

Report To The Commissioners

Report Calls For Balanced Economy

OVERALL ECONOMIC DEVELOPMENT GOAL: A BALANCED APPROACH TO ECONOMIC DEVELOPMENT IN MADISON COUNTY

Madison County must strive for a balanced economy with a stabilized job market, and at the same time strive for the preservation of the county's culture and quality of life. In order for the county to establish a secure job market, it must concentrate upon the diversification and utilization of the various integral component parts of economic development. This will include industrial development, expansion of existing industry and businesses, growth in the commercial-retail-service sector, promotion of tourism, promotion of small business-manufacturing firms and continued support for agricultural ventures. The county should avoid too much emphasis on only one sector such as industrial development or tourism attractions.

Madison County must prepare and implement a comprehensive economic development strategy aimed at achieving a balanced economic growth pattern. In order to facilitate this balanced economic growth, the county Board of Commissioners should establish and appoint an Economic Development Commission responsible for promoting and coordinating the various aspects of economic development in Madison County. The N.C. General Statutes 158-8 outline the procedures for appointment and general responsibilities of such a commis-

sion. The commission should be broad-based and composed of persons with knowledge and expertise in the areas of finance, business management, industrial development, agriculture and government.

A professional staff member, the economic development director, should be hired to coordinate all aspects of economic development. The Economic Development Commission would provide a forum for developing the county's economic development policies and priorities. In order to secure balanced economic development, the commission and its director would likely be involved in a variety of activities, including: industrial promotion and recruitment, industrial site analyses, assistance to small businesses in the form of start-up management assistance; advice and assistance to business and industry with grant and loan programs such as the Small Business Administration loan program and other financing tools; assistance with marketing and merchandising strategies and tourism promotion.

The Economic Development Commission could be responsible for implementing and annually reevaluating the county's economic development strategy. Among the other duties mentioned, the commission would be responsible for obtaining community input and support for sound economic development. As the lead agency for economic development in the county, the commission could strive to promote and coordinate a balanced economy for Madison County.

There should be at least a three-year funding commitment to the economic development director's office with financing provided through a cooperative effort of county government, the three municipal governments and the private sector. The funding would be provided for the economic director's salary, travel expenses, printing and the implementation of the services mentioned throughout this report.

RETAIL, COMMERCIAL AND SERVICE SECTOR DEVELOPMENT AND EXPANSION

An integral component of a sound economic development strategy will be to promote the expansion of existing business and enhance opportunities for new business development. In coordination with the preceding recommendations pertaining to organizational arrangement and the industrial sector of the economy, the following guidelines should serve as strategy for improving the business and commercial sector of the economy in Madison County.

Existing Business Expansion and Promotion

Currently, there is an out-migration of the labor force as well as loss of retail sales to surrounding counties. The county must encourage its citizenry to shop within the county. A countywide Merchants' Association should be established to develop a forum for the discussion and identification of needs and problems and the identification of potential solutions. The

Economic Development Commission should work closely with the Merchants Association to develop a marketing-merchandising strategy for existing business that will lead to retaining retail sales within the county which in turn will lead to commercial expansions and more commercial sector jobs. The development of such a strategy would likely involve conducting a shopping needs survey and the coordination of store promotions, store hours, downtown "vitalization" projects, "Buy Madison" campaigns, and other marketing techniques. An active Merchants Association with assistance from the Economic Development Commission would provide a sound foundation for the success of this program.

The Economic Development Commission, by way of the Economic Development Director, should take the lead in providing assistance to the business community, especially management and "start-up" assistance to small businesses and individual entrepreneurs. Such assistance would be in the form of advice pertaining to business practices and bookkeeping, management operations, the identification of markets, and the identification and utilization of alternative financing tools and grant programs, and other services available to small businesses.

New Business Development

With the assistance of the Economic Development Commission and in coordination with the needs of the other sec-

tors of the economy, i.e., industrial and agricultural needs, the county and municipal governments must identify and reserve prime commercial land through the use of land use controls. A combination of balanced economic growth, available land suitable for development, alternative and innovative financing schemes, and supportive attitudes toward business will all serve to promote the expansion of existing business and stimulate the development of new business.

Madison County, through the guidance of an established Economic Development Commission, should promote the utilization of grant and loan programs that will stimulate private sector development of new business in Madison County. County government should do their part by utilizing grants when possible such as the Community Development Block Grant (CDBG) for improving economic development opportunities in the county. Examples of alternative business financing methods are discussed in the next section.

The Economic Development Commission should pursue the promotion and development of a farmers-craftsmen market. Such a market would provide a means for local farmers-craftsmen to promote and market their goods within the county and region, as well as provide a tourism attraction that focuses upon the attributes of the county's culture.

Second home and retirement community type developments are recognized as a form of industry that should be cautiously promoted in Madison County. The continued growth of this market will undoubtedly spur further commercial and business development and, at the same time, will also bring certain service obligations upon county government. Furthermore, the promotion of this type of development and the tourism sector of the economy must be carefully planned to avoid direct conflicts with the community's culture and particularly the agricultural sector of the economy.

Business Financing

Industrial and commercial financing is a key component to any program designed to create jobs. Madison County must be able to assist firms in finding favorable financing for the purchase of land, buildings, machinery or equipment. This is important in North Carolina especially, because towns and counties are prohibited by state law

from providing any tax abatement or tax increment financing. Traditionally, local governments' inducements to industry in North Carolina have been through the provision of water and sewer service and through the issuance of tax exempt Industrial Revenue Bonds for financing.

Financing is the key to most small business expansions. Most small businesses are unable to arrange long-term financing to build plants or to purchase machinery or equipment. Commercial banks do not make loans for over five year terms. Insurance companies and savings and loans are long-term lenders, but most will not participate in small commercial or industrial projects. A small business cannot afford to build a new plant or modernize without long-term financing of 15 to 20 years. Some of the loan programs available include:

North Carolina Industrial Development Revenue Bonds can be issued by Madison County to encourage manufacturing firms to locate, expand, or continue to operate in their area. The funds are used for site acquisition and construction of buildings and equipment. The bonds are tax exempt and thus less expensive than conventional business financing.

The Community Development Block Grant program can be utilized to assist in financing: the retention, expansion or new construction of industrial, commercial or agricultural ventures that create or retain jobs.

This program has several cycles a year for economic development projects and a maximum \$750,000 could be available to the county in any fiscal year. The funds come to the county as a grant, and can then be loaned to industry to finance land, building, machinery and equipment or working capital.

Urban Development Action Grants (UDAG) are currently available for the towns of Marshall and Hot Springs to assist in financing the expansion or new construction of industrial or commercial projects. The majority of the financing must come from conventional sources, but UDAG can bridge financing gaps. The funds come to the town as a grant and can then be loaned to the business concern.

The U.S. Small Business Administration has a wide variety of programs available for small business, including the 7 (a) and 502 programs, which provide a 90 percent guaranteed loan up to a maximum of \$500,000. SBA's newest program, the 503 loan

program, provides 40 percent financing at lower interest rates through a local Certified Development Corporation. The Smokey Mountain Development Corporation, a 10-county CDC, will have authority to make loans in Madison County in late 1984.

Financing Public Services

The provision of water and sewer services to industrial and commercial sites has been one of the traditional inducements to new businesses. The availability of adequate water and sewer lines and adequate water and wastewater plant capacity is essential for business construction or expansion. Financial programs for the provision of water and sewer include many of the same programs used to provide direct financial assistance to business. Programs that can be used to finance water and sewer services include:

- Community Development Block Grant
- Urban Development Action Grant
- Appalachian Regional Commission
- Clean Water Bond
- Farmers Home Administration
- Environmental Protection Administration

TOURISM SECTOR

The Economic Development Commission should take the lead role in promoting tourism in Madison County. At some later time, if a local Chamber of Commerce should be established then such responsibilities could be transferred, but at this time, a separate chamber is not recommended. Tourism promotions and attractions must be carefully planned in order that such business ventures will be compatible with the county's culture and natural resources.

The community does not want to promote just any high revenue-producing tourism enterprise at the expense of exploiting the community's culture and natural resources. Therefore, a tourism development plan or strategy should be conducted by the Economic Development Commission that identifies all existing tourism activities and should identify potential future events and attractions that would be compatible with the history, culture, people, topography and natural resources of Madison County. Potential tourism attractions that appear to be compatible with the community's overall goals could include:

Rejuvenation of the hot springs and development of

available land in Hot Springs; promotion of whitewater-related enterprises;

Promotion of community festivals;

Redevelopment of carefully selected recreation developments that are "service" oriented and stress utilizing and preserving existing natural resources and topography to enhance such recreation enterprises. Some examples might include golf courses, boy scout camps, ski resorts and tourist homes.;

Promote commercial service expansions in the form of shopping areas, lodging, dinner theaters, and restaurant choices to enhance and complement tourism.

The community recognizes that tourism could be an important component of economic development in Madison County. However, the community also recognizes there could be adverse impacts on a community caused by tourism. For example, without careful planning, tourism could be associated with seasonal employment, rapid and haphazard undesirable growth, and the depletion of prime agricultural lands. Therefore, similar to the issue of second home and retirement home industry development, tourism promotion must be carefully and cautiously planned to assure that such development would be compatible with the culture and overall goals of the community.

EDUCATION, JOB TRAINING, JOB SKILLS

The people of Madison County must have the opportunity for the improvement of job skills. The pursuit of advanced education and/or technical skills will improve job and alternative career opportunities, and will enable the people to obtain the necessary skills and expertise to establish new enterprises and businesses.

The Economic Development Commission can assure such opportunities by working closely with the local public schools, community colleges, and the area's colleges and universities to assure that curriculums meet the needs of both employers and the citizenry of Madison County.

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the Mars Hill by-pass area and a plan for the Melville Shoe Company site and nearby lands.

The Economic Development Commission must have a marketing strategy for promoting industrial sites. The strategy should include an advertising and promotion scheme, information package and identified industrial sales team.

A county-wide Merchants' Association should be established. The Economic Development Commission should work with the Merchants' Association to develop a marketing strategy for existing businesses.

The Economic Development Commission should promote the expansion and development of the commercial service and retail sectors of the economy. The commission, through the Economic Development director, should take the lead in providing assistance to existing and new businesses, particularly small businesses. Such assistance would be in the form of advice pertaining to grant and loan programs, alternative finance schemes, business management practices and the identification of markets.

Madison County should utilize land use controls to reserve suitable land for both commercial and industrial development.

The Economic Development Commission should promote the development of a farmers' and craftsmen's market.

The promotion of tourism must be carefully studied in Madison County. The Economic Development Commission should conduct a tourism development plan or strategy that identifies all existing tourism activities and potential future events that would be compatible with the county's history, culture, people, topography and natural resources.

Second home and/or retirement-oriented community developments should be carefully promoted and developed to assure that the development's goals are compatible with county goals.

Madison County should make full use of grant programs to improve the economic development opportunities in the county.

SUMMARY OF THE AGRICULTURE-FORESTRY SUBCOMMITTEE'S RECOMMENDATIONS

Madison County's forests must be promoted as a multi-faceted asset which offers opportunity for economic benefits in many areas other than timber production such as hunting, fishing, tourism and a variety of forest products. Management of private forestland must be improved in order to pursue any of these opportunities.

If Madison County farmers are to successfully supplement tobacco with some of the recommended alternative enterprises, better marketing approaches must be developed. Although markets cur-

rently exist for these alternatives, they must be aggressively pursued.

An agriculture-forestry committee should be established as part of the Economic Development Commission to serve as the vehicle for implementation of this report's recommendations. In particular, the committee should establish an event, perhaps to be called a demonstration day or agricultural fair, as a means of bringing together farmers and other individuals with an interest in promoting agricultural enterprises.

QUALITY OF LIFE SUBCOMMITTEE'S RECOMMENDATIONS

The Board of County Commissioners should promote recognition of the important contribution of community development clubs in the betterment of life in Madison County by designating a Community Development Club Day, wherein all participating communities are honored for their many activities.

In order to further expand the benefits of community organization and cooperation, the Community Development Club Steering Committee should actively pursue the creation of a club in each community in the county.

The Madison County Board of Education should request, and the Board of Commissioners should authorize, a school bond referendum to provide funds for improving school facilities in the county.

The Board of Education and the administrative staff should seek additional parent involvement in the development of curricula and programs in the schools as an essential part of the preparations for accreditation by the Southern Association.

The Council on Aging should lead other organizations in the county in a coordinated effort to recognize and meet the needs of the elderly in the community. Elderly citizens should be encouraged to remain active in their communities through volunteer activities.

Services to the elderly should be maintained and expanded as needed to insure that older people are able to lead an independent life as long as possible. An up-to-date directory of services available to the elderly should be maintained by the Council on Aging.

Services to families in need should

be improved through the creation of a Madison County Community Christian Ministry by the churches and other service organizations in the county. This Community Ministry could coordinate and expand on the types of assistance currently provided by Neighbors In Need and individual churches.

Families should also be supported through the expansion of services to dependent family members. Working families would benefit from a program of after-school activities in community schools and through expanded day care services. Elderly and handicapped individuals should have access to daytime activities, group home or respite care services in order to provide relief for the primary caregivers in these families.

The county commissioners should lead an effort to promote public appreciation and protection of Madison County's environment. Maintaining the quality of the environment is crucial to the economic growth of the county and the enhancement of the quality of life. The county should aggressively enforce the environmental protection provisions of existing ordinances and laws.

Improving the water quality in Madison County will result in numerous benefits in the areas of health, recreation and economic development. The Board of Commissioners should proceed with the implementation of the County 301 Wastewater Facilities Plan. Community groups should proceed with Streamwatch programs across the county to protect streams and to maintain the system of river access parks.

The county commissioners should

proceed with the development of solid waste collection centers throughout the county. A strict litter control anti-dumping ordinance should be adopted and vigorously enforced.

County agencies and the French Broad Electric Membership Corporation should encourage the development and application of new and alternative energy sources as a means of promoting community and economic development.

Madison County has made tremendous progress over the past decade in improving the quality and availability of health care. These agencies should be maintained and expanded to meet continuing needs. Health care providers should place added emphasis on the importance of preventative health practices as part of their public education efforts.

The ability of the county and volunteer organizations to react to emergencies in the community should be enhanced by the upgrading of equipment and training for the Emergency Medical Service. A coordinated plan for responding to natural disasters or man-made emergencies should be completed and implemented in the county.

Committee Members

AGRICULTURE AND FORESTRY SUBCOMMITTEE

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