



YANCEY COUNTY
ECONOMIC DEVELOPMENT COMMISSION

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2020 Economic Development Report for Yancey County **Building Local Economic Sustainability & Resiliency in a Year of Crisis**

As Planning & Economic Development Director for Yancey County, it is my privilege to share with you a year-in-review report to look back at 2020 and efforts made to stabilize, enhance, grow and diversify the economy in our community in what was one of the most eventful and challenging years in recent memory. Certainly, no year-end assessment of 2020 can be undertaken without addressing the overwhelming impact of the COVID-19 public health crisis. The pandemic affected every community globally, and Yancey County was no exception. In this report I will address the economic impact of the pandemic on our local economy, programs created to support our local infrastructure, and ongoing initiatives as we continue to address its economic impact in 2021.

My 2019 report highlighted a banner year for economic development and growth in Yancey County. We ended 2019 with a record-low unemployment rate of 3.2%, an annual median salary at an all-time high of \$36,466, and with Yancey County maintaining its Tier 2 economic status among North Carolina counties. This was a result of our economic growth in 2019 that advanced us from a Tier 1 county.

In the early months of 2020, our collective focus across the nation moved to slow and control the spread of the COVID-19 virus in our communities. As a result of the impact of the virus and the necessary public health measures instituted to control it, we began to see related economic impacts. At the national and state level we saw unemployment numbers precipitously rise. Yancey County was not immune from a similar impact due to the crisis. In May 2020, Yancey County's unemployment rate grew to 11.2%. Contrasting this with our previous 3.2% unemployment rate illustrates the stark and dramatic impact of the virus on our economy.

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In order to combat the immediate crisis resulting from the pandemic, local government and agencies in Yancey County went straight to work creating plans of action. Before focusing on these efforts, I want to first take a moment to thank Yancey County's Office of Emergency Management, our public health officials, Yancey County and the Town of Burnsville, local law enforcement, and emergency services for their tireless work on the front lines dealing with the public health impacts of this virus. Their work continues to be supremely professional, effective and praiseworthy from this office and all the citizens of Yancey County.

Yancey County EDC was pleased to join Yancey County Manager Lynn Austin, Burnsville Town Administrator Heather Hockaday, Emergency Services Director Jeff Howell, Chamber of Commerce board members, and local nonprofit leaders in a taskforce determined to deploy local resources to address the looming economic impacts of the COVID-19 crisis. As a result of those meetings, three areas of focus were identified and all agencies began work immediately to address those, described below:

Small Business Assistance: We provided navigation assistance to small businesses with the first round of stimulus dollars through the CARES Act, assistance in navigating unemployment relief for local businesses, and partnered with the board of commissioners and town council for the Yancey County Small Business Assistance Fund. We partnered with the MAY Coalition to administer the program, providing \$100,000 to our local business community in the form of low-interest bridge loan funding.

As of this update, as we continue to see the impacts of the COVID-19 crisis. The Yancey County Small Business Assistance Fund remains active and open to provide financial assistance to qualifying small businesses. Small business owners who are interested in applying for assistance through the program may apply through the MAY Coalition website at www.maycoalition.org.

Community Relief Efforts: Through the Yancey Advancement Foundation, Inc., a nonprofit community development arm of Yancey EDC, the Yancey County COVID-19 Relief Fund was established to raise private dollars to fund local nonprofits to assist them in their frontline efforts to address the impacts of the COVID-19 virus in our community. Since the creation of the fund, through the gracious contributions of many individuals, businesses and corporations we have raised more that \$115,000 to fund COVID-19 community relief efforts in our county. This funding went to many local

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nonprofits to address food insecurity, rent and utility assistance, and public health response efforts. I want to extend a special thank you to the Steep Canyon Rangers, Young & McQueen Grading Company, and Homeplace Beer Company for their partnership to sponsor a COVID-safe drive-in fundraising concert event held in Burnsville which raised more than \$45,000 for the relief fund. Those wishing to contribute to the ongoing work of the Yancey County COVID-19 Relief Fund may contribute online at www.yanceycountync.gov or by mailing a check payable to the Yancey Advancement Foundation, Inc. to PO Box 246, Burnsville, NC 28714. 100% of all contributions to the fund are tax deductible.

Travel, Tourism & Related Businesses: Yancey County's local small business community, like many others in our region, is dependent on the travel and tourism economy. There was a brief recommendation issued by Yancey County government to suspend short-term rentals to allow time for a comprehensive plan to address how we can accommodate the needs of Yancey EDC and many of our partners in local government. We anticipated a growing number of visitors leaving more densely populated areas to retreat to and vacation in more rural areas. Working with the Chamber of Commerce and its Yancey County Travel & Tourism Committee, a fund was established to promote Yancey County and to simultaneously educate our visitors on how to visit safely considering the pandemic and to comply with state guidelines on responsible social distancing requirements. This effort saw exponential growth in occupancy tax collections in 2020, continuing a multi-year trend of growing revenue from travel and tourism. This contradicted most urban and many other suburban and rural tourism economies, which saw a substantial loss in tax revenue in 2020.

To illustrate the growth in the tourism industry in 2020, in 2019, Yancey County's total occupancy tax receipts totaled \$115,788.48. In 2020 occupancy tax collections totaled \$162,185.36 with receipts still coming in for the month of December 2020 as of the date of this report.

As a result of these efforts, and as a tribute to the resiliency of Yancey County's small businesses, the thriving health of our large manufacturing firms, and the resiliency of the workers who make up Yancey County's workforce, we saw the economic impact of the COVID-19 virus in our community improve and stabilize. In contrast to the height of Yancey County's unemployment rate in May 2020 at 11.2% at the close of November 2020 we saw the unemployment rate drop improve to 5.2%. Through there remains much work to do to improve our economy, we have seen a

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marked improvement over the course of the year, and it bodes well for local efforts to continue to shore up our local economy. Nevertheless, as this report is given, even though we as a nation have celebrated the development and deployment of a vaccine to help combat the virus, we see the highest infection rate in our community over the course of the pandemic now.

The economic improvements we saw over the course of 2020 are due in large part to sensible public health measures and responsible social distancing guidelines. Even considering an impending vaccination effort, if we are not vigilant in continuing to be mindful and responsible of the spread of the virus in our community, we can see the economic improvements we saw over the course of 2020 all but erased as we move into 2021. I often give statistical updates about our economy in these reports, so it is only appropriate that I conclude this section of this assessment with a sobering set of numbers. As of the date of this report, Yancey County has seen 1,317 of its citizens infected with the COVID-19 virus, and we as a community mourn the loss of 13 citizens who have died as a result of the pandemic.

Business Retention and Recruitment: Business recruitment efforts were conducted in a challenging environment in 2020 as well, due in no small part to the pandemic crisis, but also due to other challenges. Nevertheless, despite a challenging environment, Yancey EDC saw positive movement our business recruitment efforts.

In 2019 we announced the recruitment of Little Leaf Farms to Yancey County. Plans undertaken in 2019 were to see that project begin development in 2019. This project was delayed due to complications from COVID-19 and the company's efforts to deal with the pandemic's impacts at their other facilities, due to site preparation challenges, and a desire on the part of the company to consider a second alternative site in the Micaville community. The NC Department of Commerce allowed an extension of the \$1,200,000 JDIG grant awarded to the company and Yancey County provided an extension of its incentive package to ensure that the project moves forward into 2021 for completion. Certainly, both the company, Yancey EDC, Yancey County government, and the NC Department of Commerce would have been happy to move this project forward sooner, but as with many other things in 2020, circumstances dictated otherwise. We remain committed to the deal, as does the company and the NC Department of Commerce and are pleased to see it continue to move forward to completion in 2021.

In the early months of 2020 Yancey EDC also dealt with the announcement that Hickory Springs Manufacturing Company would close its facility in the Micaville Community. In light of this announcement, we worked with the company and the

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NC Department of Commerce to assist employees with their transitions to other employment opportunities in our local workforce and real estate brokers to market the former industrial site for a new tenant. I am pleased to announce that as of the date of this report we have secured a letter of intent for a new industry to move into the former Hickory Springs Manufacturing facility and look forward to announcing that project once the transaction is completed, which we anticipate in the first quarter of 2021.

2020 saw the first full year of operation for Altec Industries' new facility located at 54 Ferguson Hill Road in Burnsville. The company's robust activity at the new facility, in addition to its continued growth at its primary facility in Yancey County, continues to highlight the company's success and its growth as one of our community's principal corporate citizens. Glen Raven Custom Fabrics, our longest-operating manufacturing firm, also continued solid operations throughout 2020 despite the pandemic, in keeping with its decade-long commitment to its Yancey County operation.

Small Business Development: Yancey County saw growth in the small business sector in 2019 as well. Over the course of 2020 we saw continued investment in private development along West Main Street in Burnsville in addition to the project undertaken by Yancey County government. This was in partnership with other community stakeholders to construct a new farmer's market and resource center along West Main Street. Providing a permanent home for the Yancey County Farmers Market in addition to community gathering space and a community resource center, the project was undertaken by Yancey County and Yancey EDC in partnership with Appalachian State University to have university students design, permit and build the new facility. The initial design phase was completed by a cohort of 21 undergraduates and three graduate students at the end of 2020 with final design drawings and construction scheduled to begin in 2021. There is also a collaboration proposed between university students and Mountain Heritage High School construction trades students in the coming school year.

2020 saw the opening of a new clinic facility for Mountain Community Health Partnership in Burnsville, on Pensacola Road. This new clinic facility was immediately deployed by the federally qualified health clinic as a COVID-19 testing facility, greatly enhancing the healthcare response effort to the pandemic in our community. Over the course of the next year, we look forward to partnering with Mountain Community Health Partnership to further develop the new clinic space, bringing additional healthcare jobs to our community, and provide our citizens greater access to a variety of choices of local providers to address their healthcare needs. Access to healthcare

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in rural communities is of paramount importance. Yancey EDC is pleased to partner in the effort to recruit new providers to our county.

We continued to see a growth of small business startups, despite the uncertain small business environment created by the COVID-19 pandemic and have seen success with recruitment of franchise retail development in 2020 as well, with the announcement of Dollar Tree and AutoZone franchises in the Town of Burnsville. These deals are steadily making their way through design, zoning, permitting, infrastructure and utility connection and construction. We look to see them move toward completion in the early months of 2021.

The first rule economic developers learn is that business recruitment is a long game. It takes considerable time to develop a deal and it takes considerable time to deploy, construct, and open a new business after a project is announced. This is true under the best of circumstances. The impacts of the pandemic in 2020 have only further complicated and delayed this pace, not only for Yancey County, but for all communities across the state and nation. In 2020 every economic development project in North Carolina with an open grant from the NC Department of Commerce was given an automatic year-long extension due to COVID-19 upon request for this very reason, including projects here in Yancey County. We will continue to work steadily and deliberately on these projects and hope that the community will join us in patience, with the assurance that this office will update the public on any major developments on these projects and others as they become available.

Public Facilities/Capital Improvements: Yancey EDC worked with the Town of Burnsville administration in 2020 to assist in their efforts to fund improvements, repairs and modernization of the water and wastewater treatment infrastructure serving the Town of Burnsville and the unincorporated areas of Yancey County. With additional business recruitment projects on the horizon, the work of economic development is closely tied with the efforts of the Town of Burnsville to address its infrastructure needs. Work toward these efforts were established as the number one priority of the Yancey County Economic Development Plan at a joint meeting of the Town Council, County Commission and Yancey EDC Board in April 2020. I want to take this opportunity to thank Burnsville Town Administrator Heather Hockaday and Burnsville Public Works Director Dillon Lundy for their hard work to expeditiously address the condition of Burnsville's public infrastructure and to work to improve it. I also want to thank the Town Council for their commitment to making infrastructure improvements a priority in 2020 in spite of the complications of the pandemic.

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Review: State of the Local Economy Facts & Figures: Due to the combined efforts of our local business community and the collaboration of those agencies and individuals working together, Yancey County met the challenges of 2020 as we have met other challenges in the past: resolutely, determinedly and effectively. Though 2020 offered new and unique challenges and forced us all to adapt in ways we certainly never anticipated, the state of our local economy was shaken in 2020 but remains strong as we move into 2021.

Despite the impact the pandemic had on the unemployment rate across the nation, we saw a significant improvement in our unemployment rate over the course of the year, reducing our peak unemployment rate in May 2020 of 11.2% to 5.2% by November 2020.

Despite the pandemic, for the third straight year in a row we saw an increase in the median average salary for Yancey County workers, rising from \$36,466 to \$37,476 in 2020.

Despite the economic challenges 2020 presented, Yancey County remained a Tier 2 county in North Carolina, maintaining our improved economic tier ranking for the third year in a row, indicating stable economic health and prosperity in the community.

Despite the pandemic, we saw the tourism and visitor economy grow in 2020 with 40% growth in revenue from occupancy tax, adding to growth in the tourism sector for 2019 which saw Yancey County becoming the number one county in North Carolina for growth in tourism related employment and one of the top ten counties in the state for growth in tourism related spending with \$43.83 million in tourism dollars being spent in our community.

Nevertheless, there remains much work to address the continuing impact of the COVID-19 pandemic in our community, to continue to improve our local economy, to continue to address the impacts of those who remain unemployed or underemployed in Yancey County, and to continue to support our local small businesses. Yancey EDC remains committed to continuing the work of our Small Business Assistance Fund and our Downtown Entrepreneurship Assistance Program grant to help local small businesses.

We remain committed to raising money through the Yancey County COVID-19 Relief Fund and to deploy those funds to assist our nonprofits fight the pandemic on the frontlines in our community and to assist and support to those who are

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struggling due to the loss of their job due to the pandemic. We also remain committed to recruiting and retaining business to our community despite the challenges posed by an increasingly uncertain national economy due to the public health crisis.

The progress we have made toward dealing with the many trials and challenges thrown at us as a community in 2020 is due in large part to the quality and dedication of our workforce, and to the business-minded attitude of our employers. It is also due to the great cooperation between local and state agencies working in the field of economic development every day here in our community. It is also in thanks to the nonprofits and civic organizations working to improve the lives of their fellow citizens. And moreover, in 2020 it is due to the many frontline workers who have labored day in and day out at their jobs for the benefit of their neighbors and communities. Doctors and nurses, paramedics and pharmacists, grocery store clerks, transportation workers, law enforcement, emergency management and public safety workers, public works, and utility workers. You are the fabric of our community and the unsung heroes of 2020. I and all the members of the Yancey County Economic Development Commission offer you our heartfelt thanks and sincere gratitude.

I wish the best for all those who live, work and do business in Yancey County and hope for another year of continued partnership, perseverance, resilience and success.

Jamie L. McMahan, Director
15 January 2021