

MITCHELL COUNTY ECONOMIC DEVELOPMENT COMMISSION

2022 Economic Development Report for Mitchell County, NC

As a trained urban planner now economic developer I am continuing to learn and realize the great opportunity to foster some form of change in our community. I have been working as Mitchell County Economic Developer since August 2022 and since that time the job has required me to build a foundation and become reacquainted with my hometown community. I am privileged to work for a strong interconnected board as each of them have provided me guidance in this new role. Also, I would like to thank the Mitchell County Board of Commissioners, County Manager, Finance Director, Spruce Pine Town Board, Bakersville Town Board, and the numerous other partnerships for welcoming me back home and providing guidance. Lastly, I want to thank every Mitchell County citizen and business as I am proud to represent you because the economy touches all of us. Our economy is an all-encompassing entity, and it impacts our personal and business life as well as everything else. The stronger our economy the more our people thrive, and more business perspectives become realities because of expanded opportunities.

This report summarizes the high-level numbers as presented to us by the United States Census Bureau, National Center for Health Statistics, National Vital Statistics System, Bureau of Labor Statistics and North Carolina Department of Commerce. They say, “numbers do not lie”, and that is why I would like to report the bad news first. In my professional opinion population is one of vital signs and without people we face consequences that relate back to our economy. Based on my assumptions and the population statistics I tracked from the before mentioned sources our population decline is a result of several factors but three stand out in the overall numbers. Between the years 2016-2020 it appears our biggest impact came from a negative (-6.3%) natural increase rate [1]. Natural increase decline means total number of deaths surpassed total live births. Our largest population sector is 65 years and naturally our older group had the most deaths between 2016-2020; however, some bright news is that the next largest population sector is 19 years and younger who represent 21% of our population. Additional elements that have played a role in increased deaths include COVID-19 and drug overdoses. The state as of



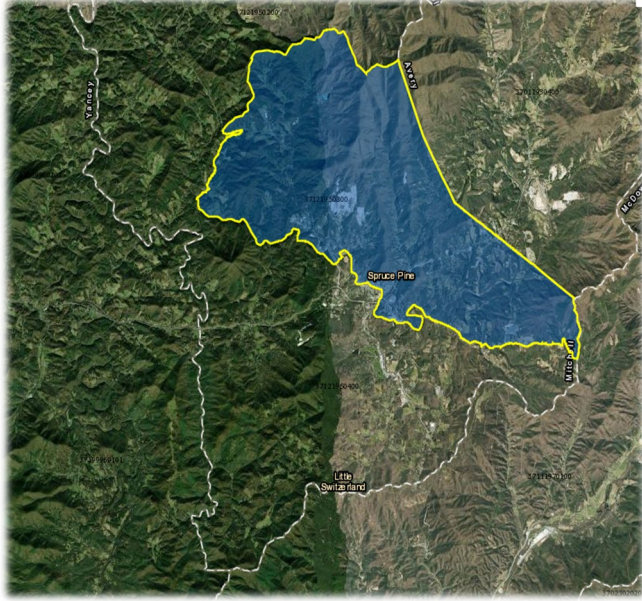
August 20, 2022, has Mitchell County suffering 42 deaths related to COVID-19. Also, we have a high rate of overdose deaths, and we are not alone the entire Appalachian region tends to have a higher drug overdose mortality rate. Between 2015-2019 we lost 16 lives to overdose and 11 additional overdose deaths reported between 2020-2021 [2]. Each year the North Carolina Department of Commerce provides a Tier 1, 2 or 3 development designation for each of the 100 counties. The general statute ([§143B-437.08](#)) designates 40 counties as Tier 1, 40 counties as Tier 2 and the remaining 20 counties will be Tier 3. Our county is a Tier 1 designation [3], and it is in my opinion we have this ranking due to our continuous rate of population decline and our slightly above average unemployment rate. This designation is based on four pillars which are average unemployment rate, median household income, percentage growth in population and adjusted property tax base per capita. There are only 20 tier 3 counties in the state and the three in Western North Carolina which are Buncombe, Henderson and new this year Avery County. Out of the 40 tier 1 counties we are ranked 35 which is ranking us above the remaining 34 other counties in tier 1 and puts us close to Tier 2. I believe we could easily make the Tier 2 mark should our population increase, and unemployment numbers drop below 4%. See Tier Development Designation in chart below:

COUNTY	Adjusted Property Tax Base Per Capita FY 2022-2023	Population Growth July 2018-July 2021		Median Household Income 2020		Unemployment 12 Mth Avg Oct 21-Sept 22		County Rank Sum	ECONOMIC DISTRESS RANK (#1 = most distressed)	2023 TIERS
	Value Rank	% Change	Rank	Income	Rank	Rate	Rank			
Mitchell	\$128,129 62	-0.48%	33	\$49,236	41	4.07%	33	169	35	1

Source: NC Department of Commerce

Now the good news. Fortunately, our distressed county status can be beneficial in many ways. There are grant programs only available for Tier 1 counties, and it cuts our competition in half. Also, there are Qualified Opportunity Zones (QOZ) which can provide a direct tax deferment to an individual or business. A direct benefit example would be deferment of capital gain into a Qualified Opportunity Fund instead of paying a tax. Additional benefits could be increases in job





creation and wage increases based on money saved from tax deferral. To see Mitchell County Qualified Opportunity Zone view shaded blue area on map.

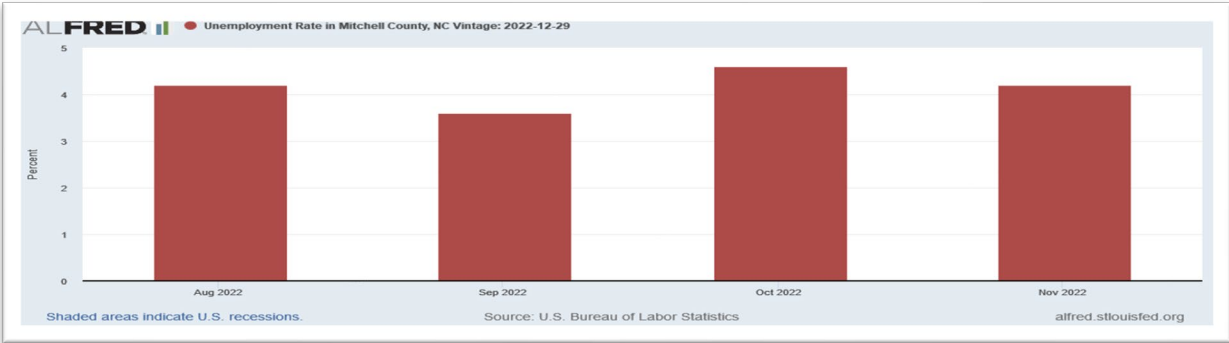
Pandemic and post pandemic trends have proven to be an economic win for our county. We had record growth in sales, building permits, travel and tourism and interest in outdoor recreation as an economic force. To capture and gain the outdoor recreation and tourism economy I will be looking into ways to build out our infrastructure so that outdoor recreation and tourism economy becomes a strong sector of our economy. This will take time plus public and private partnerships. At

present we are actively applying for grants that will warrant new outdoor recreation infrastructure to better connect our citizens and visitors to outdoor activities.

Employment and Workforce

For December 2022 we had a 4.2% unemployment rate approximately (3,496), and the state was at 3.9%. Mitchell ranks 70 out of the 100 counties as having the highest unemployment rate [4]. Our unemployment has averaged at 4.1% in the last quarter of 2022. Our neighboring counties have below 4% mainly because they have a bigger population pool and therefore more people in the labor force which draws their percentages down. The unemployment rate is calculated as $(\text{Unemployed Labor Force}) \times 100$. Locally our employers are holding their own and as with any business they are striving to retain steady employment. Here again is another factor in how population plays a significant role in our economic livelihoods. The labor force is considered the sum of the employed and unemployed persons. 16 years and older is considered working age and in October 2022 Mitchell County had a total labor force of 6009 and 269 who were unemployed at the time which left us with a 4.4% unemployment rate. There is opportunity within our existing employers to increase jobs and I hope we can strength our partnerships. For 2022 our top 10 employers include Sibelco, The Quartz Corporation, Blue Ridge Regional Hospital, Hospice of the Blue Ridge, Mitchell County Board of Education, Mitchell County Government, Mayland Community College, Bombardier Recreational Products (BRP), Wal-Mart, and Ingles Markets. Mitchell County unemployment rate adjustments from August to November 2022. September was a great month our unemployment rate was below 4%. See chart below:





Physical Infrastructure

Is an attractive resource to our citizens, businesses, tourists, and perspective investors. The Department of Commerce has grant funds set aside for water, sewer, gas, telecommunications, transportation infrastructure or electrical utility lines. We are fortunate enough to have Town of Spruce Pine and Bakersville receiving grants in the past year to improve water and sewer systems. Additional grants have been used for recreational improvements at Riverside Park and Brad Ragan Memorial Park. Through use of NC Community Conservation Assistance Program Cane Creek banks were stabilized from Dollar General down to the Fire Department along the Bakersville Creek Walk. Additional creek bank restorations were from S. Mitchell bridge down to Henline bridge. Future grant applications will provide us the opportunity to maintain all our infrastructure and to work towards new infrastructure such as building state trails, outdoor recreation infrastructure and broadband telecommunication lines. Additional infrastructure grants funds can be made available if an industry is expanding operations and creating jobs.

We are in the fourth year of the 10-year state NC state transportation improvement program (STIP) and our major road project timelines have changed. The most recent draft 2024-2033 STIP is scheduled for May 2023 Board of Transportation approval and will be reprioritized., To date the widening of NC HWY 226 from top of the mountain to Summit Avenue has been delayed due to funding [5]. Even though the widening of US19E is also delayed the state will reprioritize the project, right now it is funded it for preliminary engineering only. The 78.29 prioritization score is one of the higher rankings in WNC and hopefully this means within the next decade our section of the US19E widening will be under construction.

Since Mitchell has little to no road type improvements listed in the STIP, I would hope the state could help with future sidewalks and multi-use paths.

Our Mitchell County Board of Commissioners and Mitchell County Board of Education will continue their partnership to build a future middle school partnership. Additionally, the



Commissioners will start development work on the former Modern Globe/Quality Plus Approval to be retrofitted into the new Mitchell County Law Enforcement Center. Furthermore, they have paved the way to improve our quality of life by building a first ever Mitchell County Recreation Center to be built in Bakersville.

When we invest in our community infrastructure there is guaranteed return. In the book, “Economic Development is STILL NOT for Amateurs!” infrastructure creation and maintenance are of the upmost importance. “Funding must be kept up to build and maintain roads, water and sewer infrastructure, broadband, public safety, housing stock, and more. When communities fund infrastructure, they’re investing in the people of that community for today and building a future for its citizens of tomorrow. When they don’t investment leaves the community.”

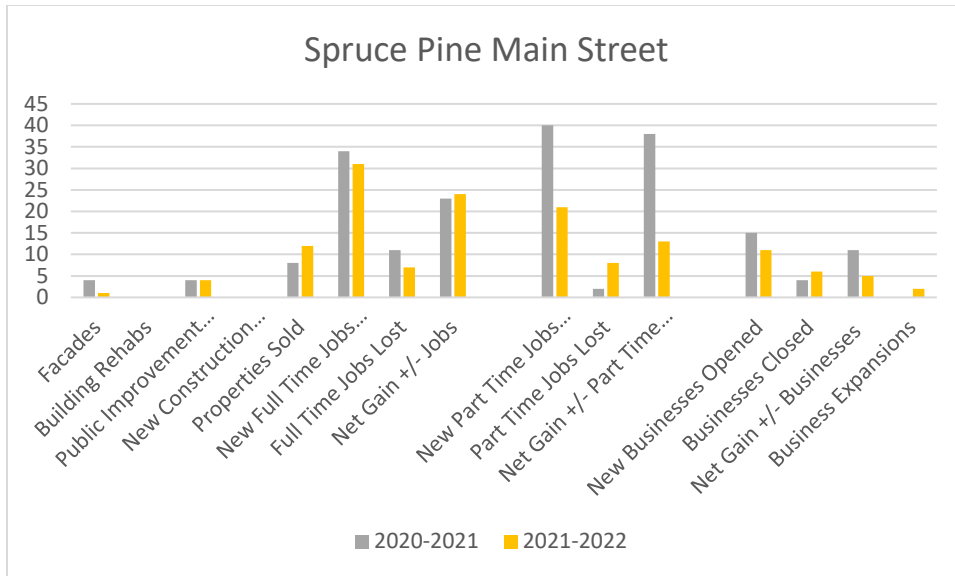
Industry and Small Business

Our mining industry as well as the medical professional jobs provide a great number of well-paid jobs, and it will be top priority to ensure we keep those jobs and assist in bringing similar jobs to our county. Our county boasts the highest paid private industry salaries averaging \$43,499 [6] which outpaces our neighbors. The manufacturing sectors (BRP, Buckstove, PRC Industries) and education system (Mitchell School District and Mayland Community College) are doing well and continue to have a healthy work life and employee base. We want this trend to continue, and EDC looks forward to being more involved with all our employer needs.

Furthermore, the Small Business Center and number of new businesses in the county has grown this year. Mayland is now offering CDL and industrial maintenance programs to further strength our workforce training. Each downtown has grown, and these have been direct job gains because of the great work planned by our Spruce Pine Main Street and Bakersville Area Merchants Association (BAMA). Our downtowns have natural waterways something big cities desire and as we age into the future continued downtown enhancements will only bring us good return on investments. Spruce Pine Main Street covers upper and lower streets. BAMA territory stretches from Ledger north to the county line and in 2022 BAMA gained 9 new members.

Because of these recent business owner changes on upper and lower street millions of dollars have been reinvested back into our community. See the chart below highlighting the changes on lower and upper streets in downtown Spruce Pine.





Arts, Travel, Tourism and Outdoor Recreation

North Carolina has a strong arts scene, travel and tourism, and now outdoor recreation economy gaining national attention. As we move forward it is my hope that all our great resources will create and identify our brand and highlight this piece as an open opportunity to diversify our local economy.

2022 marked an evolving year for Mitchell County. Bakersville now as a welcome center and the Mitchell County Tourism Development Authority (TDA) was established to further our success in the travel, tourism, and outdoor recreation economy. As we march forward sometimes the easiest thing to do is recognize our resources and determine do we want to grow or sustain what we have or both. As a benchmark Spruce Pine is the biggest town between Blowing Rock and Asheville, NC along the Blue Ridge Parkway. During the last quarter of 2022, the NC Minerals Museum at the Parkway recorded 7,476 visitors. Penland and TRAC produces a world class art scene, The Roan provides unmatched natural beauty and unique plant and animal species only found here and nowhere else in the world. Arts is a big draw to our community and 2022 can be noted for another record year with Penland School of Crafts (Penland). Penland recorded \$3,582,601 worth of value which includes tuition, room & board, gallery, retail and coffee house sales and fundraising auction sales. Also, the school's presence provides 70 full-time staff (7 9-mo seasonal) and two new full-time positions created in 2022.



Penland is world famous, and for 2022 they recorded 8,823 visitors (students, instructors, visitors, auction patrons, volunteers).

Mica Gallery (MICA) was created as an artist-owned gallery in 2012 out of a desire to work collaboratively with other artists, to grow the connections between artists and the local community, to encourage visitors to learn more about the artists of the area and their work, and to be part of the revitalization of the town of Bakersville through cultural tourism. Mica members and its guest artists believe the gallery is an opportunity to contribute to the cultural, educational, and economic development of the community. Celebrating its 10th anniversary as a cooperative business, Mica closed the 2022 year with 3,555 visitors, 1000 unique sales, and a mailing list of 2,800 loyal friends. Mica was open every day from April 1 through December 31 attracting visitors from counties across NC from Wilmington to Charlotte, Gastonia, Winston-Salem, Greensboro and much of WNC. Further evidence of our reputation and draw as a destination, our guest registry shows visitors from SC, TN, FL, VA, KY, WV, AL, MS, GA, AR, TX, MD, MA, ME, NY, PA, MO, WI, MN, OH, IL, AZ, CO, WA, MT, CA, and the Virgin Islands.

Tandem's gallery experiences are a nice way of summing things up and highlighting so many positive things, they have from this past year. They had visitors to the Gallery from almost every state in 2022. They shipped approximately 940 packages throughout the US including Hawaii and Alaska as well as Canada, Italy, Australia, Japan, England, and others.

It is important that we understand our base and discover ways to protect our resources while at the same time leveraging those resources to help grow our economy.

I believe we can start a campaign to capture our locals and visitors to explore all what Mitchell has to offer which is culture, heritage, small town character, arts, music, outdoor resources; etc. and package it into one brand as an economic vantage point. My hopes are our community can develop one common theme or slogan to better brand our county as small community in the middle of it all. If we intend to retain and build up what we already have from within then I hope to establish goals to direct us.

You may ask, what is an outdoor economy? The NC Main Street & Rural Planning Center has provided this definition for an outdoor recreation economy; "The outdoor recreation economy is a broad economic sector that includes consumer spending on things such as guides, outfitters, and equipment. Outdoor recreation also fuels employment and consumer spending in other sectors such as manufacturing, retail, transportation, food service, tourism, travel, and more."



Outdoor recreation is part of our heritage and building up our natural infrastructure will bring us return on investment. We have world class trout streams, hunting areas, walking paths, challenging hikes, white water rapids, high mountain tops, wildlife viewing, Bare Dark Sky Observatory and the list goes on. This makes our quality-of-life bar none because we all live within minutes of great outdoor wilderness. I hope this will be the call for future outdoor recreation manufacturers or local manufacturers to create and test their products. Ultimately my goal is to link our outdoor recreation economy to other sectors within our economy so that we have a diversified economic base. Western North Carolina is known as an outdoor recreation hub. We have the highest concentration of manufacturers, outfitters, retailers, nonprofits, and partners East of the Rockies and the first state to have an outdoor industry office. The Economic Development Partnership of North Carolina (EDPNC) and outdoor industry members have proven that return on investment comes from outdoor recreation [7]. Ultimately, the more outdoor recreational activities that Mitchell can offer the more dollars in return our community receives. This month EDC applied for the NCDOT feasibility study grant for a 10-12' wide paved Overmountain Victory Trail section starting at Blue Ridge Parkway and traversing to Carters Ridge Road along NC HWY 226. The feasibility study will determine the most appropriate trail location and actual costs so that we can seek additional grant dollars.

Our occupancy tax has grown significantly over the past couple of years and newly formed Tourism Development Authority has set goals for this year on how to sustain and grow our overnight stays. Our newly established Blue Ridge Boutique Hotel has been up and running successfully for the past few months and the Pinebridge redevelopment project with associated YMCA is continuing to move forward. All stewards of our community are doing what the experts say to do which is reinvest in your community.

Our sales tax has significantly increased from the July Fiscal Year 2020-2021 to July Fiscal Year 2021-2022 for a total increase of \$892,355 for a gross total of \$9,138,859 [8]. Back in 2020 our Gross Domestic Product was significantly down but we have we have bounced back with a 3.7 percentage growth change from 2020 to 2021 [9].

Our Mitchell Works Economic Development Strategic plan has seven main economic foundation categories those are workforce, physical infrastructure, industry, small business, tourism, agriculture, and land development. My immediate task beginning in 2023 is to help facilitate and revise our current economic development strategic plan based on the Economic Development Commission recommendations. The initial planning committee started in 2014 and the plan was officially adopted in April 2016. As we move forward, I look forward to working with the High Country Council of Governments, The Mitchell County Board of Commissioners, Town



of Bakersville, Town of Spruce Pine, Mitchell County Chamber of Commerce, Mitchell County Tourism Development Authority, EDC, industries, small businesses, nonprofits, and our citizens to help shape our future economy.

Agriculture

A familiar friend, TRACTOR Food and Farms [TRACTOR Food & Farms \(tractorfoodandfarms.com\)](https://tractorfoodandfarms.com) has made it back home to Mitchell County. They will continue their mission at 10994 NC 226- Spruce Pine, NC. We look forward to seeing a record year for them. Each year they continue to grow, and their buying power has tripled in the past four years. TRACTOR provides direct support to local farmers first by paying for their agricultural goods and for providing that presence of supporting a prospective farm or business.

As of 2022 TRACTOR serves 9 WNC counties and delivered 134 tons of produce. Due to the growing base of 207 farms plus additional partnerships in 2022 they have produced a new total \$620,000 income for WNC farmers and producers. Collectively their model will create and sustain jobs as well as provide us a better quality of life but offering our community another option for fresh food grown right at home.

- [1] NC Department of Health and Human Services State Center for Health Statistics, Vital Statistics-Deaths [Version 9.4 SAS System Output \(ncdhhs.gov\)](https://ncdhhs.gov)
- [2] Overdose Mapping Tool created by NORC at the University of Chicago <https://overdosemappingtool.norc.org/>
- [3] 2023 North Carolina Development Tier Designations Annual Report, NC Department of Commerce. [NC County Development Tier Designations | EDPNC](https://ncdhhs.gov)
- [4] NC Unemployment Rate NC Department of Commerce, Labor & Economic Analysis Division Local Area [open \(nc.gov\)](https://ncdhhs.gov)
- [5] NCDOT Draft 2024-2033 STIP Development [NCDOT: State Transportation Improvement Program](https://ncdhhs.gov)
- [6] NC Dept. of Commerce, Labor & Economic Analysis, Quarterly Census of Employment and Wage
- [7] [Outdoor Recreation in North Carolina | OREC | EDPNC](https://ncdhhs.gov)
- [8] NC Department of Revenue [Microsoft Word - Document2 \(nc.gov\)](https://ncdhhs.gov)
- [9] U.S. Department of Commerce Bureau of Economic Analysis, Gross Domestic Product (GDP) [lagdp1222.pdf \(bea.gov\)](https://ncdhhs.gov)

