and the Strategy Committee continued working to define the Tier 2 issues. Depending upon the issue and resources, this could include research, discussions with key partners, fundraising or planning. The Strategy Committee could elevate one or more of these issues to Tier 1 status in future years, depending upon the outcomes of the Year 1 work.

The Tier 2 issue areas are:

- Health Care
- Education
- Broadband Infrastructure
- Agricultural Jobs
- Entrepreneurship and Small Business

- Quality of Life
- Overall Affordability of Living in the Region

Tier 3 Issues – The remainder of the 154 online survey issues are listed in the CEDS as “Tier 3 issues.” The Tier 3 list will serve as a reference, with no action in Year 1 of the CEDS. The Strategy Committee could elevate one or more of these issues to Tier 2 or Tier 1 status in future years, depending upon the situation at the time.

STRATEGIC PLAN FOR THE TIER 1 INITIATIVES

Note: As explained on page 13, each of the five Tier 1 strategic initiatives is intended to address, as a whole, the entire cluster of issues identified in the issue ranking and selection process. For example, LOSRC is already addressing many of the topical issues in the cluster associated with Regional Growth Management Planning (e.g., ridgetop and steep slope development, regional conservation planning, stormwater runoff management, other water quality issues). The Strategy Committee decided that the strategic priority for initiatives is to address the regional coordination and resource issues. The details of the Action Steps listed in all five Strategic Initiatives of the CEDS are viewed as starting points. Therefore, the Plan of Action for the initiatives do not contain separate actions for all of the sub-issues in the cluster. As the projects begin, details of the partners, timing, costs, sources of funds, etc. will evolve. Action Step and individual issues progress are reported in the EDA mid-term and annual progress reports.

Strategic Initiative 1: Regional Growth Management Planning

Strategic (SWOT) Analysis

While the value of individual property rights is strongly held in Region B, we are seeing a rising public insistence that growth be managed by local governments and infrastructure providers in a way that will protect our excellent quality of life in the region. Regional growth management planning provides an **opportunity** to meet a variety of public and private needs while improving quality of life in many instances. The implied **threat** is deterioration of our community's appeal and inefficient and possibly unsustainable use of land resources. We need regional growth management planning to protect our economy, which is based in part on our natural and cultural assets/resources. Many land use decisions are irreversible -- so failure to plan now will foreclose many options for future generations.

Our region's principal **strength** in this area is the clear authority of local governments to manage growth with a variety of tools authorized under state law. A **weakness** is the sensitivity of growth management issues in both urban and rural areas. Residents in urban areas experiencing many growth impacts often demand action by elected officials. Residents in more rural areas in some cases do not experience the impacts as strongly and question the need for government action. This difference in perspectives presents a dilemma, particularly for county officials with both urban and rural constituents.

A **weakness** in this topic area is the perception among some people that regional coordination of growth management implies consolidation of governments and loss of the individuality and rich diversity of the region's counties, cities, towns and villages. The Strategy Committee believes governmental units of all sizes need better growth management tools, and should maintain their autonomy and character.

Another **weakness** is lack of funding and other resources at the local and regional levels to adequately manage growth in the region. Most local planning departments are severely understaffed to tackle this issue. Many lack the in-house technical expertise (engineering, geotechnical, etc.) to address complex issues, including steep slope development, stormwater runoff management, etc. Local elected officials have limited means to obtain additional resources for planning departments and to develop new revenue mechanisms to support growth management. Thus, they often depend upon outside organizations such as LOSRC for growth management assistance. There is a lack of reliable, sustainable sources of funding for this assistance. Such

funding would help ensure a consistent, long-term, regionally-coordinated approach to growth management.

Goal:

The **goal** for the Growth Management Initiative is **regional coordination of growth management planning**.

Objectives:

- A Work with local governments, NC DCA and other partners to **identify specific regional/local growth management issues, needs and action steps** by December 2008.
- B **Identify the roles** of Local Governments, LOSRC, DCA and other partners in regional growth management by July 1, 2009.
- C **Assist in providing adequate resources** to each local government planning office to tackle growth management issues in the 2008-2009 budget year (beginning July 1, 2008).
- D Achieve **coordinated border-to-border growth management in Region B by year-end 2010**. Implied by this objective is regional acceptance of coordinated growth management plans, policies and best practices through economic development, and infrastructure decisions.
- E Pursue new legislation and regulatory tools to support growth management by Local Governments.

Plan of Action:

1. Produce a baseline **“State of the Region” growth management report for Region B**.
Lead: LOSRC
Partners: local government planning and management staff and elected officials; DCA
Estimated costs: \$10,000 - \$75,000
Source of funds: DCA (in-kind assistance); local governments (in-kind assistance and/or \$\$); State Technical Assistance funds
Timeline: May 2008 through June 2009
2. Hold a **regional Growth Management Summit series** to provide **a forum for a regional conversation on growth management**. This series of events will allow all participants to learn from each other’s vision for their own communities, determine how the vision of one community may affect others, and answer the question, “How can we work together to manage our regional growth more effectively?” These events may be coordinated with the Linking Lands and Communities project, which will hold a series of informational meetings following by interactive charrettes/workshops to define a conservation and development network for the region.
 - a. Assemble interests and residents to look at the big picture (regional growth patterns and projections, water capacity and systems, green and grey infrastructure, other issues) and identify the most pressing issues for collaborative action.
 - b. Follow-up workshops/charrettes will examine case studies and models that work in other areas. They will go into detail on the issues and result in design guidelines, ordinances and policies that attendees can consider for application by their local boards.
 - c. Some topics the Summit series will focus on:
 - i. Setting up new communication and coordination mechanisms
 - ii. The roles of all organizations and interests.
 - iii. Developing more financial and technical resources for local planning departments.

- iv. Exploring hiring a regional civil or geotechnical engineer to act as a “circuit rider” who would address the weaknesses identified above, by assisting local governments with stormwater runoff, subdivision road standards, geotechnical issues related to slope failures, etc.

Lead: LOSRC

Partners: local government planning and management staff and elected officials; private planning/landscape architecture/urban design consultants; DCA; Cooperative Extension; Department of Environment and Natural Resources (DENR), and the Local Government Training Center (LGTC)

Estimated costs: \$200,000+

Source of funds: Community Foundation of Western North Carolina (CFWNC); Z. Smith Reynolds Foundation (ZSRF); DCA and LGTC (in-kind assistance); local governments (in-kind assistance and/or \$\$); new funds from the state’s General Assembly for growth management; and the Lyndhurst Foundation.

Timeline: January 2009 through June 2010

Time needed to raise funds: ZSRF grant deadlines are Aug. 1 and Feb. 1; CFWNC deadlines are Oct. 1 (letter of intent) for Strategy Grants and Feb. 1 and Aug. 1 for Opportunity Grants

3. Local governing boards in the region **consider and adopt** design guidelines, ordinances and policies. The LOSRC Board could serve as a clearinghouse for local governments to coordinate with each other to help ensure consistent policies, guidelines and ordinances across their respective borders. The Mountain Ridge and Steep Slope Protection Strategies and Linking Lands and Communities projects will both provide guidance on policy and regulatory changes and design guidelines. The Mountain Landscapes Initiative project (a current project in Region A) will provide model design guidelines, policies and ordinances related to managing growth in sensitive ways.

Lead: Local government officials and staff

Partners: LOSRC; private planning/landscape architecture/urban design consultants; DCA; Cooperative Extension; DENR; LGTC

Estimated costs: \$25,000 - \$70,000 (cost to LOSRC for coordination and technical assistance)

Source of funds: Local governments (in-kind); DCA (in-kind); CFWNC; ZSRF

Timeline: July 2008 through December 2010

4. In 2010, LOSRC will issue a **State of the Region Report on Growth Management** which will report on progress and/or changes related to growth management in the region, including current and persistent threats, and identify next steps. This report will refer back to the baseline report in Action Step #1 above. It will also include research and consideration of needed legislative and regulatory tools, including statewide authority for transfer of development rights to areas slated for future higher density growth from agricultural lands, water supply watersheds or for other public policy purposes.

Lead: LOSRC

Partners: local government planning and management staff and elected officials; DCA

Estimated costs: \$30,000 – \$80,000

Source of funds: DCA (in-kind assistance); local govts. (in-kind assistance and/or \$\$)

Timeline: July 2009 through June 2010

5. Land-of-Sky Regional Council will become the Lead Planning Agency (LPA) for the French Broad River Metropolitan Planning Organization, making effective regional

transportation easier.

6. Continue as the LPA for the Land-of-Sky Rural Transportation Planning Organization (LOS RPO) since its chartering in 2003.
7. With both organizations housed at LOSRC, consider planning a state-of-the-art, coordinated, multimodal transportation system for the entire five-county region. This will benefit not only the transportation system in the region, but will speed attainment of our air quality goals.

Strategic Initiative 2: Transportation and Air Quality

Strategic (SWOT) Analysis

The challenge presented by this issue is providing quality transportation facilities and services while improving our air quality and continuing to meet air quality standards. **Opportunities** exist to create more walkable communities and more transit and bicycle options. Most residents want more walking, biking and public transit routes and services. CEDS online survey results confirm this desire, with combined “Very Important” + “Important” ratings for sidewalks, bike trails and paths at 83-84%. We also have a parallel **opportunity** to design a transportation system that not only provides a higher quality travel experience but also produces fewer air emissions in the future. As LOSRC becomes the Lead Planning Agency for the French Broad River Metropolitan Planning Organization (MPO), another **opportunity** exists for greater coordination in transportation planning for the Region. LOSRC is currently the Lead Planning Agency for the Land-of-Sky Rural Transportation Planning Organization (RPO), which serves the rural local governments in Madison, Buncombe, Haywood, and Transylvania Counties. The MPO serves the urbanized areas of Buncombe and Haywood Counties and all of Henderson County. Together, the two organizations can work towards a long-term, multi-modal transportation system for the entire five-county region.

Ozone is our most pressing air quality problem and it is produced in large part by auto emissions in our region. The strategic **threats** are that declining air quality will damage the health of our residents, reduce the appeal of our community for visitors, and have other negative economic effects. Taking no action on transportation planning and vehicular emissions may result in violation of air quality standards, particularly the more stringent ozone standards under consideration by the Environmental Protection Agency (EPA). The EPA has proposed a tighter ozone standard to protect public health, and if the stricter value within the proposed range is adopted, parts of the region could go into non-attainment for ozone in about three years (2010). Non-attainment will trigger additional bureaucratic mechanisms at the local, state and federal levels that may restrict new industrial/commercial development and threaten federal transportation funding. Additionally, the stigma of non-attainment (“dirty, unhealthy”) status alone may also slow tourism and future economic development. We must also monitor fine particulate matter (PM2.5) levels that could increase with additional population growth and vehicular emissions. The new stricter ozone pollution standard was issued by EPA in the Spring of 2008 and is now set at 75 parts per billion. Ozone pollution levels at many of the regions’ high elevation sites (over 4,000 feet) have already violated the new standard this summer and the three-year average of the 4th highest ozone concentration for these sites qualifies these high elevation sites for “non-attainment” designation. It is unknown what geographic areas EPA will designate as non-attainment: no sites, high elevation sites only, entire counties containing these sites or even the entire multi-county Asheville MSA.

The **threat** of traffic congestion will increase air emissions, lower the quality of life for citizens, and may slow the current in-migration of residents and new businesses to the region. Additionally, existing industries reported to public sector economic developers during the last CEDS cycle (2002-2007) that they would not stay in the region unless chronic highway congestion problems are remedied. This concern was noted in several CEDS Annual Updates. Preventing or mitigating traffic congestion was prominent in seven of the 22 local and regional plans reviewed by staff for the 2007-2012 CEDS.

Solutions to traffic congestion (widening highways, building on new alignment) that might work in other parts of North Carolina sometimes do not work well in the mountains due to our topography,

higher construction costs, and sensitive ecosystems. This could be viewed as a regional **weakness**, but it also provides an **opportunity** to devise more creative solutions (e.g., pedestrian, bicycle, light rail, transit) that reduce traffic volumes and Vehicle Miles Traveled.

Our region's main **strength** is our relatively low traffic levels compared to larger cities in the Southeast. The region's **weaknesses** include our stagnant summer weather and the higher elevation of many of our new ridge and steep slope developments, which cause exposure to higher levels of ozone in many cases. An overriding **strength** is the resourcefulness of our residents and their commitment to maintaining high air quality.

Another **strength** is that LOSRC and local governments have the ability to influence regional and local transportation systems through the MPO and RPO planning mechanisms. Adequate funding for the Department of Transportation (DOT) and for these regional planning mechanisms (MPO and RPO) is critical. A **weakness** is the lack of coordination between land use (including land conservation) planning and transportation planning at the local and regional levels.

Goal:

The **goal** of the Transportation and Air Quality Initiative is to **continue to meet and exceed air quality standards** to ensure protection of public health and the environment, while providing for future economic prosperity and for integrated state-of-the-art transportation services and systems to residents of the region.

Objectives:

- A **Keep pollution levels to 80% of the respective federal standards** for ozone, PM2.5, etc., in order to ensure protection of public health and the environment and to create a buffer against reaching potential non-attainment status.
- B **Double the average fuel efficiency of the region's transportation fleet by 2017.**
- C **Achieve a 20% reduction in vehicle miles traveled in the region by 2017.**
- D **Use alternative fuels and advanced transportation technologies** (including diesel retrofits) in **at least 20% of public fleets by 2012.** Set an example for the private sector through these actions.
- E Increase the public and private participation in the LOSRC Clean Cities program, **adding 75 alternative fuel or advanced technology vehicles each year.**
- F **Reduce local governments' petroleum use by 20% by 2012.** This objective is similar to the existing NC objective for state agencies and universities.
- G **Ninety percent of all communities in the Region will develop interconnected pedestrian and bicycle infrastructures by 2012.**
- H Use LOSRC's new role in a five-county coordinated transportation planning effort to provide better planning and improved access to funding for pedestrian and bicycle projects.
- I **Provide 21st century, multi-modal transportation to the entire five-County transportation planning region,** featuring light rail infrastructure and increased public transit options linking nodes of high density development.

Plan of Action:

1. Land-of-Sky Regional Council will become the Lead Planning Agency for the French Broad River Metropolitan Planning Organization, making effective regional transportation easier.

2. Continue as the LPA for the Land-of-Sky Rural Transportation Planning Organization (LOS RPO) since its chartering in 2003.
3. With both organizations housed at LOSRC, consider planning a state-of-the-art, coordinated, multimodal transportation system for the entire five-county region. This will not only benefit the transportation system in the region, but will speed attainment of our air quality goals.
4. **Develop a strategy for exceeding by 20% the revised federal air quality standards.** Local governments should lead development of this strategy since they are responsible for implementation. The regional Clean Air Campaign, Clean Vehicles Coalition, NC Division of Air Quality, WNC Regional Air Quality Agency, the City of Asheville's Transportation Demand Management Program and others will be key partners in these actions. Each part of the strategy should involve appropriate partners and target appropriate audiences.
 - a. Increase the amount of walking, biking, public transit and carpooling throughout the region by improving facilities and services, and via public education and promotional campaigns. Encourage public and private participation in the City of Asheville's Transportation Demand Management Program.
 - b. Work with our local governments and their fleet managers to achieve the above objectives and to set an example for other organizations.
 - i. LOSRC and local governments should establish policies to achieve the above objectives.
 - ii. Seek grant and other funds, add fuel providers, etc.
 - c. Make more alternative fuel and fuel-efficient vehicles available for sale in the region by working with alternative fuel vehicle providers.
 - d. Establish more alternative fuel stations throughout the region (fuels that match fleet needs) by working with alternative fuel providers.
 - e. Work with local governments, the Regional Brownfields Initiative, and other partners on policies and incentives to encourage:
 - i. Infill development
 - ii. Higher density development
 - iii. Mixed-use, pedestrian-friendly communities
 - f. Regional transportation coordination -- work with the MPO, RPO and local governments to create and implement regional multi-modal transportation development plans

Lead: LOSRC

Partners: Local governments, transit and transportation providers, MPO, RPO, NC Division of Air Quality (NC DAQ), Western North Carolina Regional Air Quality Agency

(WNCRAQA), Clean Air Campaign, Clean Vehicles Coalition, Clean Air Community Trust

Estimated cost: Strategy Development - \$50,000; Implementation - \$100,000 per year

Source of funds: Local Governments, MPO, RPO, NC DOT, U.S. Department of Energy (US DOE), State Energy Office, US EPA

Timeline: AQ Strategy by December 2010; Implementation through 2017

5. **Encourage development of pedestrian and bicycle plans and infrastructure** in individual jurisdictions, and interconnect these through the Regional Greenways Plan.

Lead: LOSRC

Partners: Local governments, MPO, RPO, NC DOT, Regional Greenways advisory group

Estimated cost: \$200,000 per year

Source of funds: NC DOT, local governments (in-kind + match)

Timeline: October 2007 through September 2012

6. **Plan for and acquire corridors for light rail access** to major cities and towns in the Region. Support further study and planning to expand existing freight and passenger rail to serve the Region's cities and towns.
Lead: LOSRC
Partners: Local governments, MPO, RPO, NC DOT
Estimated cost: To be determined
Source of funds: To be determined
Timeline: July 2008 through September 2012

7. **Increase state and federal funding and incentives** to assist local governments and businesses in transitioning away from petroleum use and toward more fuel efficient and lower emission fleets.
Lead: LOSRC
Partners: Local governments, MPO, RPO, NC DOT, Joint Regional Forum, State Energy Office, NC Solar Center's Clean Transportation Program, Biofuels Center of NC, US DOE, Clean Vehicles Coalition, NC Green Business Fund, state and federal legislators, Chambers of Commerce
Estimated cost: Annual Campaign - \$50,000
Source of funds: All Partners listed above
Timeline: March 2008 through September 2012

8. **Work with the local government members of the MPO and RPO**, the North Carolina Department of Transportation, the Federal Highway Administration, the general public, and other partners to create a long-term, coordinated transportation vision, linking improved bicycle, pedestrian, transit, and light rail infrastructure. Ensure that all long-term transportation and land use planning products are coordinated.
Lead: LOSRC
Partners: Local governments, MPO, RPO, NC DOT, FHWA, FTA, general public
Estimated cost: to be determined
Source of funds: Local governments, MPO, RPO, NC DOT, FHWA, FTA
Timeline: September 2008 through September 2012

Strategic Initiative 3: Housing

Strategic (SWOT) Analysis

The region enjoys a strong and growing economy, with unemployment rates consistently below those of the state and the U.S., but has the most expensive housing of any MSA in the State, both in absolute terms and relative to median income. (Source: *Asheville Regional Housing Consortium Housing Market and Needs Assessment, 2005*)

The Workforce Development Board cites rapidly increasing costs of living (especially housing costs) as the most pressing problem for workers in the region. “Increases in the prices for goods and services are dramatically out-pacing the increases in wages. Competitive pressures (both foreign and domestic) are keeping compensation low, while second homebuyers and retirees moving into the region have forced the costs of housing and land beyond the reach of many working families.” (Source: *LMI Section 07-08 Plan for LOSRC, Workforce Development Board*)

A **threat** related to this issue is that job growth in lower-paying service jobs, regulatory barriers, negative economic trends and other factors continue to constrain housing affordability. Those other issues include:

- Limited availability of land suitable for building
- High cost of land
- High construction costs due to mountainous terrain
- High cost of construction materials in general
- Retirement and Second home market pressure

Increasingly, affordable housing is being pushed further and further from urban and industrial employment centers. This “sprawl” and consequently longer journeys to work contribute to more Vehicle Miles Traveled, traffic congestion, increased air emissions and reduced air quality. For individuals and families, the problem of the high capital cost of a home is compounded by increasing commuting time and cost, added stress on the family, and increased child care costs. This erodes employee productivity and morale, and destabilizes the workforce, directly affecting employee retention, productivity and the “bottom line” of the employer. The long-term cost to a family and a community is a diminished “Quality of Life” for the individuals and a reduction in the region’s collective “Sense of Place.”

The environmental, social and economic consequences of expensive housing discussed above demonstrate that **housing is a keystone of community sustainability and of the region’s long-term economic viability.**

A **weakness** in addressing the housing issue is the perception among some that “the only good house is a single family house on a lot.” Until other forms of housing become more widely acceptable, this perception will hinder the region’s ability to solve the affordable housing problem.

An **opportunity** is to build on existing collaborations between the housing and business communities. Achieving a united focus linking affordable (workforce) housing and economic development/business growth is essential to addressing the affordable housing challenge. One place in the region where this type of collaboration has started is the City of Asheville. Mission Hospitals is developing on-campus housing for employees. The City is developing workforce housing for the Police Department on City-owned land, and the Asheville School System is working on a similar concept to provide employee housing close to work.

Another **opportunity** is to improve the operational affordability of housing by including more high-performance/healthybuilt/green building design strategies to make homes comfortable, healthy and affordable places that reduce energy, fuel and water usage and costs, promote renewable energy use, and help protect the land where the homes are built. The North Carolina HealthyBuilt Homes program is a **strength** related to this opportunity.

Still another **opportunity** is to re-evaluate manufactured housing, both as a solution to the high capital cost of housing and as an opportunity to create manufacturing jobs in the region. A **strength** related to this opportunity is a manufactured housing study just completed by Neighborhood Housing Services in Asheville.

A **strength** related to this issue is the ability of LOSRC, our local governments, and other partners to take effective action on the housing affordability issue. LOSRC has the ability to take a lead role as the convener – bringing businesses, housing groups, local government officials, realtors, lenders, energy providers, major employers, and other stakeholders together to discuss the region’s housing issues. Working together, the group can identify specific actions necessary to address the issues, and engage the appropriate businesses, agencies and institutions that can most effectively implement the proposed actions.

Another **strength** is that the region has excellent private nonprofit housing organizations, and private for-profit developers, as well as the Asheville Regional Housing Consortium and the LOSRC housing program to rely upon.

Goal:

The **goal** for the Housing Initiative is to **increase the stock of affordable, energy efficient housing throughout the region.**

Objectives:

- A Identify and promote **specific incentives for affordable housing** based upon best practices and successful models from other areas by December 2008.
- B Identify and promote **financial incentives for affordable housing** based upon best practices and successful models from other areas by December 2008.
- C **Adopt one new incentive per year** in each of the four Region B counties during the remaining four years of the CEDS (FFY 2009-2012).

Plan of Action:

- 1. Convene a **regional conversation on affordable housing** options and workforce housing, to include:
 - a. Coordination of regular meetings among the region’s housing providers and businesses/employers with a goal of determining which housing incentives and initiatives would best meet their needs – Estimated cost \$25,000
 - b. Coordinate regional discussions of how best to secure new developers to construct housing which incorporates HealthyBuilt Homes’ designs and affordable lending products. This will include stick built on-site, and modular housing construction – Estimated cost \$7,000
 - c. A review of “on-campus”/“live near your work” and other approaches to making affordable housing available close to the workplace – Estimated cost \$3,000
 - d. Coordinate discussions on affordable alternatives to “a single family house on a lot” -- Estimated cost \$3,000

- e. Coordinate a regional re-evaluation of manufactured housing as an affordability solution and for job creation, using the Neighborhood Reinvestment Corporation, the Center for Urban and Regional Studies, UNC Chapel Hill, and the Joint Center for Housing Studies, Harvard University studies, as well as other resources --
Estimated cost \$5,000

Lead: LOSRC

Partners: Housing providers, businesses/employers, WNC Green Building Council, architects, lenders, local governments, manufactured housing vendors

Estimated cost: \$36,000

Source of funds: Golden Leaf Foundation, ZSRF, CFWNC

Timeline: September 2008 through September 2009

- 2. Identify and support the design of local and regional policies, regulations, opportunities and initiatives that support affordable housing.

Lead: LOSRC

Partners: local governments

Estimated cost: \$15,000 - \$20,000

Source of funds: Golden Leaf Foundation, ZSRF, CFWNC

Timeline: September 2008 through September 2009

- 3. Identify specific financial incentives, which will support the development of affordable, energy-efficient housing.

Lead: LOSRC

Partners: utilities, heating fuel vendors, realtors, developers, non-profits and employers

Estimated cost: \$15,000 - \$20,000

Source of funds: Golden Leaf Foundation, ZSRF, CFWNC

Timeline: September 2008 through September 2009

- 4. Continue to promote the Regional Housing Consortium in its role to lead and support the development of affordable housing throughout the four county region.

Lead: LOSRC

Partners: utilities, heating fuel vendors, realtors, developers, non-profits and employers

Estimated cost: \$5,000

Source of funds: Golden Leaf Foundation, ZSRF, CFWNC

Timeline: September 2008 through September 2009

Strategic Initiative 4: Regional Brownfields Initiative

Strategic (SWOT) Analysis

The U.S. Environmental Protection Agency (EPA) defines a “Brownfield site” as “Real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.” Since 2002, LOSRC has conducted a Regional Brownfields Initiative (RBI) to identify, assess, clean up and redevelop contaminated properties in Region B. The RBI currently is working on 17 such sites. The RBI is funded by a series of EPA grants.

The RBI is a good example of how regional coordination can add value to and ensure the success of the other three strategic initiatives of the CEDS. Program development costs for Brownfields programs are considerable, and the learning curve is steep. It makes sense to coordinate such a program regionally, as LOSRC has done with the RBI. In this way, many local governments, communities, property owners and developers can benefit from a single program – and administration, training, and staffing are more efficient. The Regional Brownfields Initiative is a valuable ongoing program and a strategic **strength** for LOSRC – thus the Board’s decision to include it as a fourth strategic initiative in the CEDS.

A **weakness** of the RBI is that it relies upon a single funding source (EPA grants). These grants are competitive, and must be applied for one by one, typically every two years. A **threat** is that the entire program could be in jeopardy if LOSRC misses one of these grant awards. It is very important to take advantage of every **opportunity** to maintain the continuity of the Regional Brownfields Initiative over the long term. Another **weakness** is that the State Brownfields program also relies heavily on federal funds that potentially **threaten** continuity. Another **opportunity** is to support diversification of state funding for Brownfields initiatives.

A **strength** of the RBI is that it is a “triple bottom line” economic development strategy. “Triple bottom line” is a term used in sustainable development circles. It refers to projects that simultaneously improve the economy (economic benefits), the community (social benefits), and the environment (ecological and public health benefits). In the case of Brownfields, the triple bottom line looks like this:

- Economic benefits – private investment and job creation, with environmental liability protection for the non-responsible party (new owner)
- Social benefits – improving blighted areas, removing the stigma of abandoned properties and the accompanying run-down appearance, improving community pride, providing sites for new businesses and housing
- Ecological and public health benefits – removing contaminated soil, cleaning up contaminated groundwater, arresting the spread of underground pollution plumes, eliminating the cause of child poisoning and air and waterborne contaminants

Another **strength** of the Regional Brownfields Initiative (RBI) is that it relates closely to, and provides solutions to, many other issues that were ranked high in the CEDS survey, as follows:

- Overarching theme of regional coordination
- Availability of industrial sites
- Exodus of traditional industries
- Housing – affordability (cost of land)
- I-26 Connector Design

- Infill development and traffic congestion
- Resource management and conservation – addressing resource fragmentation of natural, cultural, public lands, working lands
- Water and sewer availability
- Protecting air quality
- Protecting water quality

The details of how the RBI supports the above issues will be listed in the full CEDS document.

Another **strength** of the Brownfields program is that it offers some of the best economic development, private investment, and job creation opportunities of all the projects LOSRC is working on. Brownfields projects are brought to the RBI by developers, property owners or consulting engineers with the intention of developing them. As such, they allow us to turn environmental and public health **threats** into economic development **opportunities**.

A **weakness** of the RBI is the lack of understanding of Brownfields among the public, the financial community and others.

Goal:

The **goal** for the Regional Brownfields Initiative is to **continue and expand this valuable program in the region**.

Objectives:

- A Utilize existing funding to **identify the best Brownfield opportunities** in the region and get sites into the Regional Brownfields Initiative by January 2008
- B **Complete the assessment** of the project sites by June 2008
- C **Obtain Brownfields Agreements and sites ready for re-development** by December 2008
- D **Quantify the economic, social, and environmental benefits** of the projects by February 2009
- E **Obtain new Brownfields assessment funding** for additional projects by October 2008
- F **Diversify RBI funding** by adding at least one additional funding source by October 2009
- G **Increase awareness of the RBI** through education and outreach efforts on a quarterly basis

Plan of Action:

1. The LOSRC Brownfields Internal Team and State Brownfields Program staff will work with local governments to evaluate the potential economic, social, and environmental benefits of candidate Brownfield properties.
 Lead: Outreach team of RBI
 Partners: local governments, State Brownfields Program
 Estimated cost: \$35,000
 Source of funds: EPA
 Timeline: October 2006 through January 2008
2. Select the best candidate properties and work with the developers to get the properties into the RBI.
 Lead: Site selection team of RBI
 Partners: developers, local governments, State Brownfields Program
 Estimated cost: \$40,000
 Source of funds: EPA
 Timeline: October 2006 through January 2008

3. Obtain new funds or allocate existing funds for the assessment of site conditions and determination of remedial actions. Apply for assessment funds annually or semi-annually.
Lead: RBI Internal team
Partners: developers, local governments, State Brownfields Program
Estimated cost: \$10,000
Source of funds: internal State TA and EDA funds
Timeline: Apply October 2007 for funding award to start October 2008.
4. Perform assessments, determine remediation options, and help negotiate Brownfields agreements.
Lead: RBI
Partners: developers
Estimated cost: \$300,000
Source of funds: \$200,000 of EPA funds and \$100,000 of prospective developer funds
Timeline: January 2007 through June 2008
5. Assist in the determination of the conditions of the Brownfields Agreements.
Lead: Prospective developers & NCDENR
Partner: RBI
Estimated cost: \$40,000
Source of funds: EPA
Timeline: January 2008 through December 2008
6. Assist developers with other aspects of site re-use planning as appropriate.
Lead: RBI
Partners: developers
Estimated cost: \$30,000
Source of funds: EPA, State TA and EDA
Timeline: January 2007 through September 2009
7. Encourage new sources of funding, including state sources, and write proposals to secure them.
Lead: RBI
Estimated cost: \$15,000
Source: internal, State TA and/or EDA funds
Timeline: January 2007 through September 2009
8. Create marketing materials and regionally disseminate on a regular basis.
Lead: RBI Outreach Team
Estimated cost: \$45,000
Source of funds: EPA
Timeline: October 2006 through September 2009
9. Explore opportunities to collaborate with new partners for FY 2010 EPA grant funds & apply to EPA for these funds.
Lead: RBI
Estimated Cost: \$35,000
Source of Funds: NC Rural Center
Timeline: January 1, 2009 to October, 2009

Strategic Initiative 5: Clean Energy Planning and Entrepreneurship

Strategic (SWOT) Analysis

In the wake of Hurricanes Katrina and Rita in 2005 (significant **threats**), Western North Carolina experienced significant fuel shortages, revealing a major **weakness** -- our region's dependence on outside sources of energy. This manifestation of energy vulnerability demonstrated the need to strategically plan our energy future.

Energy is a fundamental building block for our regional economy, is key to the missions of our local governments, and is an important focus of the regional economic development work of Land-of-Sky Regional Council (LOSRC). Clean energy and alternative fuels business development is the ideal **economic engine** to shape the region's future. Our approach involves two mutually-supporting concepts (**opportunities**). Entrepreneurship and business development help to implement public policy goals, while public policy sets the stage for business development in the clean energy and alternative fuels sector. The proposed project will **strengthen** energy independence and economic resilience in our region.

The target area for the proposed Innovation project is Region B in Western North Carolina, served by Land-of-Sky Regional Council. This region includes Buncombe, Henderson, Madison, and Transylvania Counties and 15 municipalities located therein. The region's assets (**strengths**) include undeveloped, clean, indigenous energy sources, a set of values that focus upon sustainability and conservation, a strong entrepreneurial community, and a strong business support infrastructure. These **strengths**, when combined with the current energy and alternative fuels sector investment boom, represent an excellent economic development **opportunity** for our region.

In spite of these opportunities and strengths, Western North Carolina historically has been entirely dependent upon outside sources of fuel. In 2005, this dependence (**weakness**) was illustrated by energy and fuels supply disruptions. The **threats** of increased oil prices and rising energy costs are a concern, particularly for businesses in our region. The cost of energy imports to the region is estimated at \$377 million per year. Air quality impacts from traditional fossil fuel sources continue to be an issue. The vulnerability of our energy supply to acts of terrorism and severe weather events is a continuing **threat** to the stability of the region. Using the **strengths** and **opportunities** listed above, the proposed project will address these **threats** and **weaknesses** through alternative fuels and clean energy business development, as well as by implementing public policy to encourage and support this business sector.

Goal:

The **goal** of the Clean Energy Planning and Entrepreneurship Initiative is to create a clean, secure, resilient energy future and a robust regional economy for the Land-of-Sky Region.

Strategies:

1. Pursue economic development approaches that support entrepreneurial startups and expansions of existing clean energy businesses
2. Use a targeted approach to recruiting energy businesses by supporting regional entrepreneurs and selectively inviting outside companies to join growing clusters of energy-related companies within the region
3. Move toward using more regional energy resources in the future, principally energy efficiency and renewables

4. Assemble an integrated infrastructure that supports a broad spectrum of energy businesses
5. Establish an economic development and recruiting policy focused upon local energy resources, local companies, entrepreneurship, diverse sources of energy production, and engaging the public in providing a market for regional energy-oriented entrepreneurs
6. Articulate a value system based upon sustainability and resilience in our regional economy

Objectives:

- A Articulate a regional values statement
- B Local governments adopt a regional strategic energy plan and 3–6 new incentives and public policies
- C Establish partnerships and a marketing and public education program to increase consumer demand
- D Create 10 new sustainable energy/fuels business startups or expansions in the region, creating 45 new jobs
- E Recruit two sustainable energy/fuels businesses to the region, creating 20 new jobs
- F Improve the existing business development support system for this business sector
- G Conduct research and data collection to support project work

Plan of Action:

1. This initiative is organized into “tracks.” The tasks for each track are listed below the track title.
2. Lead organization for all tracks is LOSRC.
3. Timeline for each track is shown next to the track title.

Lead: LOSRC

Partners: Private clean energy and alternative fuels businesses, AB Tech, BRCC, UNCA, WCU, ASU, Asheville Green Opportunities, Sustainable Now, AdvantageWest, Waste Reduction Partners

Estimated cost: \$700,000

Source: NC Rural Center, Internal, Partners

Timeline: September 2008 – February 2010

PROJECT PREPARATION/KICK-OFF (Sept-Dec 2008)

1. Preliminary partner communication/steering committee formation
2. Kick-off meeting with partners and steering committee

REGIONAL VALUES TRACK (Sept 2008-Jun 2009)

1. Gather steering committee and public input to complete regional values statement
2. Test regional values statement with groups key to regional energy strategy success
3. Communicate finalized regional values statement to partners, educational institutions, and the general public

ENERGY PLANNING TRACK (Sept 2008-Feb 2010)

1. Complete inventory of energy planning actions proposed in other geographic regions
2. Evaluate actions proposed for other areas based on their potential applicability in our region
3. Draft Region B strategic energy plan, including most promising strategies from elsewhere plus “home grown” strategies
4. Complete development of regional energy scenarios for our region based upon these proposed actions
5. Hold series of public meetings to develop a preferred energy future

6. Set up a method to track progress toward preferred future during the planning period and beyond
7. Facilitate adoption of regional energy strategy plan by Region B local governments

COMMUNICATION & PARTNERS TRACK (Sept 2008-Feb 2010)

1. Finalize partnerships
2. Convene steering committee
3. Establish email-based communication structure for steering committee and partners
4. Continue to seek collaborative ventures and opportunities to leverage RC funds
5. Begin marketing of plan to increase public/private awareness and adoption

RECRUITMENT & BUSINESS DEVELOPMENT TRACK (Sept 2008-Feb 2010)

1. Finalize inventory/“map” of sustainable energy-related businesses
2. Identify business gaps that are slowing the development of regional energy clusters
3. Develop strategy to fill high priority gaps with internal business development and selective external recruitment
4. Develop white paper detailing conclusions from inventory and cluster prospects
5. Track number of new sustainable energy/fuels business startups, expansions, and recruitments in the region
6. Track number new jobs created as a result of new sustainable energy/fuels business startups, expansions, and recruitments in the region

BUSINESS SUPPORT INFRASTRUCTURE TRACK (Sept 2008-Feb 2010)

1. Continue consulting with existing green energy businesses to estimate outstanding workforce development needs
2. Work with educational institutions to develop curricula and explore outposted university degree programs
3. Assess existing business capital resources
4. Draft report on existing workforce development and other business infrastructure resources, capital needs, and incentives
5. Develop process to fill workforce development gaps and business development capital needs
6. Work with educational institutions and businesses to provide needed workforce development improvements

RESEARCH AND ANALYSIS TRACK (Sept 2008-Feb 2010)

1. Develop regional version of energy flows diagram
2. Refine regional estimates of energy dollar leakage
3. Draft report on methodology for refining diagram and energy dollar leakage estimates
4. Complete additional research and data analysis as needed to support project

PRIORITIZED LIST OF VITAL PROJECTS, PROGRAMS AND ACTIVITIES

By definition, the five Tier 1 Strategic Initiatives of the 2007-2012 CEDS comprise this list of vital projects, programs and activities that address the region's greatest needs and enhance the region's competitiveness. These projects are listed below in priority order, along with **sources of funding for past and potential future investments**. The future funding possibilities includes those "Sources of Funds" listed in the Plan of Action for each Strategic Initiative.

Priority 1:

- Regional Growth Management Planning – this is prioritized first due to the rapidity of development in the region and the level of public concern about protecting water quality and quantity, especially with regard to sensitive areas such as steep slopes and ridgetops. In most cases, damage to natural systems and communities by poorly sited or low-quality development will be irreversible. In summary, the Regional Growth Management Planning initiative is both important (high-impact) and urgent. Additionally, Regional Growth Management Planning will support the other three initiatives below and will make their implementation more efficient.
 - Sources of funding for past investments have included:
 - Z. Smith Reynolds Foundation
 - The Community Foundation of Western North Carolina
 - Blue Ridge National Heritage Area
 - EDA
 - Appalachian Regional Commission (ARC)
 - State of North Carolina (EDTAG)
 - Sources of funding for potential future investments include:
 - Federal Highway Administration (FHWA) (Eco-Logical grant)
 - Z. Smith Reynolds Foundation
 - The Community Foundation of Western North Carolina
 - Blue Ridge National Heritage Area
 - EDA
 - ARC
 - State of North Carolina Economic Development Technical Assistance Grant (EDTAG)
 - North Carolina General Assembly (new funds)
 - Lyndhurst Foundation
 - Local governments (in-kind)
 - NC Division of Community Assistance (in-kind)
 - Local Government Training Center at WCU (in-kind)

Priority 2:

- Transportation and Air Quality – Relieving traffic congestion, vehicle miles traveled and air pollutants is an important economic development strategy because it protects the health of workers and keeps the region from approaching non-attainment of the National Ambient Air Quality Standards and the economic strictures that accompany non-attainment status.
 - Sources of funding for past investments have included:
 - NCDOT (RPO, MPO)
 - FHWA (MPO)
 - USDOE (Clean Cities Program)
 - NC State Energy Office

- NC Solar Center
- Z. Smith Reynolds Foundation
- EDA
- ARC
- State of North Carolina (EDTAG)
- U.S. EPA (SAMI project)
- Sources of funding for potential future investments include:
 - NCDOT (RPO, MPO)
 - FHWA (MPO)
 - USDOE (Clean Cities Program)
 - NC State Energy Office
 - NC Solar Center
 - Z. Smith Reynolds Foundation
 - The Community Foundation of Western North Carolina
 - EDA
 - ARC
 - State of North Carolina (EDTAG)
 - Lyndhurst Foundation
 - Local governments (in-kind)
 - NC Division of Community Assistance (in-kind)
 - Local Government Training Center at WCU (in-kind)

Priority 3:

- Housing – the affordability of housing is tied into growth management, as explained above, and is only slightly less urgent to address than the overall issue of rapid development in sensitive areas. Workforce housing affordability is of particular economic importance in the region.
 - Sources of funding for past investments have included:
 - NC Small Cities CDBG Program
 - NC Housing Finance Agency
 - USDA Rural Development (Housing Preservation Grant)
 - Local governments (cash match and in-kind)
 - Habitat for Humanity
 - Z. Smith Reynolds Foundation
 - EDA
 - ARC
 - State of North Carolina (EDTAG)
 - Sources of funding for potential future investments include:
 - NC Small Cities CDBG Program
 - NC Housing Finance Agency
 - USDA Rural Development (Housing Preservation Grant)
 - Local governments (cash match and in-kind)
 - Habitat for Humanity
 - Z. Smith Reynolds Foundation
 - The Community Foundation of Western North Carolina
 - EDA
 - ARC
 - State of North Carolina (EDTAG)
 - Golden Leaf Foundation

Priority 4:

- Regional Brownfields Initiative – this initiative is of high priority because of the opportunities it provides to stimulate private investment and job creation, and to help reduce urban sprawl and improve air quality.
 - Sources of funding for past investments have included:
 - Local governments
 - Other site owners
 - Private developers
 - EPA
 - AdvantageWest
 - NC Rural Center
 - EDA
 - ARC
 - State of North Carolina (EDTAG)
 - Sources of funding for potential future investments include:
 - Local governments
 - Other site owners
 - Private developers
 - EPA
 - AdvantageWest
 - NC Rural Center
 - EDA
 - ARC
 - State of North Carolina (EDTAG)

Priority 5:

- Clean Energy Planning and Entrepreneurship – this initiative is a high priority because of the convergence of external threats such as natural disasters, terrorism and high-energy prices; and opportunities such as our untapped indigenous energy sources and the global boom in renewable energy and energy efficiency investment.
 - Sources of funding for past investments have included:
 - Local governments
 - EPA
 - AdvantageWest
 - NC Rural Center
 - EDA
 - State of North Carolina (including EDTAG)
 - A-B Tech
 - BRCC
 - Progress Energy
 - Sustainable Now
 - Asheville GO
 - Universities & colleges
 - Private clean energy & alternative fuels businesses
 - Sources of funding for potential future investments include:
 - Local governments
 - EPA
 - AdvantageWest
 - NC Rural Center
 - EDA

- ARC
- State of North Carolina (including EDTAG)
- A-B Tech
- BRCC
- Progress Energy
- Sustainable Now
- Asheville GO
- Universities & colleges
- Private clean energy & alternative fuels businesses

LIST OF PERFORMANCE MEASURES

There are two types of performance measures for the 2007-2012 CEDS:

1. **Measurable objectives** set in the “Objectives” section of each of the four Tier 1 strategic initiatives. **These are listed above in each strategic initiative, and will not be repeated here.** The objectives are worded in a quantifiable manner that allows us to measure the extent to which the objective has been accomplished.
2. **Measurable economic effects** of the CEDS:
 - a. **Private and public investment** in the region after implementation of the CEDS
 - i. Public Investment Target: \$25,400,000 by 9/30/2012
 - ii. Private Investment Target: \$194,000,000 by 9/30/2012
 - b. **Jobs created** after implementation of the CEDS
 - i. Job creation target: 1,360 new jobs by 9/30/2012
 - c. Increased **ad valorem tax base** attributable to CEDS projects
 - i. Ad valorem tax base target: \$295,000,000 increase by 9/30/2012
 - d. Increased **sales tax revenues** attributable to CEDS projects
 - i. Sales tax revenues target: \$5,000,000 annual increase by 9/30/2012

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

The CEDS is integrated into the State of North Carolina’s economic development priorities in several ways:

1. Through LOSRC’s ongoing collaboration with our regional economic development partnership, AdvantageWest, on regional projects;
2. Through our work with the State Energy Office, the NC Rural Economic Development Center, the NC Department of Commerce (including the Division of Community Assistance and the North Carolina ARC Program) on various economic development, energy, conservation, heritage and other projects;
3. Through LOSRC board members who also are board members of AdvantageWest
4. Via the input into our online survey design by state agency staff and legislators;
5. Via LOSRC staff review of state plans such as economic development, workforce development and energy during the CEDS development process; and
6. Through the official state review and concurrence of the CEDS required by EDA.

Part 3: Economic Analysis and Supporting Information

This part of the CEDS contains additional information and analysis required by EDA under the new guidelines of the Final Rule published September 26, 2006 (13 CFR Chapter III, Economic Development Administration Reauthorization Act of 2004 Implementation; Regulatory Revision).

ECONOMIC DEVELOPMENT SITUATION OF THE REGION AND IN-DEPTH ANALYSIS OF ECONOMIC AND COMMUNITY DEVELOPMENT PROBLEMS AND OPPORTUNITIES

This section combines two sections required by EDA: *Economic Development Situation of the Region* and *In-depth Analysis of Economic & Community Development Problems and Opportunities*. These two sections are closely related, and it makes more sense to present them together for each subtopic. For the SWOT analyses, the reader is referred to the four Strategic Plans for the Tier 1 Initiatives in Part 2 of the CEDS.

Economy

The following quotations from regional economic development organizations characterize the economy of Western North Carolina and the Asheville Metro Area. The Asheville Metro Area encompasses three of the Region B Counties -- Buncombe, Henderson, and Madison – plus Haywood County.

From the *WNC Economic Index and Report*:

WNC region's economic gains in June erase past losses

“BOONE—Economic activity in Western North Carolina, as measured by the Western North Carolina Economic Index, increased substantially in June, rising 0.9 percent for the month. The gain recovers losses that occurred early in 2007.

The index, which tracks the level of economic activity in 25 western North Carolina counties, is compiled at Appalachian State University.

‘The jump in activity was the largest monthly increase in three years,’ said Todd Cherry, an economics professor in Appalachian’s Walker College of Business and co-author of the report. Cherry also is a Faculty Fellow at the Institute of Emerging Issues at N.C. State University. ‘We have finally dug ourselves out of the hole we fell into early in the year.’

Regional job growth was strong, according to Cherry, but the northwest counties of Wilkes, Alleghany and Ashe had sizable losses. ‘While we also had a big jump in job growth in June, we are still down in terms of jobs for the year.’

According to the report, the WNC economy still lags that of the nation, growing at an annual rate of 1.4 percent during the first half of the year, while the national economy grew 2.0 percent during the same period.

Regional employment gained more ground relative to the state. Seasonally adjusted employment for WNC increased 0.55 percent for the month, while statewide employment showed a marginal increase of 0.05 percent for the month.

Eighteen of the 25 WNC counties experienced job growth in June. Jackson and Swain counties had the largest employment gains (1.38 and 1.35 percent), while the largest job losses were in Wilkes, Alleghany and Ashe counties (0.85, 0.58 and 0.81 percent).

The seasonally adjusted rate of unemployment for the region increased 0.1 percentage points to 5.1 in June 2007. The North Carolina rate also increased 0.1 points to 4.9 percent, while the national unemployment rate remained unchanged for the third consecutive month at 4.5 percent.

The seasonally adjusted unemployment rate within the region's rural counties fell 0.1 percentage point to 5.4 percent in June. The unemployment rate increased 0.1 point in both of the region's metro areas—registering 3.8 percent in Asheville and 6.1 percent in Hickory-Morganton-Lenoir.

County-level, seasonally adjusted unemployment rates decreased in 12 of the 25 WNC counties during June. Only four counties had lower unemployment rates than 12 months ago.

Polk, Henderson and Watauga counties had the lowest unemployment rates in June (3.65, 3.66 and 3.78 percent). Graham, Rutherford and Mitchell counties had the highest rates (9.00, 7.37 and 7.35 percent).

The largest declines in seasonally adjusted unemployment rates were in Wilkes, Alleghany and Alexander counties (0.41, 0.40 and 0.22 points). The biggest increases were in Cherokee, Watauga and Rutherford counties (0.44, 0.24 and 0.22 points).

Graham County has experienced the largest increase in unemployment rates during the past 12 months (2.47 points), while Rutherford County has had the biggest drop over this period (0.69 points).

Seasonally adjusted initial claims for unemployment insurance in the region, a leading indicator of unemployment, fell 21.1 percent in June. Initial claims decreased in both metro areas—down 9.5 percent in Asheville and 25.0 percent in Hickory-Morganton-Lenoir.”

Posted August 10, 2007, at 12:55 pm By ASU News

The WNC Index and Report is a cooperative effort by AdvantageWest-North Carolina, Appalachian's Walker College of Business and the Appalachian Regional Development Institute. The report provides an account of monthly economic conditions for western North Carolina. The index provides a timely measure of economic conditions and movements for the 25 western counties, including the Asheville and Hickory-Morganton-Lenoir Metropolitan Areas.

From AdvantageWest:

“Bolstered by the rapid growth of the healthcare industry, a diverse manufacturing base comprised of 1,200 manufacturing firms, vibrant technology companies, international standing as a center for tourism and for South Appalachian crafts and culture, a healthy financial services sector, and a blend of large, established corporations and small businesses, Western North Carolina's regional

economy is strong and growing.

Asheville and other cities in the region have garnered recognition (from the Small Business Administration) as best places for entrepreneurship and innovation, hot places for manufacturing expansions and relocations (Expansion Management magazine), best high-tech output growth (Forbes and Milken Institute), best places for business and careers (Forbes), and best places to live and work (from sources too numerous to mention).”

Source: AdvantageWest Economic Development Group, Our Region Economic Profile, 2007

From the Asheville Metro Business Research Center:

“The Asheville metro is continuing to experience stable economic growth. A balance of forces, centered around the area’s quality of life amenities, will continue to support this durable pattern.

Through the first quarter of 2007, the Asheville Metro has participated in 39 straight months of record-setting job levels. Over the year, 2,700 net new jobs have been added. With current total employment of 173,000 and a growth rate of 1.7 percent through the first quarter, Asheville is maintaining a pace close to its historic average.

At 3.7 percent, Asheville’s unemployment rate holds well below the state, the nation, and all but two of North Carolina’s 13 other metro areas. Economic strength of the Asheville metro is being led by:

- Record-setting professional services sector
- Specialized healthcare industry
- Stable tourism activity
- Resilient housing market
- Baby-boom population growth
- Restructured manufacturing sector

The Asheville Metro has developed a unique and balanced economy. Four major activities have characterized the core strengths of the area. Together, these drivers have underpinned Asheville’s special economic position and foretold its direction.

Currently all of these sectors are experiencing positive growth. Even the manufacturing sector, which had experienced a decade of declining activity, has stabilized and restructured itself around an advanced group of machinery, plastics and electronics manufacturers.

Over the last year, a fifth economic strength has emerged. The professional and business services sector has added more jobs than any other industry in the last year, up 1,200 new positions. This sector comprises many highly technical and well-paid services such as engineering and computer design. Another sizeable part of this industry is devoted to providing temporary employment services. This is an indication of the growth phase of many local firms who are searching to fill positions quickly.

Population growth remains a consistent and stable contributor to the local economy. At no time within the last 36 years has population declined. Estimates indicate moderate growth patterns will continue between 1.5-2.0 percent per year. In 2006, the rate of population growth stood at 1.6 percent.

The Asheville Metro is distinct in that more than 95 percent of local population growth is from immigration, the remaining from births over deaths.

Residential housing has remained relatively stable. Appreciation rates have held, unlike many other communities. At the end of 2006, appreciation rates in Asheville were nearly 12 percent, easily topping the national pace of six percent.

Unlike the real estate market nationwide, existing home prices remain positive. The number of units sold has declined, owing to the slow-down of outside markets that provide new residents to the area.”

Source: ParsecFinancial 2007 Asheville Metro Economy Outlook, Tom Tveidt, Director, Asheville Metro Business Research Center, Asheville Area Chamber of Commerce, June 27, 2007

Cost of Living

The Workforce Development Board cites rapidly increasing costs of living (especially housing costs) as the most pressing problem for workers in the region. “Increases in the prices for goods and services are dramatically out-pacing the increases in wages. Competitive pressures (both foreign and domestic) are keeping compensation low, while second homebuyers and retirees moving into the region have forced the costs of housing and land beyond the reach of many working families. Some employers report having failed when recruiting workers from other states because of the high cost of living in the region.”

Source: LMI Section 07-08 Plan for LOSRC, Workforce Development Board

The Asheville Metro area’s ACCRA cost of living index is 101.2 on all items, the highest of the metro areas in the state of North Carolina. The metro area’s cost of living also tops metro areas in South Carolina, Tennessee and Georgia. The average cost of a house has risen seven percent since 2005, from \$256,468 to \$274,480.

Source: Asheville Metro Business Research Center, February 2007

Housing Costs and Affordability

Housing affordability is a region-wide concern. Federal and state funding resources, such as Community Development Block Grants, USDA Rural Housing Development, and Public Housing and Section 8, are shrinking or under threat. These traditional sources are increasingly inadequate to meet the challenge of housing the region’s workforce. Annual wages fall far behind the cost of housing. From 1998-2005, average weekly wages increased only 20% compared to average home sale prices which increased 78%.

Source: Asheville Regional Housing Consortium, 2007

Median Household Income - LOSRC Region B

Buncombe County	Henderson County	Madison County	Transylvania County	North Carolina	Entire US
\$41,169	\$42,620	\$34,458	\$36,229	\$44,524	\$48,271

Source: Asheville Metro Business Research Center 2006, and NC Dept. of Commerce 2006

Population

The current population of the four-county LOSRC region is about 372,236, compared to 344,472 in 2000. This represents an average growth rate of about 1.2% per year for the seven-year period. The population is expected to grow to more than 441,000 by year 2019, which would represent an average growth rate of about 1.5% per year from 2007-2019.

	2000	2006	2010	2019
Buncombe County	206,299	221,327	235,401	260,727
Henderson County	89,204	100,106	108,136	124,761
Madison County	19,635	20,449	21,183	22,562
Transylvania County	29,334	30,354	31,617	33,065
Total Region B	344,472	372,236	396,337	441,115

Source: NC State Data Center

Geography

The Land-of-Sky Region is a four-county area in Western North Carolina that extends from Tennessee on the north and the South Carolina border on the south. Its topography ranges from fertile valleys to rugged mountains. The region is framed by the Blue Ridge Mountains on the east and the Great Smoky Mountains on the north and west. The highest point in eastern North America, Mount Mitchell (6,684 feet), is located a few miles north in Yancey County. The presence of an ancient plain, a long flat stretch of land known as the Asheville peneplain, allowed the region's core to develop differently from the surrounding mountain counties. The plateau, with an elevation of approximately 2,000 feet, averages about 45 miles in width. It is bisected from south to north by the winding French Broad River and from east to west by two major tributaries, the Swannanoa River and Hominy Creek.

It was on the French Broad River that the first recorded settler acquired land in 1787. The City of Asheville was laid out at the point where two Indian trails intersected, offering access to outlying areas. The site was well drained and safely elevated from flooding. Early settlers could travel in all directions along the river valleys radiating from Asheville, and today the city extends four directions from its downtown hub.

Because of extremes in elevation, the climate varies widely from one section of the region to another. The mean elevation of Asheville, for instance, is about 2,300 feet. Here the summers are cool and the winters are moderate, with small amounts of snow. Higher elevations receive considerable amounts of snow and the summers are much cooler. Annual rainfall near the southern edge of the region is almost double that of Asheville.

Source: LOSRC Web site www.landofsky.org

Workforce Development and Use

The unemployment rate for the four-county region was 3.93% in February 2007, with Transylvania and Madison Counties having the highest rates at 4.6% and 4.4%, respectively.

Following is a 2006 listing of the top six employment sectors in the region and the percentage of regional jobs in each sector: health care and social assistance (13.5%), retail trade (12.3%), government (11%), manufacturing (9.10%), accommodation and food services (8.5%), and construction (8.4%).

Following is a 2007 listing of the six fastest growing employment sectors and their projected job growth through 2010: health care and social assistance (17%), administrative and waste services (21%), retail trade (9%), real estate and rental and leasing (24%), accommodation and food services (12%), and professional and technical services (14%). With the exception of health care/social services and professional/technical services, the average earnings per worker are relatively low for these growth sectors.

“Despite the indications of the Labor Market Information data, manufacturing growth in the region remains strong, especially in the metals and plastics manufacturing sectors.”

The Mountain Area Workforce Development Board (WDB) serves a four-county area in Western North Carolina including Buncombe, Henderson, Madison and Transylvania Counties. The Board has 29 members who are appointed by the Chairman of the County Commissioners of their respective counties. The Board consists of 15 private sector and 14 public sector members. The private sector members represent all sectors of the local economy including medical, manufacturing, services, advertising, and utilities. The public sector members include the community colleges, labor, employment service, economic development, social services, vocational rehabilitation, and community-based organizations. The Board elects the chair and vice-chair from the membership representing the private sector.

The purpose of the WDB is to provide policy, planning and oversight for the local workforce development programs and address workforce issues as identified by the community. The WDB plays a key role in designing a workforce development system that meets the needs of the unemployed, underemployed, youth, dislocated workers and other individuals seeking to enter the workforce. The board endeavors to ensure that individuals are being equipped with the skills needed by employers. In order to accomplish this responsibility, the WDB has direct policy and oversight responsibility for the Workforce Investment Act (WIA) and the JobLink Career Center System in the four-county area. In addition, the WDB is responsible for reviewing and making comments on employment and training plans for partner agencies and developing a five-year annual plan to include services and training opportunities for the residents of the area.

The Workforce Development Board identifies several key problems for regional job seekers and employers, including the lack of basic academic skills in a large portion of the workforce, and persistently low enrollment rates in career fields that have shown strong demand and attractive wages. “Businesses have an immediate need for a more skilled workforce.”

*Sources: Mountain Area Workforce Development Board web site
<http://www.mountainareaworks.org/> and LMI Section 07-08 Plan for LOSRC, Workforce Development Board*

The State workforce investment plan cites the following vision and priorities:

“Governor Easley’s vision for North Carolina is to have a workforce prepared to meet the skill demands of its economic development strategy for recruitment and expansion of knowledge-based, high-wage jobs in the State.

The State’s workforce development system will focus on the following workforce investment priorities:

1. Build workers’ skills to match current and future workforce skills needs. North Carolina must continue to close the gap between the needs of employers for skilled workers and the supply of North Carolinians prepared to meet this need. This workforce investment priority will require continued support and funding for the State’s education and training that is responsive to business needs in order to create and sustain a pipeline of skilled citizens ready to work productively.
2. Target resources and services to workers who need transition assistance so that they may be prepared for and benefit from North Carolina’s changing economy and job opportunities. This workforce investment priority will require the following:
 - Expansion of incumbent worker training opportunities for businesses and their employees to increase worker productivity and to avert worker dislocations.
 - A comprehensive strategy for dislocated worker transition assistance to training, support services, and reemployment.
 - Targeting services and resources to new and existing worker pools that may require special education, training, and support services. These worker pools include disadvantaged youth (including youth dropouts), the (increasing) immigrant population, new labor market entrants, and low-wage workers.
3. Continue to build the unified public workforce development system (Joblink) to improve services to businesses and workers, and to impact North Carolina’s current and future economic growth. This workforce investment priority will require the following:
 - Expansion of the level of service integration among public workforce development agencies to improve services to business and industry.
 - Creative use of multiple funding streams and other funding sources to leverage and maximize services to workers and employers.
 - Marketing and communication strategies that effectively inform workers and employers of the services and benefits available to them.
 - A management and accountability structure within the unified system of multiple agency partners.”

Source: The State of North Carolina: Two-Year State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act. Modification for Plan Years: July 1, 2007 through June 30, 2009, North Carolina Department of Commerce, May 1, 2007

Transportation Access

The primary means of transportation for the majority of residents and visitors to the Land-of-Sky region is by automobile. A very large percentage of the roadway miles traveled are on high-speed

interstates and freeways; vehicle miles traveled (VMT) per capita in Asheville is twice as high as the nation. [*Puentes presentation*] Two interstate highways cross in Asheville: I-40 traverses East–West, and I-26 -- technically an East-West freeway -- traverses Northwest–Southeast. An interstate loop (I-240) connects downtown Asheville to I-40 and I-26 South. I-26 was completed in Madison County and the interstate continues to the Tennessee line, where it travels North to I-81 and beyond. The other main roads in the region tend to follow the river valleys and include US-70, US-25, US-19/23, NC-191, NC-280, and US-64. Due to the mountainous terrain, there is not always a direct route from one place to another.

Public Transportation

Asheville Regional Airport, with four major airlines offering daily service, is located between Asheville in Buncombe County and Hendersonville in Henderson County. The area has no passenger rail service. National bus lines, Greyhound and Trailways, serve the area. Currently, the only public transit system runs within the Asheville city limits and to Black Mountain, with 20 local bus routes that run on hourly schedules from about 5:30 a.m. to 7:30 p.m. Limited public transportation exists in the form of Community Transportation Systems provided by each county to those people with the greatest need for transportation services (e.g., disabled, elderly, poor).

Less than one-quarter of one percent of Asheville area workers take public transit, compared to the national figure of five percent.

Source: Robert Puentes, Asheville: Sustainable, Robust, and Inclusive Growth in the 21st Century, The Brookings Institution Metropolitan Policy Program, July 2007

Commercial Transportation

Norfolk Southern Railroad Corporation provides freight lines through Knoxville, TN to the west and Greenville, SC to the south.

Other Modes of Transportation

Greenways are just beginning to take shape in the region, and many of the local governments have revised their zoning and subdivision regulations to require sidewalks and other pedestrian/bicycle amenities. Several local governments, including Brevard and Mars Hill, have pedestrian plans. Buncombe and Madison counties have published bicycle route maps. Madison County's 2007 recreational facilities map includes hiking, biking, equestrian, and motorcycle routes.

Source: Transportation Options for Western North Carolina, a Regional Plan for Mobility Choices, LOSRC, April 2001; and Asheville Metro Business Research Center, 2007

Transportation Congestion

Transportation congestion is an important issue in the region. In a report published by the American Highway Users Alliance, AAA and TRIP, Asheville was ranked 14th in the nation in traffic congestion of a tourist destination. Industries have said that traffic congestion is threatening their ability to ship goods and services, and some truckers are abandoning I-26 westbound because Asheville is too congested. There are regular back-ups on I-40 and I-26, including the area notoriously known as “malfunction junction”; and congestion on US-64 from Pisgah Forest to (and through) Hendersonville.

Source: Transportation Issues for CEDS 2007, Carrie Runser-Turner, LOSRPO Coordinator, e-mail document, July 23, 2007

Resources and Environment

This region is rich in natural resources. The forests, mountains, rivers and trails attract many tourists and residents who enjoy the natural beauty, mild climate and outdoor recreation opportunities. Each county in the region contains and borders part of the Pisgah National Forest; and the Blue Ridge Parkway runs through Buncombe and Transylvania counties.

The French Broad River, the largest watercourse in Western North Carolina, has had and continues to have a major influence on human activities in the area. The river valley was first settled by members of the Cherokee Nation, who established the earliest passes through gaps in the Appalachian range. Drovers and herders established trade routes between South Carolina and Tennessee, and eventually a railroad connected Asheville to the rest of the country.

Sources: AshevilleHub and Sherpa Guides online, web pages: www.ashevillehub.com and www.sherpaguides.com

The French Broad flows through the region for about 70 miles, from the headwaters west of Rosman in Transylvania County to the border of Tennessee. The river was once polluted and nearly lifeless. But it is now home to a large variety of wildlife, especially birds. Due to restoration efforts, the river now supports a wide variety of fish. Rafters and kayakers can enjoy calm currents or rapids.

Source: Sherpa Guide, webpage: www.sherpaguide.com

The region contains nearly 400 species of plants that are found *only* in these mountains.

Source: LOSRC Sense of Place PowerPoint

Air quality is a resource under threat, with ozone near non-attainment. Haze is ruining the views that so many tourists come here to see. Views of rural farmsteads and forested mountains draw more than 20 million visitors each year to the Blue Ridge Parkway and generate over \$2 billion annually in tourism spending.

Source: Sense of Place PowerPoint - Blue Ridge News, Summer 2002, Vol. 2, p.7

Ozone and fine particle pollution also causes and contributes to respiratory and other health problems. The Mountain region entered into an Early Action Compact regarding air quality – this includes the LOSRC region and Haywood County.

Source: Transportation Issues for CEDS 2007, Carrie Runser-Turner, LOSRPO Coordinator, e-mail document, July 23, 2007

Rural Land and Farms

Once a way of life for most of the early settlers of the region, farming is still a significant part of the economy. Crops and products are shifting from tobacco to produce, ornamentals, medicinal

herbs and more. Apple orchards fill the landscape in Henderson County, where over 200 farmers produce more apples than any other county in the state.

While the market value of agricultural production has been increasing in the region, the amount of farmland has decreased due to growth and development. The loss of farmland in the larger WNC region in the past 50 years has been dramatic: from 2 million acres in 1949 to 592,600 acres in 1992. Subdivisions and scattered development are fragmenting the already small parcels of prime agricultural land. The Asheville Metro area lost 115,000 acres of rural land between 1980 and 2000. (The entire state of Arizona lost 282,000 acres).

Sources: Robert Puentes, Asheville: Sustainable, Robust, and Inclusive Growth in the 21st Century, The Brookings Institution Metropolitan Policy Program, July 2007 and LOSRC Sense of Place PowerPoint

Other government-sponsored or supported plans reviewed by staff

In preparing the CEDS, LOSRC staff reviewed 28 city, county and regional economic development, workforce development, strategic plans and related documents, noting how many of the documents include each of the 154 online survey issues as a strategy or important topic. Staff also reviewed four (4) additional plans at the state or higher geographic level, but did not use these in the issue ranking process. Here is a list of all 32 of those plans and documents:

1. *Asheville: Sustainable, Robust, and Inclusive Growth in the 21st Century*, PowerPoint presentation by Robert Puentes, The Brookings Institution Metropolitan Policy Program, presented at Downtown Association Speaker Series, Asheville, NC, July 3, 2007
2. *Prospect and Activity Report*, Economic Development Coalition for Asheville-Buncombe County, May 30, 2007
3. *Economic Development Focus*, Economic Development Coalition for Asheville-Buncombe County, August, 2007
4. *Hub Project Plan*, <http://www.ashevillehub.com/>
5. *Vision for Asheville-Buncombe County – Community Progress Report 2005*, a publication of the *Asheville Citizen-Times*
6. *2007 Legislative Agenda – State Priorities*, Asheville Area Chamber of Commerce, January 25, 2007
7. *County of Henderson Strategic Plan – Fiscal Years 2007-2011*, proposed April 18, 2007
8. *Henderson County Business Incentives*, Hendersonville Chamber of Commerce, www.hendersonvillechamber.org/edc/business_incentives.shtml
9. *Transylvania County Economic Development Strategic Plan for 2006-2009*, Transylvania County Planning and Economic Development Department, November 9, 2006
10. *Transylvania County Comprehensive Transportation Plan*, Mathew Day, NCDOT Transportation Planning Branch, PowerPoint presentation to County Commissioners, January 22, 2007
11. *Vision Plan for the Economy of the AdvantageWest Region of North Carolina and Supporting Report*, Leslie A. Scott and Brenda L. Linton, Kenan-Flagler Business School, UNC-Chapel Hill, April 2004
12. *Our Region – Clusters of Innovation*, AdvantageWest Economic Development Group, www.advantagewest.com/content.cfm/content_id/221/section/regional
13. *Transportation Issues for CEDS 2007*, Carrie Runser-Turner, LOSRPO Coordinator, e-mail document, July 23, 2007

14. *Regional Vision 2010 – A Strategic Plan for Region B, North Carolina, Executive Summary*, Land-of-Sky Regional Council, May 22, 2002
15. *CarolinaWest*, PowerPoint presentation, CarolinaWest, Inc., found at <http://econdev.transylvaniacounty.org/CarolinaWestInformation.pdf>, not dated
16. *Land Development Plan for the City of Hendersonville, North Carolina*, City of Hendersonville, May 1980
17. *Henderson County Dynamic Plan of Work 2004*, Henderson County Cooperative Extension Service, 2004
18. *Henderson County Phase 1 Comprehensive Transportation Plan*, Beverly Williams, NCDOT Transportation Planning Branch, PowerPoint presentation, January 27, 2005
19. *2020 Plan for Henderson County, Section 3*, Henderson County 2020 Comprehensive Plan, Adopted July 6, 2004
20. *LMI Section 2007-08 Plan*, Mountain Area Workforce Development Board, 2007
21. *Business Resources – Workforce Development*, Asheville Area Chamber of Commerce web page, 2006
22. *Commerce Workforce Development*, Henderson County Partnership for Economic Development, www.gohendersoncountync.org/dyn.php?page=work.php
23. *Sustainable Economic Development Advisory Committee 2006 Annual Report*, City of Asheville Office of Economic Development, www.ashevillenc.gov, 2006
24. *Asheville City Development Plan 2025*, City of Asheville, North Carolina, 2002
25. *Downtown Asheville Center City Plan*, City of Asheville, North Carolina, 2003
26. *City of Brevard Land Use Plan, Chapter IV: Recommendations for Future Land Use and Managing Growth*, City of Brevard, North Carolina, August 2002
27. *City of Asheville Economic Development Incentives Policy*, City of Asheville, North Carolina, not dated
28. *Asheville Regional Housing Consortium Presentation to Land-of-Sky Regional Council Board*, PowerPoint, Mark Burrows, 2007
29. *The State of North Carolina: Two-Year State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act. Modification for Plan Years: July 1, 2007 through June 30, 2009*, North Carolina Department of Commerce, May 1, 2007
30. *Economic Development Strategic Plan – 2006 Update of Actions and Accomplishments – An Executive Summary*, North Carolina Interagency Economic Development Group, August 3, 2006
31. *North Carolina State Energy Plan, Revised Edition January 2005*, North Carolina Energy Policy Council, January 2005
32. *Work, Knowledge, Passion: 2007 Report on the Future of the South*, Southern Growth Policies Board, 2007

Consistency with applicable State & local workforce investment strategies

The staff review of the above documents confirmed that the 2007-2012 CEDS is compatible with State and local workforce investment strategies.

Identification of past, present & projected future economic development investments in the Region

These investments are identified in several sections of the CEDS, as follows:

- In the four *Strategic Plans for the Tier 1 Initiatives* in Part 2;
- In the *Prioritized List of Vital Projects, Programs and Activities* section in Part 2;
- In the *List of Performance Measures* section in Part 2; and,

- In the *All Suggested Projects & Estimated Jobs Created* section in Part 3.

Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

In strategic planning, strategic issues are often associated with opportunities or threats originating outside of the district. The SWOT analysis helps to identify these. For each opportunity or threat, the district has its own unique strengths and weaknesses as to its ability to take advantage of the opportunities or avoid the threats. The SWOT analysis also helps to identify these strengths and weaknesses.

The CEDS SWOT analyses are under each of the four Strategic Initiatives in the “Strategic Plan for the Tier 1 Initiatives” section in Part 2 of the CEDS.

ECONOMIC CLUSTERS IN THE REGION

Summary

Our review of local and regional economic development plans shows an increasing awareness and understanding of business clusters as a focal point of economic development. The Purdue Center for Regional Development describes clusters as “Groups of industries that share common or complementary markets, suppliers or workforce skills.”

Source: *Unlocking Rural Competitiveness: The Role of Regional Clusters*, presented by Christine Nolan of the Purdue Center for Regional Development at the NADO Annual Training Conference, August 25-28, 2007, Austin, TX.

One county-level plan and two multi-county plans lay out lists of clusters important to the district and surrounding WNC counties. An additional cluster, the clean energy sector, has drawn the attention of EDD staff and key partners such as the NC State Energy Office (NCSEO) as a strategic opportunity. The following sections pull together a composite regional view of these business clusters.

Growing Clusters

AdvantageWest

AdvantageWest (AW) is a 23-county economic development organization, the territory of which includes all four counties in the Land-of-Sky Economic Development District. Also known as the Western North Carolina Economic Development Commission, AW is one of seven state economic development partnerships that cover the 100 counties of the state. In its *Five Year Vision Plan for the Economy of the AdvantageWest Region, 2004-2009*, AW recognizes the importance of clusters in its first of four goals:

“GOAL 1: Grow and support several ‘clusters of innovation’ in regional niches with education, infrastructure, services, and technology transfer.”

AdvantageWest’s Vision Plan is focused on growing the Western North Carolina economy around ten clusters of innovation for which strong university and commercial capabilities and assets are already in place in the region. Clusters are concentrations of companies or industries that are connected by the markets they serve, the products they make, suppliers, trade associations,

educational institutions and more.

AdvantageWest is leading efforts to further develop the infrastructure needed to cultivate these clusters, and the leaders of higher education institutions in the AdvantageWest region are committed to developing the necessary curricula, degree and certificate programs, policy seminars, executive education opportunities and R&D partnerships with businesses to fuel the clusters' growth.

The ten clusters and their component industries are listed below.

1. Advanced Manufacturing

Automobile components
Advanced materials and composites
Chemicals and plastics
Metalworking
Optics
Related professional services

2. Arts, Crafts and Design

Home-based entrepreneurs and artisans
Niche wood products and furniture
Graphic arts
Architects
Historic preservation
Set design
Arts education and training

3. Communications and Information Technology

IT/software
Distance education and training
Multimedia
Internet-based businesses in many sectors

4. Environmental

Alternative and renewable energy
Environmental sciences
Value-added natural resources
Environmental reclamation

5. Food

Wine production
Culinary arts
Food horticulture, processing and packaging (organic and conventional)
Regionally branded food products

6. Healthcare

Healthcare delivery
Medical equipment and materials (testing and manufacturing)

7. Life Sciences and Agribusiness

Native plant commercialization (including biotechnology)
Nutraceuticals
Biomanufacturing
Sylviculture and horticulture
Nontoxic pest management

8. Recreation and Tourism

Eco-tourism
Heritage tourism
Hospitality
Outdoor attractions and services
Outdoor recreation equipment

9. Retirement

Construction of second homes
Continuing care retirement communities
Gerontology
Adaptive technologies for the elderly
Senior-oriented services, activities and work

10. Security

Forensic Sciences
Homeland security technologies
Criminal justice”

Source: http://www.advantagewest.com/content.cfm/content_id/221/section/regional

CarolinaWest

Another regional economic development group, CarolinaWest, covers the four counties in the Land-of-Sky EDD plus Haywood, Mitchell and Yancey counties, NC.

CarolinaWest lists the following “Targeted Clusters” for its business recruiting activities:

1. **Auto Components**
2. **Biotechnology**
3. **Medical Devices**
4. **Metal Working**
5. **Nutraceutical and Natural Products**
6. **Outdoor Recreation**
7. **Plastics**

Source: *CarolinaWest*, PowerPoint presentation, CarolinaWest, Inc., found at <http://econdev.transylvaniacounty.org/CarolinaWestInformation.pdf>, not dated

The Hub Project

A city- and county-level economic development group representing the urban hub of WNC and the Land-of-Sky EDD has developed an innovative, cluster-based economic development strategy for

the City of Asheville and Buncombe County. The strategy is called The Hub Plan. The following excerpts from The Hub Web site explain the strategic thinking behind the project:

“The Hub Plan is a collaborative initiative of public, private, and nonprofit participants to create sustainable strategies for the City of Asheville and Buncombe County. The vision is the development of a distinctive economy drawn from clusters of activity where we have competitive advantage. For the first time, economic, community, and cultural development activities will be coordinated around these seven targeted clusters. Each cluster is led by a partner charged with implementation of one or more of the 17 goals of the Hub. Together these partners form the Hub Cabinet. The Hub Plan and the Hub Cabinet’s implementation are overseen by the Community and Economic Development Alliance, the members of which are appointed by the county and the city.”

“In the past, most communities followed the traditional path in economic development. This approach focuses on marketing industrial land and buildings to outside investors. In recent years, more and more communities are moving toward a newer model of economic development based on supporting knowledge-intensive businesses. These are businesses that thrive on brainpower and creativity. Building prosperity in a knowledge-based economy requires thinking of economic development in a different way. Commercial and industrial real estate continues to play an important part in the economic development equation; yet real estate development, standing alone, does not capture the full range of investments that a community or region must make to be competitive.

In a knowledge-based economy, collaboration around business clusters plays the central role in building prosperity. In healthy regions, competitiveness and innovation are concentrated in clusters, or interrelated industries, in which the region specializes. The nation’s ability to produce high-value products and services that, in turn, support high-wage jobs depends on the creation and strengthening of these regional hubs of competitiveness and innovation.

Buncombe County has come to realize that for our economy to fully develop, we must carefully strategize an economic future that can create an even higher standard of living by fostering innovation and rising productivity. To do this, we must successfully manage a transition in our thinking about economic development: how do we sustain and grow, to the extent possible, the base for our traditional economy of tourism, manufacturing, and service enterprises, while designing and building knowledge-based clusters in technology, rejuvenation, and creativity that support the addition of high-wage jobs and business creation?”

Targeted Clusters of the Hub Plan

1. **Technology**
2. **Manufacturing**
3. **Rejuvenation**
4. **Enterprise**
5. **Creativity**
6. **Land-Agriculture**
7. **Branding**

Source: <http://www.ashevillehub.com/images/stories/070410currentfullhubplanedited.pdf>

Clusters in Decline

According to the North Carolina Board of Science and Technology, “Employment decline has been heavy in two of the (Western NC) region’s principal clusters – apparel and fabricated textiles – during the 1990’s; wood products and furniture has also declined over the period, though at a slower pace.... The three largest clusters in the Western region are apparel, wood products, and fabricated textiles. Both the apparel cluster and the fabricated textiles cluster are mature regional clusters, with employment well distributed over the many component industries. Unfortunately, both are also shedding jobs rapidly at the national, state, and regional levels. The wood products cluster has also registered net job losses over the past decade, although the rate of decline has been more modest. Employment in the wood products cluster is also fairly well distributed across its component industries, although the cluster itself has few linkages to more technologically advanced sectors.”

Source: *High-Tech Clusters in North Carolina*, North Carolina Board of Science and Technology, 2000 http://www.ncscienceandtechnology.com/PDF/Vision2030/cluster_final.pdf

ALL SUGGESTED PROJECTS AND ESTIMATED JOBS CREATED

Past CEDS have contained a list of all major economic development projects in the region of which we are aware. The following list and narrative descriptions include the following categories of projects:

- CEDS 2007-2012 Tier 1 Projects
- CEDS 2007-2012 Tier 2 Projects
- Projects underway at LOSRC from the previous (2002-2007) CEDS and other sources
- Prospective Projects Submitted to EDA by LOSRC for FY 2009 Funding
- “All Projects by County + Regional” List from September 2006 CEDS Annual Update
- Projects reported in LOSRC’s 2007 GPRA Annual Report to EDA
- Projects of the Economic Development Coalition for Asheville-Buncombe County

Estimated jobs created by these projects are shown in the individual project narratives of projects for which an estimate has been made.

CEDS 2007-2012 Tier 1 Projects

The narrative explanations for these projects are found in the PRIORITIZED LIST OF VITAL PROJECTS, PROGRAMS AND ACTIVITIES section of this CEDS:

- **Regional Growth Management Planning Initiative**
- **Transportation and Air Quality Initiative**
- **Housing Initiative**
- **Regional Brownfields Initiative**

Estimated jobs created by these projects are found in the “List of Performance Measures” section of this CEDS.

Assigning lead organizations responsibilities for execution of the CEDS – these assignments are listed in the Plans of Action for the four Tier 1 Strategic Initiatives in Part 2 of this CEDS.

CEDS 2007-2012 Tier 2 Projects

There are no active Tier 2 projects at this time.

Projects underway at LOSRC from the previous (2002-2007) CEDS and other sources

Several projects that arose in our 2002-2007 CEDS are still being implemented in LOSRC's FY 2008 budget. Additionally, projects with economic impact that arose from other programs are also underway. These projects are listed below:

Creating Place-Based Jobs for Rural North Carolina (NC Rural Center Economic Innovation Grant: an investment of \$250,000)

The purpose of this project is to develop and demonstrate a place-based economic development approach that capitalizes on strategic natural assets to create jobs now, and simultaneously protects and restores those same assets on a sustainable basis for future job creation and income improvement in Western North Carolina (WNC).

Objective 1: Develop a pilot plant that 1) creates jobs; 2) transforms fossil fuel waste (fly ash) and biosolids (sludge) into marketable products; and, 3) enables commercialization of the technology via market development and attraction of a full-scale lightweight aggregate operation. After four years of research, the partners have concluded that it is possible to productively utilize nearly 100 percent of coal combustion by-products from a unique integrated process, designed to optimize every component of the waste. Outcomes: A full-scale coal ash/biosolids conversion plant with processing capabilities of just five tons per hour has projected annual net returns of \$605,000-\$1,005,000. Business and job creation will be enhanced by the manufacturing of commercially competitive products. Three to five new technical and skilled positions will be necessary for the pilot plant. A full-scale commercial plant would create 15-25 technical and skilled positions.

Objective 2: Provide a cash incentive to 4-5 farmers to grow new medicinal herbs and purchase and demonstrate shared portable, in-field drying equipment. This project will produce better incomes for farmers and jobs for herb processors while preserving farmland and open space. Outcomes: Four to five farmers growing new medicinal herbs, with access to two to five portable drying units that subsequently can be shared with other farmers. This project will produce approximately 35 acres of herb production with a gross return per acre between \$1,500 and \$85,000 (total gross return of \$52,500 to \$2,975,000). Six full-time equivalent jobs will be created in growing and processing these herbs.

Objective 3: Use the Australian landcare community organizing model to form local volunteer groups working on "triple bottom line" projects with simultaneous economic, social and environmental benefits. Outcomes: The project will help to develop a community land stewardship ethic in our region, restore forest and other lands infested with invasive species, demonstrate a voluntary approach to sensitive land use/growth management issues, and provide a concrete model for investing in sense of place assets. Job creation was not estimated for this project.

Working Lands Project (funded by SARE, NRI, and USDA Forest Service – an investment of approximately \$525,000)

This project combines several efforts to preserve farmland in the region, to make farming more profitable and otherwise economically viable, and to investigate causes and propose solutions to forest fragmentation in the region. The primary purpose of these efforts is to preserve the natural, cultural and social assets upon which our economy is based rather than to create jobs directly. Job creation was not estimated for these projects.

Linking Lands and Communities in Region B, North Carolina (Regional Green Infrastructure Plan – an investment of \$63,683 to date, with possible future investments of \$25,000 from The Community Foundation of WNC and \$104,000 from the Federal Highway Administration)

The objective of this project is to develop a regional conservation plan for our four-county region. The primary purpose of this project is to preserve the natural, cultural and historical assets upon which our economy is based rather than to create jobs directly. Job creation was not estimated for these projects. But job retention and creation in the tourism, outdoor recreation and hospitality industries depends upon these assets. Additionally, our four-county project will serve as a model for the 25-county Blue Ridge National Heritage Area, thus eventually multiplying its economic impact.

Rural Prosperity through Energy Entrepreneurship (NC Rural Center sustainable energy Research and Demonstration grant)

Note: the successor to this project (Clean Energy Planning and Entrepreneurship) was added to the CEDS in September 2008 as the fifth Tier 1 project.

Energy is a fundamental building block for our regional economy and an important focus of our regional economic development work. The purpose of this project is to shape our energy future at the regional level by:

- Encouraging movement toward local energy resources in contrast to those from other states and abroad;
- Reducing the leakage of energy dollars (estimated at \$377 million per year) from our four WNC counties;
- Spurring employment by supporting regionally-based energy entrepreneurs;
- Enhancing our economic competitiveness with energy efficiency in all sectors of our economy – industrial, commercial, institutional, government, and household;
- Promoting a culture of sustainability and resilience as an asset in attracting businesses to our energy-oriented entrepreneurial clusters; and
- Improving regional energy and economic resilience.

Job creation will be addressed in this grant, but has not been estimated yet.

Prospective Projects Submitted to EDA by LOSRC for FY 2009 Funding

EDA's Atlanta, GA office solicited prospective economic development projects from its EDDs in Spring, 2007, for potential EDA funding in FFY 2009 (October 2008-September 2009 – the second year of this CEDS). LOSRC staff submitted the following projects:

Project 1: Building a Secure, Efficient, Clean Energy Future: A Strategic Regional Framework (a future EDA Strategy investment of \$150,000)

LOSRC proposes to develop a regional energy partnership strategy that will provide the basis for strategic, energy-related economic development investments over the next several years by EDA, the NC Rural Center, and the private sector. The strategy will include a completed inventory of the hundreds of energy-related companies, public sector agencies and nonprofit organizations that are active in our region. We will estimate future energy demands in the region through 2020 and develop three scenarios to meet our future regional energy needs.

We expect the strategy to redirect an existing leakage of approximately \$377 million annually from our four-county regional economy in WNC. We will magnify the impact of this economic leak plugging by focusing resources on energy clusters that will become mutually supporting over time. We estimate an internal recycling of those redirected energy dollars at \$900 million to \$1.5 billion annually in our four counties.

Goals of the strategy include: 1) Support local/regional entrepreneurs as well as outside companies to join growing clusters of energy-related companies in our district; 2) Move toward using more regional energy resources such as efficiency and renewables like wind, solar, and woody biomass; 3) Build an integrated infrastructure that supports energy businesses at all levels -- from design to fabrication to installation, retrofit and maintenance; 4) Develop an economic development and recruiting policy focused upon local energy resources, local companies, entrepreneurship, diverse sources of energy production, and engaging the public in providing a market for regional energy-oriented entrepreneurs; and, 5) Articulate a value system based upon sustainability and resilience in our regional economy as a basis for building public support, regional entrepreneurship and place-based recruitment. Job creation estimated at 500.

Project 2: Asheville River District Redevelopment (a future EDA Strategy investment of \$150,000 and a future EDA Construction investment of \$1,000,000)

A strong need exists to facilitate and coordinate the many regional stakeholder groups (public and private) involved in the pre-development and re-development of the French Broad River and related river district properties to ensure smart growth and maximize property end use. Additionally, millions of dollars are needed to improve the access and infrastructure of this river district that is the next great development opportunity for the City of Asheville. Issues in play include flood damage reduction, zoning, historic preservation, river arts district, the Wilma Dykeman RiverWay, tourism and placement of the new I-26 Connector and its bridge crossings. This project is of regional significance to the Land-of-Sky EDD and all of WNC. Job retention and creation estimated at 1,250.

Project 3: Woodfin Brownfields Project – New Downtown Development (a future EDA Construction investment of \$1,000,000 plus an estimated \$194,000,000 of private investment and \$20,000,000 of public (Town) investment)

Over 25 million dollars in public infrastructure improvements are needed for this Woodfin Brownfields revitalization project that takes over 150 landfill acres in the center of the town and creates a new town center, shopping/business district, housing, greenspace and more, while remediating the landfill. It increases the tax base by an estimated 295 million dollars in this very small town. Job creation estimated at 1,950 temporary (construction and other), and 1,360 permanent jobs.

Project 4: Brownfields: Ecusta Paper Mill Site Redevelopment (a future EDA Construction investment of \$1,000,000 plus an estimated \$50,000,000 of private investment)

This 500+-acre Brownfields site contains the closed Ecusta paper mill that is slated/anticipated for full revitalization into a new mixed-use community (master plan not yet finished by prospective developers). Cleanup estimates are anticipated at over \$50 million and buildout will be millions more. The site will need to be provided with millions in new infrastructure to meet the needs for this critical gateway community. Site amenities include 25,000 GPD water and wastewater treatment facilities and pulp processing facilities and numerous buildings, many of which may need renovation. Transylvania County is interested in developing a 40-acre Certified Industrial Site on the property. Recent developments point to mixed-use redevelopment for the site. Job creation estimated at 550.

“All Projects by County + Regional” List from September 2006 CEDS Annual Update

The narratives for these projects are rather lengthy, and are presented in the CEDS Annual Update. They will not be repeated here. A list of these projects follows. Some of these projects are listed and described above in the other categories of this section.

Regional Projects

- R-1 “A New Adventure for Asheville”: The Health Adventure’s New Educational Attraction
- R-2 Entrepreneurial League
- R-3 Creating Commercial Products from Coal Waste Ash and Bio-Solids
- R-4 Medicinal Herb Production and Processing
- R-5 Brownfields Revolving Loan Fund
- R-6 Blue Ridge National Heritage Area
- R-7 Azalea Road Park
- R-8 Eblen Charities Center for Social Enterprise
- R-9 The Hub Project
- R-10 Wilma Dykeman RiverWay
- R-11 Clean Cities Project/Clean Vehicles Coalition
- R-12 WNC Biotechnology Committee

Projects in Buncombe County

- B-1 Black Mountain Multi-Modal Transportation Center
- B-2 Weaverville Fire Department
- B-3 Northwoods Golf Community
- B-4 Historic Cotton Mill
- B-5 Seven New Brownfields Sites (Assessment Grant #2)

Projects in Henderson County

- H-1 Town Hall/Police Department/Community Room For the Town of Fletcher in the New Central Business District
- H-2 Brookside Camp Rd./Howard Gap Rd. Water Line Extension

H-3 Heart of Fletcher
H-4 Old Mill Cultural Center

Projects in Madison County

Water Distribution System Improvement Projects

M-1 Project W27

M-2 Project W9

Wastewater Collection System Improvement Projects

M-3 Project S14

M-4 Project S15

M-5 Project S3

Project in Transylvania County

T-1 Small Business Incubator

Projects Reported in LOSRC's 2007 GPRA Annual Report to EDA (investments and job creation are listed in each project description)

Tri-State Scrap Metals

This company applied to the Council's BF program and was awarded a portion of our EPA Assessment Grant to conduct site investigation and provide other technical assistance. This work led to the company purchasing the old landfill property and its subsequent revitalization into a new scrap metal yard that serves the region and beyond. This move allowed them to stay in business and expand. They have invested over \$375,000 in the property and new equipment. Business is strong and growing. The ancillary job and economic impact has not been calculated. The Council then applied on the company's behalf for a NC DENR-DPPEA recycling business assistance grant to purchase capital equipment needed to efficiently process different grades of metals. Two-thirds of the application amount was awarded. During the reporting period, the company has successfully expanded from six full-time employees to ten full-time employees and three part-time employees (counted as one additional FTE in the chart above).

Mars Hill Wastewater Treatment Plant Improvements

This project was first reported in our 2005 GPRA report. EDD staff wrote a \$169,000 ARC/USDA-RD grant for wastewater system improvements for the Town of Mars Hill, which was awarded in September, 2004, as part of a \$633,700 total project. Projected benefits: 51-53 new jobs via \$2,275,000 of I-26 leveraged private investment. However, bids came in substantially higher than the 2004 cost estimate, increasing the total project cost from \$633,700 to \$1,082,400. EDD staff worked with the Town and engineers to obtain \$448,700 of additional funding from ARC, USDA (a loan), the NC Rural Center and the Town to meet the new costs. Only this additional funding is being reported in this 2007 GPRA report.

Mica Village

As part of the Brownfields Assessment Grant #2 – This \$400,000 assessment grant was awarded in the previous year (October 2004) by EPA to build upon the success of the Regional Brownfields

Initiative (RBI). The grant was first reported in our 2005 GPRA report (\$400,000 public investment). As a result of this funding, the RBI adopted seven (7) new sites for assistance. A closed Mica Plant in Asheville has completed construction of the condominium conversion for this property. The owner has invested \$1.2 million and estimates they have created 20 construction jobs (not claimed in this 2006 GPRA report) and will impact the community with an estimated 14 new service related jobs. Post-reconstruction value of the building is \$2 million. This project is in our 2005-2006 CEDS Annual Update (p.23, Objective A1a).

Waste Reduction Partners

Land-of-Sky Regional Council's Waste Reduction Partners (WRP) Program reported two projects in 2006, "waste pallet to flooring commercialization project" and "coal ash reuse commercialization project." Both projects are ongoing and may have new data in the coming year. While WRP does not specifically track job creation, it does track public and private sector investment as well as waste, energy and water savings for businesses, industry and institutions. This massive savings for the region has been repeatedly lauded as helping organizations to stay competitive and retain, and in some cases, create jobs. With \$179,000 in public investment for the year, \$1,967,000 of leveraged private investment has created a \$2,745,300 savings that should recur annually with minimal recurring private sector costs and little to no additional public investment.

Transylvania County Incubator

This project is to assist displaced residents of Transylvania County with the educational and small business development support necessary to strengthen entrepreneurial initiatives in Transylvania County. The incubator facility will be built at the existing Blue Ridge Community College campus in Brevard, NC. The \$400,000 CDBG grant from the NC Department of Commerce is a two-year grant. For purposes of this July 2006 GPRA report, new job creation is estimated at 15 per year x 2 years = 30 new jobs – even though the incubator will continue to produce new jobs after the first two years. This project is in our 2005-2006 CEDS Annual Update (p. 23, Objective A3.a and p.54, Project T-1).

Northwoods Golf Community

This project expanded dramatically within the last year. One of sixteen (16) projects in the EDD's Regional Brownfields Initiative, this previous landfill site is slated for a residential development with large tracts of green space (the old landfill cells). Ownership of the site has now transferred from the Town of Woodfin to a Private Developer as planned - Reynolds Mountain Development Group. Public sector investment in the property by the Town of Woodfin is about \$400,000 (reported in 2005). During this year, the town and EPA spent \$215,904 on Brownfields related efforts. For the future, the Town will commit another \$25 Million for infrastructure over the development period. Anticipated private sector investment in the project has been disclosed at an estimated \$194 million. Temporary job creation for housing and infrastructure construction is estimated to be 1,950 jobs (as opposed to previous EDD staff estimates of 50 jobs reported in 2005). When the project is complete, agreed upon estimates for new jobs will be 1,360. Also estimated is an increase in real estate tax base of \$295 million and \$5 million in new annual sales tax for the town.

Heart of Fletcher

The master plan for this Brownfields site calls for mixed-use commercial, governmental, recreational and retail. A conservative estimate of new jobs to be created is 30-50 (reported in 2005). The residential and commercial components will create construction jobs. Private investment in the new townhomes is estimated to average \$150,000 each. Land acquisition and development costs (investment by private developers) is estimated at \$1-2 million (reported in 2005). EPA grant funds include 200,000 in cleanup funding (reported in 2005) and \$25,000 in assessment funding (reported in 2005). Total cleanup cost for the site (based on actual costs) is \$406,553.38. Town of Fletcher funds for cleanup total \$206,553.38 (LOSRC grant management contract - \$30,750; Consultant cleanup oversight & management- \$138,067.13; cleanup costs: \$237,736.25 = \$406,553.38). Net decrease reported in 2007 is \$3564 less increase reported in 2006 (\$354,117 less \$144,000 reported in 2005 = \$210,117). This project is in our 2005-2006 CEDS Annual Update (p.23, Objective A1a and p. 51, Project H-3).

Marshall Hurricane Recovery

This project arose as part of a regional response to hurricanes Frances and Ivan of September, 2004. The NC Hurricane Recovery Act of 2005 provided a Planning Grant of \$20,000 and a Planning Implementation (business rehab) Grant of \$146,500. These were awarded by the NC Rural Economic Development Center in May and August, 2005, respectively. These projects included downtown revitalization planning, downtown business organization development, an economic development deferred loan program for hurricane-damaged properties, streetscape enhancements, National Register district nomination, board development and education (planning and zoning boards). Forgivable rehabilitation loans were awarded to five businesses, estimated to create one job each, for a total of five new jobs. Additionally, \$2,000,000 has been earmarked to improve the Town's stormwater control system. This project is in our 2005-2006 CEDS Annual Update (p. 25, Objective A7, Strategy 04).

Hot Springs Hurricane Recovery

This project arose as part of a regional response to hurricanes Frances and Ivan of September, 2004. The NC Hurricane Recovery Act of 2005 provided a Planning Grant of \$10,000 and a Planning Implementation (business rehab) Grant of \$154,500. These were awarded by the NC Rural Economic Development Center in May and August, 2005, respectively. The project included comprehensive planning, board development and education (board of aldermen, planning and zoning boards), business area economic development deferred loan program for hurricane-damaged properties, streetscape enhancements, and National Register district nomination. Forgivable rehabilitation loans were awarded to two businesses, estimated to create seven jobs. Additionally, \$498,900 has been awarded to improve the Town's wastewater systems. This project is in our 2005-2006 CEDS Annual Update (p. 25, Objective A7, Strategy 04).

Projects of the Economic Development Coalition for Asheville-Buncombe County

The Economic Development Coalition for Asheville-Buncombe County's (EDCABC's) May 30, 2007, Project Activity Report cites the following project information for calendar year 2007:

- Total projects: 24
- Total investment: \$152,700,000
- Total employment: 1,129
- Projects with greater than \$1,000,000 investment or employing more than 50 workers: 11
 - 2 are call centers (1 real estate and 1 medical)
 - 1 is a food distribution center

- 8 are manufacturing, in the following sectors:
 - Aerospace – 2
 - Plastics – 1
 - Metal Working – 1
 - Packaging – 1
 - Textiles – 1
 - Construction or construction equipment – 2

Source: Prospect and Activity Report, Economic Development Coalition for Asheville-Buncombe County, May 30, 2007

EDCABC cites the following in its annual report for the fiscal year ending June 30, 2007: “The last fiscal year in local business and industry was one of growth and change. The EDC’s existing business expansions and new companies brought a total of **450 jobs** to Asheville-Buncombe County with a total of **\$64 million** in capital investments. The EDC was pleased to see a new consistency emerge in the jobs created that has been anxiously anticipated, a much higher average wage of **\$17.76 per hour.**”

Source: Economic Development Focus, Economic Development Coalition for Asheville-Buncombe County, August, 2007

Note: LOSRC’s Executive Director serves on the EDCABC.

COMMUNITY, SCHOOL AND PRIVATE SECTOR PARTICIPATION IN THE CEDS EFFORT

Community, School and Private Sector Participation was obtained in several ways:

- LOSRC Board participation – the LOSRC Board participated in a SWOT exercise and discussion of important regional issues at a Board meeting early in the CEDS process. The Board then received a draft of the CEDS in the middle of the process, followed by a discussion and opportunity for input at a Board meeting. The Board also reviewed the final CEDS and approved it at a third Board meeting.
- Strategy Committee participation – the Strategy Committee had input throughout the CEDS development process via e-mail. The Committee met four times throughout the CEDS process to review staff work, suggest edits and make key decisions.
- Interaction with the Regional Resource Group – In order to provide an effective means of community and private sector participation in the CEDS development effort, a 725-person “Regional Resource Group” was identified by staff. This is a diverse group of public and private sector economic developers, bankers, business owners, corporate staff, city/county managers and elected officials, planners, university, community college and K-12 school system staff, workforce development personnel, natural resource agency and nonprofit staff, aging program volunteer board members, Brownfields revolving loan fund board members, transportation experts, housing nonprofit staff, and many others. Staff started with a list of 1,385 people in the LOSRC database, and after eliminating faulty e-mail addresses, etc., ended up with a 725-member stakeholder group that could be reliably contacted via e-mail. The Regional Resource Group was involved early in the CEDS process via the online survey; and again near the end of the CEDS process by being asked to review the draft CEDS.

- Public review – the required 30-day public review was conducted via several means. The CEDS was posted on the LOSRC Web site, and a printed copy was available for public review at the LOSRC offices. Staff sent an e-mail notice to the 725 members of the Regional Resource Group, providing the Web link and inviting review and comments. Staff sent a press release to the regional newspaper (*Asheville Citizen-Times*) with the Web link and with several options for obtaining and reviewing a hard copy of the CEDS. The public review was done in compliance with state law.

TIER 3 ISSUES

Related Tier 1 or Tier 2 Issue	Code	Issue as Worded in Online Survey
Regional Growth Mgt Planning	3a	Invest in & protect history, culture & “sense of place” assets
Regional Growth Mgt Planning	3a	(Resource mgt. & conservation) Addressing resource fragmentation (forest fragmentation)
Regional Growth Mgt Planning	3a	Other 3: Certified Industrial Sites
Regional Growth Mgt Planning	3a	Other 2: Urban sprawl
Regional Growth Mgt Planning	3a	Other 5: Water quantity, supply, drought
Regional Growth Mgt Planning	3a	(Expansion, improvement and maint. of public services) Water and sewer
Transportation & Air Quality	3b	(Expansion, improvement and maint. of public services) Streets and roads
Transportation & Air Quality	3b	I-40 and I-26 intersection improvements
Transportation & Air Quality	3b	(Expansion, improvement and maint. of public services) Sidewalks and trails
Transportation & Air Quality	3b	Addressing climate change locally and regionally
Transportation & Air Quality	3b	I-26 Connector completion date
Transportation & Air Quality	3b	Airport use and expansion
Transportation & Air Quality	3b	Passenger rail service in WNC
Transportation & Air Quality	3b	Industrial railroad utilization
Transportation & Air Quality	3b	Transportation as a topic area ---->>>
Transportation & Air Quality	3b	Other 1: NCDOT funding challenges
Transportation & Air Quality	3b	Other 4: Wilma Dykeman Riverway road projects
Transportation & Air Quality	3b	Other 5: Highway & road access management
Health Care	3c	Other 2: Medicaid burden on counties
Health Care	3c	Providing adequate access to mental health services
Health Care	3c	Maintaining availability of in-home health care providers
Health Care	3c	(Recruiting, job retention, support for) Biotechnology and medical research
Health Care	3c	(Recruiting, job retention, support for) Focus on (HUB Cluster) Rejuvenation
Health Care	3c	Other 1: Medical devices
Health Care	3c	Other 1: Drugs
Education	3d	Competitive teachers’ salaries
Education	3d	High school drop-out rate

Education	3d	Student access and affordability of post-secondary education
Education	3d	Narrowing the K-12 achievement gap
Education	3d	Student population growth outpacing school capital improvemt resources
Education	3d	Participation of underserved and underachieving population segments
Education	3d	Coord b/w community colleges & private colleges & public universities
Education	3d	Availability of life-long learning opportunities
Education	3d	Other 1: Ability to fund education
Education	3d	Other 2: Online education
Education	3d	Other 4: Strong community colleges
Education	3d	Other 5: Workforce training
Energy & Fuels	3e	Ensure energy supply infra (fuel reserves/sources, peak power gen)
Energy & Fuels	3e	Planning for impacts of future energy disruptions
Energy & Fuels	3e	Managing energy and fuel costs
Energy & Fuels	3e	(Recruiting, job retention, support for) Energy – traditional
Energy & Fuels	3e	Other 1: Leakage of region's dollars to purchase energy, fuels
Energy & Fuels	3e	Other 4: State Energy Office (as a Strength)
Agricultural Jobs	3g	Working lands mgt (farms and forests) (New incentives for businesses)
	3h	(Recruiting, job retention, support for) Services related to retired, older adult pop
	3h	(Expansion, improvement and maint. of public services) Solid waste
	3h	Availability of adult care services
	3h	Availability of qualified workers
	3h	Availability of accurate mapping and GIS
	3h	Planning for the growing older adult population
	3h	Availability of accurate demographic, growth projections
	3h	Focus on (HUB Cluster) Technology
	3h	Access to capital
	3h	(Expansion, improvement and maint of public services) Recycling
	3h	(Recruiting, job retention, support for) Tourism
	3h	(Recruiting, job retention, support for) Communications technology
	3h	Revital & reutil of idle and/or contam props (Brownfields) (New incentives for businesses)
	3h	Recruiting, job retention, support for Advanced Mfg) Small and niche

	3h	(Expansion, improvement and maint. of public services) Police	
	3h	(Expansion, improvement and maint. of public services) Fire and emergency services	
	3h	Maintain availability, accessibility of community/senior centers	
	3h	Focus on (HUB Cluster) Creativity	
	3h	(Resource mgt & conservation)	Addressing resource utilization
	3h	Focus on (HUB Cluster) Enterprise	
	3h	Focus on (HUB Cluster) Land--Agriculture	
	3h	Valuing and respecting diversity	
	3h	(Recruiting, job retention, support for) Arts, crafts and music	
	3h	Recruiting, job retention, support for Advanced Mfg)	Natural products
	3h	Support opportunities for civic engagement & volunteering	
	3h	Promoting outdoor recreation activities (strong outdoor rec. industry)	
	3h	(Recruiting, job retention, support for) Nonprofit and not-for-profit sectors	
	3h	Competitiveness with other regions in the SE	
	3h	Competitiveness with other regions in NC	
	3h	New incentives for businesses	
	3h	Global competitiveness	
	3h	Migrant workers: Communication barriers	
	3h	(Recruiting, job retention, support for) Profess services (law, accounting, finance, etc.)	
	3h	(Recruiting, job retention, support for Advanced Mfg)	Medium-scale
	3h	Focus on (HUB Cluster) Manufacturing	
	3h	Protection of individual property rights	
	3h	(Recruiting, job retention, support for Construction)	Commercial
	3h	Exodus of traditional industries	
	3h	Focus on (HUB Cluster) Branding	
	3h	Migrant workers: Immigration control	
	3h	Coordinating local and regional response to illegal immigration	
	3h	(Recruiting, job retention, support for Advanced Mfg)	Metal working and finishing
	3h	(Recruiting, job retention, support for Advanced Mfg)	Tool and die
	3h	(Recruiting, job retention, support for Advanced Mfg)	Large-scale
	3h	Migrant workers: Adequate supply	

	3h	(Recruiting, job retention, support for Construction)	Conventional building technologies
	3h	(Recruiting, job retention, support for Advanced Mfg)	Automotive
	3h	NC Highway 215 improvements	
	3h	(Recruiting, job retention, support for Advanced Mfg)	Plastics
	3h	Construction:	(Recruiting, job retention, support for)
	3h	Advanced manufacturing:	(Recruiting, job retention, support for)
	3h	Other 2: Outdoor recreation devices	(Recruiting, job retention, support for)
	3h	Other 1: Outdoor recreation	(Recruiting, job retention, support for)
	3h	Other 2: Meteorological & enviro database/data storage	(Recruiting, job retention, support)
	3h	Need for targeting activity clusters -- focus on:	
	3h	Focus on (AW Cluster)	Services related to retired, older adult pop
	3h	Focus on (AW Cluster)	Security-related cluster
	3h	Other 2: Support of Existing Industry	
	3h	Other 3: Business Incubators	
	3h	Other 4: Jurisdictions competing for new jobs	
	3h	Resource mgt & conservation (nat, cult, pub & work lands)	
	3h	Other 1: Unfunded mandates & finances/budget	
	3h	Other 1: Strong culture of sustainability	
	3h	Other 3: Retired professionals & senior volunteers	
	3h	Other 2: Quality of place (Puentes)	
	3h	Other 3: Lack of timely information on legislative issues	