

A Comprehensive Economic Development Strategy for the Isothermal Planning Region

Cleveland, McDowell, Polk, and Rutherford Counties

Prepared for the Isothermal Planning and Development Commission
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Center for
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Comprehensive Economic Development Strategy Committee

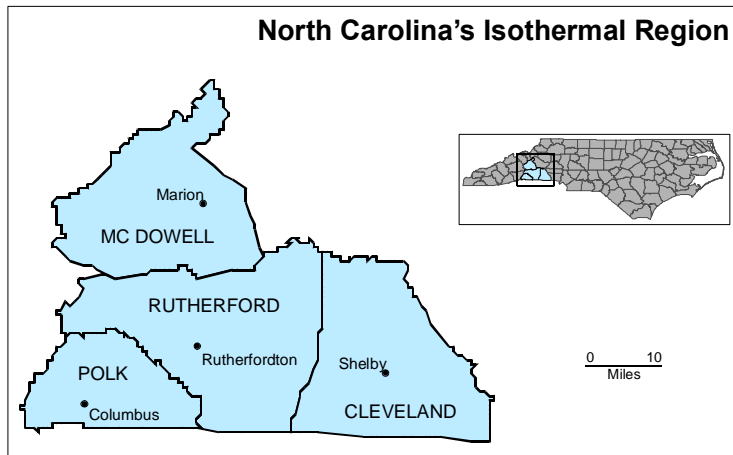
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Comprehensive Economic Development Strategy for the Isothermal Planning Region

Like many other regions in the US, the Isothermal region- composed of Cleveland, McDowell, Polk, and Rutherford Counties in western North Carolina- faces the twin challenges of technological change and globalization. The impact has been substantial on the region's economy resulting in rising unemployment rates and declining employment, especially much of the manufacturing sector. The economic downturn hit the region's textiles and furniture industries particularly hard. Unlike other regions, however, the Isothermal economy has not benefited from the substantial gains in service-based industries as potential replacement jobs nor has the region been successful in attracting knowledge intensive industries during the past several years. While many workers left the region to find work, many others simply gave up looking for a job. In large measure, the lack of highly skilled, educated workers reflects how ill-prepared the region is for the changes affecting the global economy and has created a competitive disadvantage for the Isothermal region.



In January 2005, a group of leaders in the Isothermal region embarked on a process to determine how best to turn the region's fortunes around. This process involved talking with many local stakeholders including focus groups with businesses in the region as well as discussions with elected and appointed officials. Through a series of brainstorming and decisions sessions, a committee of 25 leaders . the Isothermal Comprehensive Economic Development Strategy Committee . identified a number of actions that they felt would make the greatest difference in preparing the region for a more prosperous future.

The following sections of this report are focused on providing an in-depth background on the economic conditions facing the Isothermal region. It then identifies the most significant challenges facing the region as identified by local leaders. Finally, the strategy selects fourteen (14) actions that the CEDS committee felt would make the greatest difference in addressing those challenges.

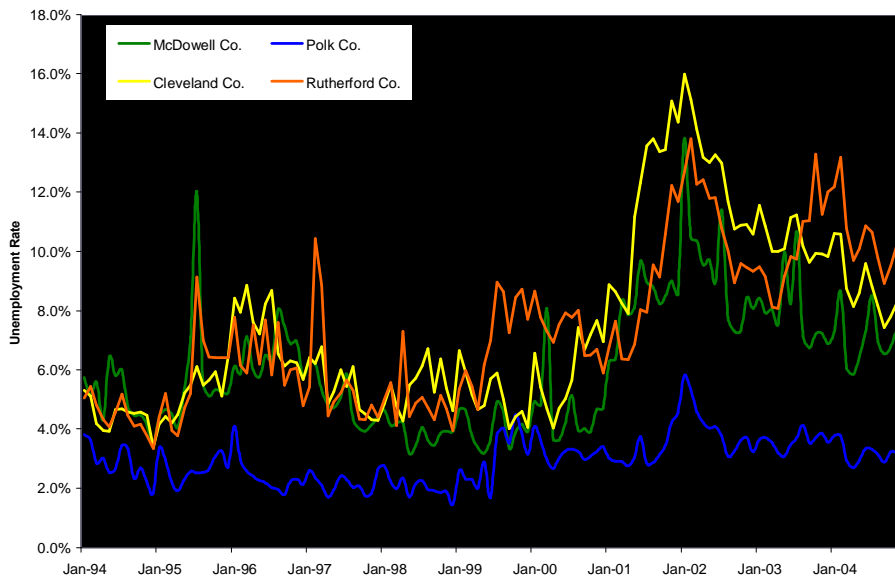
The Current Economic Situation

Throughout most of its recent history, manufacturing dominated the Isothermal region's economic landscape. At the peak of the region's manufacturing employment in 1994, manufacturing facilities employed two out of every five workers. The region was two times more concentrated in manufacturing than the state of North Carolina (one of the nation's most manufacturing-dependent economies) and three times more concentrated than the US as a whole. Even Polk County, not considered heavily manufacturing oriented, had a higher proportion of its workers employed in manufacturing facilities than the US average.

Today, even after losing one-third of the region's manufacturing jobs during the past decade, the Isothermal region still has one of four workers employed in the sector and is nearly 50 percent more concentrated in manufacturing than North Carolina and more than twice as concentrated as the US. Similarly, Polk County's economy still has as much manufacturing (as a proportion of local employment) as the US does.

The types of manufacturing operations in the region create a real dilemma for its future growth. The plentiful supply of low cost labor attracted many of the textile/apparel and furniture producers to the region, and those same price pressures are now forcing these producers to seek even lower-cost labor, which they are finding offshore. Since the national economic recovery began in 2002, textile/apparel and furniture manufacturing shed more than 2,500 jobs in the four-county Isothermal region. In 2002, they accounted for 38 percent of the local manufacturing jobs, but today they account for 27 percent. Even during this period when the news has generally

Figure 1: Monthly Unemployment Rate in the Isothermal Region, 1994-2004



Source: US Bureau of Labor Statistics

been bad for regional employment, a few manufacturing sectors such as transportation equipment, non-metallic mineral products and plastics & rubber products manufacturing have managed to add jobs during the past two years. But new jobs in these sectors have not been able to fill the gap of lost jobs in textile/apparel and furniture.

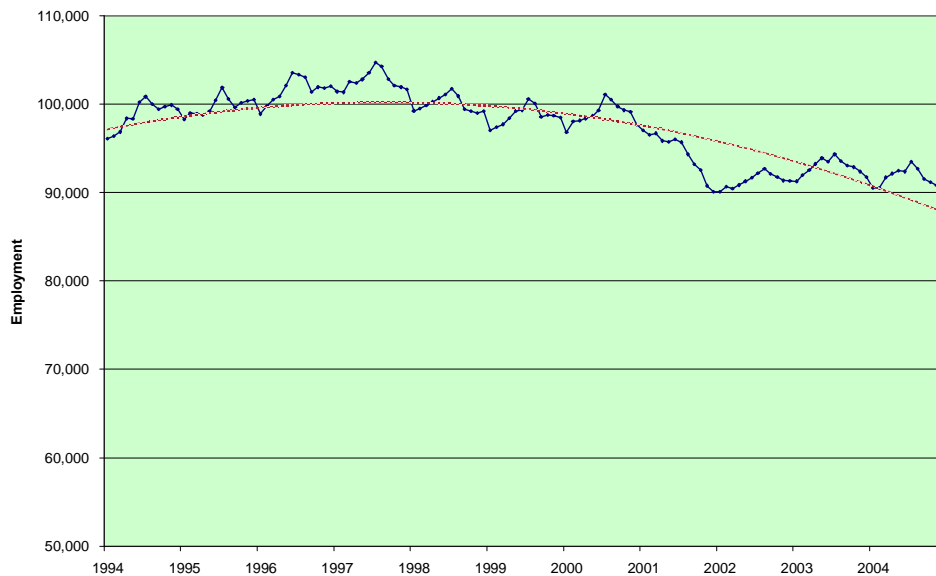
The challenges facing the textile/apparel and furniture mills are well documented in the media. Many of the mills in the region laid off significant numbers of employees or have closed altogether. The result has been a burgeoning unemployment rate. Figure 1 shows the unemployment rate in each county since 1994. Although subject to the economy's ebbs and

flows, unemployment went up significantly from 2000 to 2002. In January 2002, unemployment reached as high as 16 percent in Cleveland County and 14 percent in McDowell and Rutherford Counties.

By the end of 2004, the situation had stabilized to some degree as unemployment rates in all four counties were back into the single digits. Polk County's unemployment rate, while never rising above 6 percent had fallen to slightly more than 3 percent. At first glance it would appear that the region's economy had turned the corner. However, there are several reasons to remain cautious. The most important reason is that total employment did not increase with the falling unemployment rates. Figure 2 shows that regional employment trended downward over the past ten years. Although the unemployment rate declined, there are fewer people in the workforce today than there were in January 2002 when unemployment reached its height. In January 2002 there were 90,110 people employed in the region, but by December 2004 that number had fallen to 89,958. Moreover, this has all occurred during a period when overall employment grew nationwide.

Several factors explain the divergent trends of population growth and shrinking employment. First, workers may be leaving the labor force and are no longer being officially counted as unemployed. These discouraged workers are part of the long-term unemployment. Second, people are aging out of the workforce, taking an early retirement. Third, workers may be going to work for themselves as proprietors of their own establishments. Fourth, workers may be leaving the area, migrating to other communities or states. Fifth, workers may be looking to nearby metropolitan areas for increased employment opportunities. The number of residents employed in the Charlotte and Spartanburg metro areas doubled during the decade of the 1990s, according to the US Census Bureau.

Figure 2: Isothermal Employment Trend, 1994-2004



Source: US Bureau of Labor Statistics

Long-term unemployment occurs when unemployed workers do not find work before their unemployment insurance benefits expire. In short, they are considered to have stopped looking for work and are therefore no longer considered part of the workforce. As a result, they are not included in the unemployment figures. No data exist to identify the exact number of people that fall into this category. However, because the region's labor pool includes a large number of individuals with low educational attainment levels, one could speculate that the number of

discouraged workers is significant. In 2000, 28 percent of the population above age 25 was without a high school degree. This was substantially better than in 1990, when 38 percent of the population had no high school degree. Since it is difficult to identify well-paying careers that can accommodate a large number of individuals without a formal education, it is likely that these individuals (especially older workers) have dropped out of the workforce while waiting for improvement in the job market. Burgeoning community college enrollment across North Carolina suggests that many individuals have used the opportunities of extended unemployment insurance to go back and complete their degrees and to gain other training. Others have resolved themselves to doing odd jobs or participating in the informal economy as a strategy for getting by until they are old enough to retire.

Older workers are a particular challenge for the region as the population's average age continues to rise. Older workers are likely to take early retirement rather than undergo re-training for new jobs. While the proportion of the local population aged 65 or more has remained relatively constant at about 15 percent, the proportion of the population aged 50 to 64 is expected to increase from 17 percent in 2000 to nearly 20 percent by 2010.

Figure 3: Pre-retirement Population in the Isothermal Region



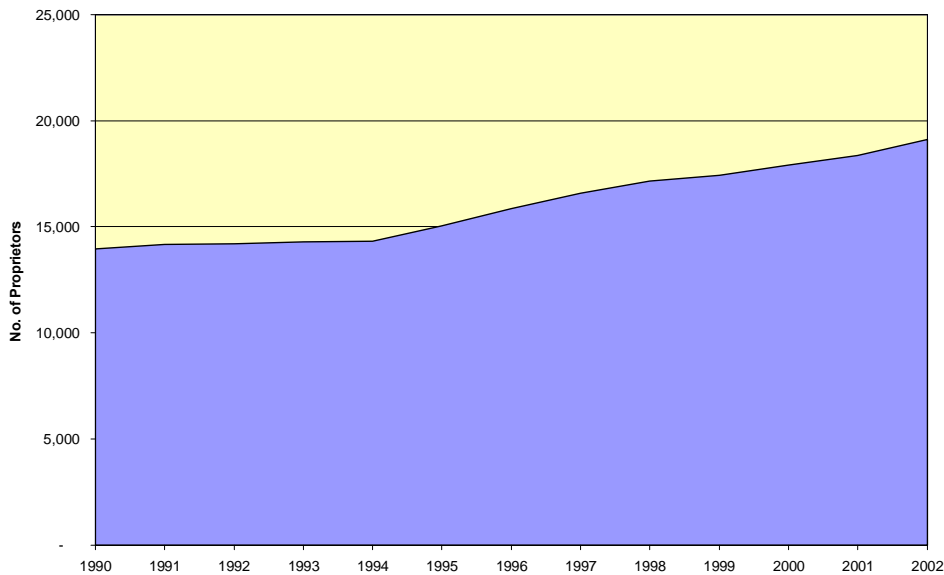
Source: North Carolina State Data Center

In addition to growing older, the region's population is becoming slightly more ethnically diverse. This is largely driven by the growth in the region's Latino population. According to the US Census Bureau, the Latino population grew by over 3,400 people between 1990 and 2000. This increase represented 12 percent of the region's total increase in population. While the largest number of Latinos live in Cleveland County, as a percentage of the population the largest increases were in McDowell and Polk Counties. It is likely that this immigration is contributing to the challenges facing the region as it tries to absorb lower-skilled workers, many of whom do not communicate in English well. Conversely, the region's African-American population, as a percentage of total population, declined slightly from 14 percent in 1990 to 13.7 percent in 2000. This figure varied across counties with the percentage of African-Americans decreasing in Polk County, and staying roughly the same in Rutherford, McDowell and Cleveland Counties. Almost two-thirds of the region's 30,000 African Americans live in Cleveland County where many of the factories that provided these families with a livelihood have closed or significantly reduced employment.

Any discussion of the Isothermal region must acknowledge the unique nature of Polk County's culture and economy. While the Isothermal region is primarily a manufacturing dominated economy, Polk County differs from the rest of the region in a number of ways. The County has the smallest number of residents and the smallest economic base. Socially, the county is older and is attracting in-migrants at a faster rate than the other three counties. Nearly one in four residents moved to Polk from a different county between 1995 and 2000. That is two times the rate of Rutherford County and nearly 70 percent more than in McDowell or Cleveland. Many of these new residents are retirees and pre-retirees. The median age of county residents is 46, nearly 7 years older than the rest of the Isothermal region and 10 years higher than North Carolina's statewide median. In 1990, Polk County was North Carolina's oldest county. In 2000, it had fallen to 9th but approximately 25 percent of its population was over the age of 65. About one in four Polk households have some retirement income, as compared with 16-17 percent for the other three counties (and North Carolina as a whole). Projections of future growth in Polk County suggest that the county's population will continue to age, but at a slower rate than the rest of the region. By 2020, Polk County's median age is expected to be only slightly higher than the rest of the region.

When they cannot find a job, many workers create their own job. One might assume that as employment has shrunk and unemployment increased that many more workers would turn to creating their own business. Since 1994, the region has seen about 5,000 new proprietorships

Figure 4: Isothermal Proprietors



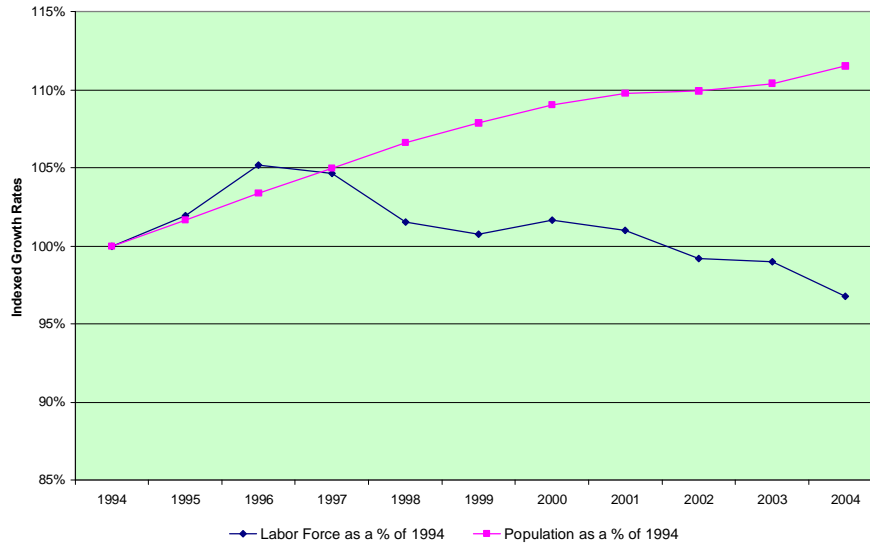
Source: US Bureau of Economic Analysis

created. A distinct increase in the growth in proprietorships corresponds with the peak and subsequent decline in manufacturing employment. This phenomenon is particularly important to Polk County where, in 2000, about 11 percent of local residents earned self-employment income. By comparison between 5 and 8 percent of residents from other Isothermal counties earn self-employment income, about average for North Carolina.

In addition, it is possible that some former manufacturing workers are leaving the area. However, evidence suggests that this may not be the case. First, the region's population continues to grow albeit more slowly than the population growth rate in the rest of the state. Between 2000 and 2005, the counties of the Isothermal region added 8,100 new residents, a 3.7 percent increase. That growth rate is less than half the rate for North Carolina, which grew at 8.2 percent. However, few residents appear to be moving from the state or even the region. According to data from the Internal Revenue Service, approximately 1.5 to 2.5 percent of the local

population moved out of their respective counties between 2001 and 2002. In all four counties, the largest movement was to the county immediately to the east, reflecting the draw of the Charlotte metro job market on the local labor force of Cleveland, Rutherford, and Polk Counties. For McDowell, the modest shift that occurred was toward the Hickory metro area. Figure 5 shows the continued growth in population despite the relative decline in employment opportunities since the mid-1990s.

Figure 5: Isothermal Region Labor Force, Population Indexed to 1994



Source: North Carolina State Data Center and US Bureau of Labor Statistics

Clearly, existing residents must work somewhere if employment and unemployment rates continue to decline while population increases. The final explanation to consider is that more residents find work outside of the region. Some people are traveling further to work to Greenville-Spartanburg, for instance, and therefore are not included in the region's employment. The 2000 Census shows that 5,279 Isothermal residents regularly commuted to eight South Carolina counties near the North Carolina border. This represents an increase of 32.4 percent since 1990. Naturally the biggest gains were among Cleveland and Polk County residents, but there were approximately 140 more people from Rutherford County commuting to South Carolina during the same time period. Overall, most cross-border commuters were from Polk, Cleveland and Rutherford Counties. This phenomenon is most common in Polk County where 1,947 residents commuted to South Carolina. This figure represents 23.6% of all workers living in Polk County. Most of these cross border commuters are traveling to Spartanburg County, although over 1,000 Cleveland commuters are traveling to Cherokee as well. The increased commuting is not occurring just southward. Likewise, many Isothermal residents commute into the Charlotte metropolitan area. The 2000 Census indicates that 3,219 people commuted from the Isothermal region to Mecklenburg County. This represents a 120 percent increase from the 1,468 Isothermal residents that commuted to Mecklenburg County in 1990. Almost 85 percent of those people were residents of Cleveland County, with another 12.8 percent commuting from Rutherford County.

Local Industry and Occupational Mix

According to US Census data, production workers account for nearly 30 percent of the region's workforce (but only 19 percent of Polk County's labor force). This concentration is about 50 percent greater than the statewide average of 19 percent. The existing skill base of production occupations will be important to whatever economic development strategy regional leaders seek to develop.

Building on research currently underway by the Western Piedmont Council of Governments, CREC identified possible industries and occupations where future economic growth may occur in the region. The WPCOG study identified several industries that possessed a weekly wage greater than the state average and that were projected to grow nationwide in the future. CREC built on these data by assessing which industries were more highly concentrated locally than might be expected (and thus may have a competitive advantage in the region).¹ CREC further identified key occupations for each of these competitive industries to determine which occupations are likely to grow based on projections prepared by the US Bureau of Labor Statistics and the North Carolina Employment Security Commission.

CREC identified 14 industries, including ten manufacturing industries that merit further attention. These industries, listed in Figure 6, pay better than average wages, are highly concentrated in the region, and have grown or held steady during the past several years despite the overall decline in local employment. Ten of these 14 industries are in manufacturing, but the two industries that employ the most people are in healthcare- Hospitals and Offices of Physicians. These 14 industries represent 15 percent of total employment in the region and will be important drivers for future economic growth.

Figure 6: Potential Growth Industries

Name	Employees (1st Qtr. 2004)	LQ	Weekly Average Wage	% of Average	Projected Yearly Growth
Hospitals	2,782	1.10	\$651	127.9%	1.4%
Offices of Physicians	1,230	1.02	\$894	175.6%	3.3%
Glass & Glass Product MFG	1,116	16.36	\$854	167.7%	-0.1%
Other Household & Institutional Furniture	1,055	7.81	\$534	105.0%	1.2%
Warehousing & Storage	964	3.07	\$626	122.9%	2.5%
Other Transportation Equipment MFG*	955	40.29	\$850	166.9%	0.1%
General Freight Trucking	850	1.54	\$567	111.3%	2.4%
Metal Valve MFG*	731	12.54	\$636	124.9%	-0.3%
Motor Vehicle Body & Trailer MFG*	586	6.35	\$612	120.2%	1.1%
Cleaning Compound & Toiletry MFG	563	8.45	\$818	160.6%	0.3%
Other Plastic Product Manufacturing	562	2.54	\$524	102.9%	1.5%
Turbine & Power Emission Equipment	542	9.81	\$1,100	216.1%	0.0%
Electrical Equipment MFG*	457	5.04	\$912	179.1%	0.2%
<i>Source: WPCOG and CREC</i>					

As is the case in many regions across the country, the health care industry is a particularly important local employer and a key service that the region will need in order to attract retirees and pre-retirees as well as respond to an aging workforce. All four counties have a significant share of employment in healthcare, but the concentration is greatest in Polk County reflecting its relatively older population. Occupations associated with health care require workers with a wide range of educational backgrounds and experience. For instance, occupations associated with

¹ CREC used a location quotient to determine concentration. This calculation looks at employment in a local industry as a proportion of all employment and compares that ratio to the proportion of the national industry employment to all US employment. If the local ratio is larger than the national ratio, then the industry is said to be more concentrated locally.

hospitals include Registered Nurses, Radiological Technologists & Technicians, General Office Clerks, Nursing Aides, Orderlies & Attendants, and Maids and Housekeeping Cleaners. Doctors' offices include many of these occupations, in addition to jobs like Receptionists & Information Clerks, Medical Secretaries, and Medical Records & Health Information Technicians. As illustrated in Figure 7, many of these occupations require at minimum an Associate's degree, but many others do not. They, therefore, represent a clear opportunity for many people in the region. In fact, our rough occupational projections show that within all these key industries, the occupations in greatest demand will be Registered Nurses and Nursing Aides, Orderlies & Attendants.

Figure 7: Potential Growth Occupations

Occupation	Number in Region C (2005)	Projected Growth 2005-2010	Entry Level Wage	Average Wage	Required Education
Registered Nurses	1,240	126	\$38,305	\$43,887	Associates Degree
Nursing Aides, Orderlies & Attendants	1,375	116	\$15,750	\$19,548	Short-Term OJT
Maintenance & Repair Workers, General	1,390	86	\$21,450	\$29,885	Moderate-Term OJT
Packers & Packagers, Hand	1,340	74	\$14,246	\$18,461	Short-Term OJT
Truck Drivers, Heavy & Tractor-Trailer	690	50	\$19,880	\$35,606	Moderate-Term OJT
Laborers & Freight, Stock & Material Movers, Hand	1,870	48	\$16,190	\$22,276	Short-Term OJT
Receptionists & Information Clerks	410	45	\$13,787	\$18,311	Short-Term OJT

Source: NCESC

In addition to healthcare-related industries, two other industries offer interesting opportunities for the region: transportation and logistics. Warehousing & Storage and General Freight Trucking may provide important sources of future employment, especially for low-skilled workers. Cleveland County has the largest and most concentrated Warehousing & Storage Industry in the region. Almost 80 percent of all employment in the region is found in Cleveland County, due in no small part to the presence of Wal-Mart's Shelby distribution center. The region offers good access to the Southeast and therefore is well positioned for future growth. Upgrading US 74 to Interstate status would make the region an even more attractive place for logistics-related activities further to the west in the region. The occupations most associated with these industries include Hand Packers & Packagers, Hand Laborers & Freight, Stock and Material Movers, and Heavy & Tractor Trailer Drivers. These occupations primarily require people to have either short or moderate-term on-the-job training (OJT). As a result, they seem to present opportunities for people in the region who may have been displaced by the decline in manufacturing. It is, however, important to note that while these occupations do not require extensive experience, they do require people to have some basic competencies. For instance, forklift drivers working in warehouses must possess basic computing skills as well. Moreover, some truck drivers require specific certifications in order to drive their trucks.

Despite its historic declines, manufacturing will remain an important part of the local economy. In 1997, manufacturing accounted for 40.2 percent of all employment in the Isothermal region as compared to 14.3 percent nationwide. Despite the recent and steep decline in manufacturing, this sector still represents 28.4 percent of the region's employment but only 11 percent nationwide. This dependence on manufacturing is particularly true not just for McDowell

where manufacturing is still over 40 percent of the current employment base, but also for Rutherford and Cleveland Counties where manufacturing accounts for approximately one in four jobs. Textiles and Furniture still employ a substantial number of people throughout the region, albeit much fewer than 10 years ago. The manufacturing jobs most at-risk now are those in cost-driven industries that pay high wages to low-skilled workers. The twin forces of off-shoring and automation will lead to further declines in those industries employment figures. The question is which of the jobs in these at-risk industries will remain and how can business retention and incumbent worker training be deployed to ease the continued transition.

Beyond the region's traditional dependence on textile and furniture manufacturing, opportunities still abound in other manufacturing industries including Chemical and Plastics manufacturing. Within the Chemicals Industry, Pharmaceutical & Medicine Manufacturing appears to be most promising. However, most of the employment in this sector is found in McDowell County with the greatest success being Baxter Labs. The question is whether this single company can become the anchor in building a broader and deeper cluster of related production activities.

Much like the logistics-related industries, there are opportunities available in other areas of manufacturing as well, but careers will involve a new set of skills. Workers are able to undertake multiple tasks, learn new production techniques, participate in teams, and operate a wide array of specialized equipment. Consequently, the manufacturing jobs in greatest demand are in occupations like Machinists and General Maintenance & Repair Workers. These occupations require people to understand a variety of technology-intensive machines and to possess problem-solving and analytical skills. Thus, industrial machining and related engineering skills will become critical as the region's manufacturing base evolves.

In addition to the manufacturing and services activities, agricultural activities also contribute to the region's economy. Figure 8 shows the total farm-related employment in the Isothermal Region. Cleveland County possesses the largest agricultural workforce in region in an absolute sense. Overall, agriculture represents roughly the same proportion of the workforce in each county, with agriculture accounting slightly more than 2 percent of Cleveland and Polk County's employment and slightly less than 2 percent in McDowell and Rutherford County. Within the agricultural sector there are opportunities for high value-added activities.

Figure 8: Agricultural Employment in the Isothermal Region

County	Total Farm-related Employment
Cleveland	2,126
McDowell	706
Polk	421
Rutherford	1,145
Total	4,398

Source: Bureau of Economic Analysis

The equine industry, particularly in Polk County, deserves attention as it is unique to the region and may offer a competitive advantage. In 1996 the North Carolina Department of Agriculture & Consumer Services conducted a survey of the state's equine industry. The four counties of the Isothermal region possessed a total of 6,100 horses with a combined value of over \$24 million. This is a substantial number of horses, but their average value (\$3,986 per horse) fell slightly below the state average of \$4,038. However, when these numbers are disaggregated, Polk County proved exceptional. The county's 1,500 horses were valued at over \$11 million, for an average value of \$7,339 per horse. That average trails only Robeson and Cabarrus counties. Clearly, Polk County's equine industry is worth exploring as an important opportunity for further economic development, especially when linked to the idea of attracting new residents and tourists who are interested in equestrian sports. The county's two venues- the Foothills Equestrian Nature Center (FENCE) and Harmon Field, attract equestrian competitors and visitors from throughout the Southeast.

Drivers for Success

The Isothermal region is making the painful transition from dependence on a large number of commodity manufacturers using local low-cost labor as their competitive edge to reliance on fewer companies that have developed niches in the global marketplace. While the number of workers in manufacturing will likely increase modestly during the next few years, production workers as a proportion of overall employment will likely continue to shrink as other parts of the economy grow more rapidly. Still, manufacturing will continue to be important to western North Carolina while expanded use of off-shore production reduces business labor costs. Even in the parts of manufacturing that remain in North Carolina; few net new jobs will be created as firms utilize automation to produce more with fewer workers. For the Isothermal region, employment growth will greatly depend on the service-providing sector and support industries such as distribution, financial services, business services, and so forth where the most valuable workers use technical skills to provide value-added knowledge.



Successful firms . in any industry . are becoming more knowledge-driven as they develop new products, adopt new production processes, and seek new market opportunities. Businesses that fail to adapt find it difficult to compete. No matter whether the new jobs are in manufacturing or services, workers will need a dramatically different set of skills than they used in the past. Where firms continue to rely on low-cost, low-skill workers to undertake repetitive tasks, the jobs will continue to move off-shore. Where firms integrate automation into these tasks, fewer people managing increasingly sophisticated machinery will be required. The firms that remain will have a competitive advantage because their workers will be creative, innovative, flexible, skilled, and culturally savvy in continuously improving and refining the product being made.

Because workers in the Isothermal region were educated, trained, and acculturated to a traditional commodity production mindset, it will take some time to adapt. In the meantime, the result is a large number of idle manufacturing workers seeking to find their place in a new work environment in which the jobs being created require either more extensive technical skills (for relatively higher wages) or minimal service-related skills (for markedly lower wages).

Unfortunately, local companies are not creating jobs fast enough to replace those being shed in the manufacturing sector. The local textile industry provides a textbook example of the shifting global marketplace and the changing role of the US as a manufacturing center in the global economy. Many textile firms have continued their traditional business model . seeking low-cost labor to make commodity goods. Because even the lowest US wages are relatively high compared to developing countries and because transportation and information costs have declined precipitously, manufacturers have out-sourced much of their commodity production activities to far-away places: China, Jamaica, Mexico, and the Philippines. The remaining US textile firms have survived by moving into the industry's higher value-added elements. That means that they have either found niches in customized manufacturing or they have shifted to become marketing and distribution arms for off-shore production.

This is leaving local workers the option of remaining idle or looking outside the region for job opportunities. If local workers are to find local work, then local leaders will need to embark on new strategies and tap a different set of resources. To prepare for this new economy, regional stakeholders must work collaboratively to create new innovative economic development strategies. These strategies should encourage firms with knowledge-intensive activities more so than cost-driven firms.

Successful knowledge Economy companies succeed because they (1) innovate AND (2) apply innovation to traditional products, processes, or services. These successful companies are smart producers because they integrate knowledge processes into the production of goods and

services. They require people and infrastructure that in ways that go well beyond the traditional considerations of roads, rail, and ports. Infrastructure in the knowledge economy also includes people resources and innovation from research. In this environment, the most valuable workers are those whose knowledge forms an important part of a company's intellectual capital. Telecommunications is critical in this environment because it represents a tool for transmitting data, information, and knowledge over a distance. Therefore, a region's assets for wealth creation are its people, its urban centers (where people congregate and create), and its colleges and universities (where people learn and innovate).

Five factors are critical to success in knowledge economy regions. These factors should be cultivated and expanded systematically:

Knowledge Capacity

The region's traditional role as a manufacturing center has created tacit knowledge about production techniques among the local workforce that would serve certain manufacturing sectors. In addition, the region has a tradition in the Blue Ridge Mountain Craft and Folk Arts. This tacit ability is an important asset for the region, but it is insufficient without providing workers with access to lifelong learning and innovation beyond their high school years and beyond their current set of skills. Concentrations of higher education resources become critical elements of the region's inventory. The Isothermal region has only a few of these assets. It has three aggressive community colleges that are willing to collaborate to address local needs. Gardner-Webb University is another resource that is redefining its mission and its competitive position in the education industry. Not far away is the Applied Textiles Center in Gaston County . which could be a critical asset for the region's textile industry. In addition, even though the materials testing center at Isothermal Community College has experienced a slow start, it remains a potentially important asset if utilized effectively.

Urban/Metro Amenities

The region offers a friendly, safe and scenic place that could appeal to new and existing residents ranging from telecommuters to small entrepreneurs to retirees from around the country. This is important because knowledge workers tend to congregate in or near cities and metro centers where demographic diversity, business infrastructure, cultural institutions, and the ease and frequency of people interactions all support creativity in the human resource and business base. The region is paying attention to this issue in the form of its investments in the Shelby Uptown and the main streets of Forest City, Rutherfordton, Marion, Tryon, and Columbus. Yet, these are but a portion of the assets that are nearby in Charlotte, Spartanburg, and Asheville. These assets should not be considered competitors, but instead incorporated into any strategy to enhance the Isothermal region's economic future. Such a strategy would build on existing key transportation corridor routes (US 74, I-26, I-40, US 221) as well as the planned investments in the coming years that could significantly improve access to Charlotte and Spartanburg.



Natural Amenities

The region is well endowed with a number of historical sites, including the Overmountain Victory National Historic Trail, King's Mountain, Chimney Rock, Lake James, and the nearby Blue Ridge Mountains, that could be the basis for building success based on the region's amenities. Lifestyle choices for knowledge workers increasingly include access

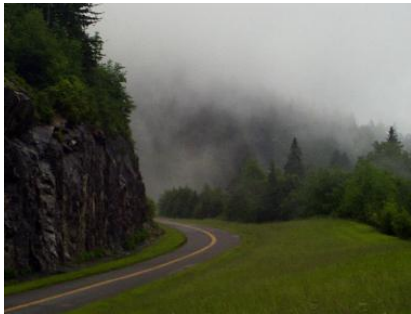
to nature in the form of water, mountains, parks, lakes, wooded terrain, and other opportunities that provide a diversion to creative people from their daily routines.

Tolerance for Risk

Because knowledge is frequently difficult to value, reservoirs of capital and entrepreneurial talent are required to create the kind of dynamic environment in which knowledge-oriented economic activity can thrive. The challenge of survival has perhaps changed the perception of local residents toward risk-taking. Many manufacturing dependent regions are risk-averse, preferring to rely on the jobs available at the factory rather than taking a chance on entrepreneurial opportunities. With the steep decline in available work in the Isothermal region, more local self-employed proprietors appear to have emerged. The question is whether these efforts have the ability to create new wealth for the region. do they result in enterprises that sell goods or services outside the Isothermal region? The data is incomplete on whether these firms are local serving firms or %export-oriented,+but they offer a potential new avenue for fostering economic prosperity.

Scale

Increasingly, economic interactions occur within larger geographic areas and market competition among regions occurs on a global level. Companies are finding that profits are best found in smaller niches of their marketplace so they must seek customers farther from home to gain enough business to be successful. A region known as a world-class source for a product or service can provide a critical competitive advantage in such a marketplace. Certainly, no single county in the Isothermal region has the complete complement of assets on which to build successful economic development strategies in



such an environment. Sharing these assets provides the greatest opportunity for success in the region. The Isothermal Planning and Development Commission represents an important independent convener organization for the four counties for this and related purposes. In fact, the counties of the Isothermal region may need to look beyond their boundaries to make any significant achievements in changing the region's economic condition. The region's location provides access to the Charlotte, Asheville and Greenville-Spartanburg metropolitan areas, but to date has not been subsumed by these areas.

Summary of Key Challenges to Moving Forward

The CEDS Committee identified a number of key challenges that the region must address in its comprehensive economic development strategy. This section enumerates those challenges as a way to organize the region's plan of action.

Continued transition from a traditional manufacturing base

The Isothermal region is losing employment while gaining population. The aging population suggests that some of this gain is from retirees moving to the area, but the lack of economic opportunity has slowed local population growth below the state average. The losses in textile/apparel and furniture will likely continue, and there appear to be no clear replacement industries. Growth sectors in back office and logistics do appear to be sufficient. Increasingly, people in the area are looking beyond the county boundaries for job opportunities.

Slowing the exodus of enterprises and encouraging success

The region's job loss is due in large part to the changing economics of doing business in the US, but it is also due to the fact that many local companies have not yet adapted to the changing demands of the new economic climate. Expansion and retention efforts have been fairly limited, and only limited links exist to small business and manufacturing assistance programs.

Key opportunities in certain industries and occupations

Health care, logistics, automotive components, and pharmaceutical manufacturing have been growing in the area even while the rest of the economy has struggled. Firms in these industries need drivers, package handlers, production workers, and administrative support professionals.

Educational attainment limits opportunities

Low educational attainment levels have resulted from the region's dependence on traditional industries. The tacit knowledge from work in these manufacturing sectors is fast becoming obsolete. Dislocated workers suffer not only from lack of employment, but also from the missed opportunities to learn new skills relevant to a changing workplace.

Managing future growth

With planned improvements to US 74 and the continued expansion of the Charlotte-Gastonia-Rock Hill metro area, development pressures will increase along the corridor, especially in the eastern part of the Isothermal region. Likewise, Polk is seeing development pressures from Spartanburg to the south and Asheville to the north, especially from retirees moving into the area. This growth will impact the region's urban centers by expanding infrastructure demands.

Current infrastructure investment strategies do not address regional concerns

Water and wastewater investment decisions are made at a local level, and this system of managing these services is not likely to change . despite the recent drought. Big ideas for solving water shortage issues are not yet likely to be implemented. For transportation decision-making, the counties are almost completely dependent on decisions in Raleigh. Only a few local organizations have been strongly advocating regional telecommunications and broadband concerns . because it has not been widely viewed in the past as a priority.

Growing proprietorships with a limited support network

The region is seeing growth in the number of proprietorships, but it is not clear whether they are a source of new economic opportunity. Local residents prefer to work near their homes, but there are limited efforts available to support that effort. There is also very little information about how much of an impact these types of enterprise might have on the region's overall economy. Some industries, such as travel and tourism, represent an important, potentially under-tapped opportunity.

Vision and Goals

The leadership of the Isothermal region recognizes and embraces change in the region. In an effort to shape the region's future prosperity, Isothermal leaders wish to build a more highly skilled populace, more creative and innovative firms, a broader mix of industry, and communities in which local residents can live prosperously while embracing small town values.

Skilled People

The success of the Isothermal area depends on the region's ability to prepare, attract, and retain skilled people in the area. These skilled people will constitute a future workforce composed of well-trained and more highly educated labor, capable of working in advanced manufacturing and knowledge-intensive industries. While these industries will include traditional industries (such as furniture and apparel) working in non-traditional ways, regional leaders also expect to support the emergence of new industries. The region's three community colleges and Gardner-Webb University will make strong contributions to the region's economic development, workforce training, literacy, and entrepreneurial activities. The region will also include new residents who bring an entrepreneurial spirit and love of a small town lifestyle. In preparation, Isothermal residents and leaders alike will promote and value a strategy of life-long learning among the entire workforce, and make education and training a priority for all citizens in the participating counties. The citizens of the Isothermal region will recognize that to achieve a skilled workforce, the region will need a wide variety of talents that may come from other places or social backgrounds . including and especially the growing Hispanic, Asian, and African American workforce. The area's leaders embrace this social and cultural diversity because the region's collective future depends upon the individual success of all residents.

Innovative Firms

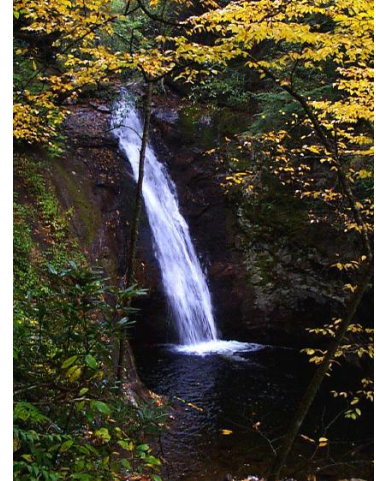
Recognizing the impacts of the global marketplace and consequent competition, the Isothermal region will encourage . in whatever way possible . innovative firms capable of competing successfully in world markets. Firms in the region's traditional industries will adapt to the changing marketplace, invest in new technologies and work processes as well as find new market niches or new product lines. These firms will recognize that they cannot compete on price, but must instead identify market niches in which they can compete on quality, timeliness to market, and originality. Emerging new companies will germinate in the area and compete as effectively for business in Europe and Asia as they do in the domestic US marketplace. By encouraging these existing industries to take advantage of innovative technologies and best practices, the Isothermal region can create wealth that will benefit the entire community.

Economic Diversity

The Isothermal region was once too dependent on a very limited number of manufacturing industries. In the future, the region will have a more diverse economy that will help insulate the community against future economic downturns. The region will grow its economic strength in globally competitive industries . including among targets of advanced manufacturing, manufacturing-related producer and distribution services, entrepreneurial enterprises, and selected service sectors such as health care, distribution, automotive parts and pharmaceutical manufacturing, as well as tourism and retirement-related industries. With more growing companies, relocated firms, and entrepreneurial start-ups in these industries, the Isothermal region can develop a diverse economic base that will provide jobs, wealth, and a sound tax base to ensure prosperity for current and future residents. This will ensure that the region is less vulnerable to future downturns that may affect a single industry or cluster of industries.

Attractive Places

The Isothermal region is near the Charlotte, Spartanburg, Asheville and Hickory metro areas, but it will retain many of the small town/rural qualities that complement these metropolitan places. The communities within the region will have thriving downtown areas with filled storefronts and complementary community services that make these appealing places to live and work. These prosperous communities will become more of an attractive place for people who wish to take advantage of the region's character in building a prosperous life or in finding a place to vacation or retire. A part of this effort will be aimed at appealing to the next generation of residents to ensure that the Isothermal region has economic, social, and recreational opportunities for its future citizens. The nearby urban centers provide easy access for the community to a wide variety of well-developed urban amenities, such as theaters, concert halls, museums, and up-scale restaurants, but we wish our region to be distinct from these larger urban places. By integrating and building on these nearby resources as part of local assets, the Isothermal region can more readily appeal to knowledge workers, retirees, and travelers most interested in these amenities. At the same time, the region has relatively easy access to heritage, natural and outdoor amenities, such as the Blue Ridge Mountains, area lakes, parks and trails, and our regional crafts heritage. The region will protect these assets at the same time that it takes full advantage of the economic opportunities they (and related assets) offer. From the region's unique location, the Isothermal area can cultivate local micro-metropolitan assets as centers of economic and cultural activity in this part of North Carolina while acknowledging how important the region's green space and natural assets will be in attracting future workers, residents, and visitors.



To achieve the region's goals for economic prosperity, local leaders recognize that they must come together in new ways . by talking about common problems and developing collaborative solutions. To accomplish this, the region recognizes the need for new regional institutions that build on the existing network of organizations and provide forums for area citizens to take on significant challenges together. By sharing these individual resources . combining them in some cases and creating strategic alliances in others . leaders and citizens alike will be able to attain significant change in the Isothermal region.

The following section summarizes several key actions that the CEDS Committee has agreed to take in order to improve the prospects for the Isothermal region to attain the vision of its leaders as set forth in this document.

Enhance the Region's Connections to the World

Challenge:

The region lacks critical components of an infrastructure capable of competing in an increasingly global economy.

Strategy:

Advocate for improvements to the region's transportation and telecommunications infrastructure.

Goal:

Reduced time required to move goods and information across and throughout the region.

Action Item and Participating Organizations:

Action Item 1: Advocate for 4-laning of US 221 (from I-85 through McDowell)

- Ongoing efforts
 - This project is currently within the planning/design phase within the North Carolina Department of Transportation's (NCDOT) Transportation Improvement Plan (TIP), but progress depends on funding decisions made by the NCDOT.
- Participating Organizations
 - The Isothermal Rural Planning Organization (RPO)
 - County transportation and economic development organizations
 - NCDOT
 - SCDOT
 - Spartanburg MPO
- Primary Actions
 - Advocate for maintaining or advancing the project's current schedule for completion.
 - Organize and support community efforts to demonstrate broad based support for the project.
- Metrics for Success
 - Funding and construction begun by 2009.
 - Project completion by the end of 2015.



Action Item 2: Track Progress of US 74 from I-85 to I-26

- Ongoing efforts
 - This Shelby bypass is currently within the planning/design phase within the North Carolina Department of Transportation's (NCDOT) Transportation Improvement Plan (TIP), but progress depends on funding decisions made by the NCDOT.
 - The US 74 / I-26 interchange is currently scheduled for a feasibility study within the North Carolina Department of Transportation's (NCDOT) Transportation Improvement Plan (TIP), but progress depends on funding decisions made by the NCDOT.

- Participating Organizations
 - o The Isothermal and Lake Norman Rural Planning Organizations (RPOs)
 - o County transportation and economic development organizations
- Primary Actions
 - o Advocate for maintaining the project's current schedule for completion.
 - o Establish a task force of decision makers to organize and support community efforts to demonstrate broad based support.
 - o Create a Joint RPO taskforce that could engage the private sector to actively advocate on behalf of US 74 projects
- Metrics for Success
 - o Secure funding and begin construction on Shelby bypass by 2009
 - o Completion of the Shelby bypass project by the end of 2015.
 - o Inclusion of the US 74 / I-26 interchange in the 2009-2015 TIP
 - o Completion of the US 74 / I-26 interchange by 2015



Action Item 3: Create support for investment in high speed internet access and training

- Ongoing Efforts:
 - o Efforts (e-Rutherford, e-Polk, Pangaea, etc.) are currently underway to increase the availability of broadband access throughout the region.
- Participating Organizations
 - o Advantage West
 - o Educational Research Consortium of Western Carolinas
 - o County e-Champions
 - o ISPs and exchange carriers: Time Warner (Cleveland, Rutherford), Charter Communications (McDowell, Polk), Country Cablevision (McDowell), Verizon (McDowell), Alltel (Polk), Bellsouth (Polk, Rutherford), Northland (Polk, Rutherford), IBR Corp. (Rutherford)
- Primary Actions
 - o Advocate to private sector about the opportunities to roll out high-speed internet in the region
 - o Advocate for wireless internet access where cable or DSL service is not feasible
 - o Find grants to subsidize improving broadband access in rural communities
- Metrics for Success
 - o Increase broadband coverage from 60 percent to 80 percent of businesses, institutions and households by 2008 (involves providing access to 17,000 more households).



Build a 21st Century Workforce

Challenge:

The current workforce does not possess adequate educational attainment levels and the skill sets necessary to compete for high-paying jobs.

Strategy:

Increase the demand for education and training through changes in local culture and better information about available resources.

Goal:

A workforce capable of performing tasks required of competitive firms.

Action Items and Participating Organizations:

Action Item 4: Invest in career counseling for 'non-university bound' students

- Ongoing Efforts:
 - The Rutherford schools have already implemented the Futures for Kids career counseling program. McDowell schools were considering whether or not to fund the program in McDowell County.
 - Rutherford County Early College High School
- Participating Organizations
 - Local Education Agencies (public and private)
 - Community College System
 - Workforce Development Board
 - Ministerial Associations
 - Area Chambers of Commerce
 - Community Development and Leadership Organizations (Cleveland 20/20, Realize Rutherford, etc)
- Primary Actions
 - Launch a grassroots organizing campaign to develop key messages aimed at keeping kids in school and promoting the importance of education.
 - Communicate targeted messages to both students and parents through church groups and civic organizations.
 - Secure funding necessary to place the Futures for Kids program in every high school in the region
 - Support the further development of a network of career counseling services.
- Metrics for success
 - Raise the number of adults over the age of 25 with at least a high school diploma from 72 percent (2000) to 85 percent in 2010
 - By 2007, raise the high school graduates intending to pursue post-secondary education by the following levels
 - Cleveland County: 75 percent (03 graduating class) to 86 percent (07 graduating class)
 - McDowell County: 54 percent (03 graduating class) to 70 percent (07 graduating class)
 - Polk County: Maintain 90 percent from 03 to 07
 - Rutherford County: 87 percent (03 graduating class) to 90 percent (07 graduating class)



- o Increase the number of people in vocational education programs (K-12 and community colleges).

Action Item 5: Encourage worker transition and entry into growth occupations

- Ongoing efforts
 - o EmployOn Job Search tool has been funded through the state workforce development board
 - o Community Colleges provide Focused Industrial Training (FIT) and New and Expanding Industry (NEI) Training, but only on a limited basis.
 - o The JobLink provides job readiness, pre-employment and career testing services
- Participating Organizations
 - o Workforce Development Board
 - o Area's three Community Colleges
 - o Gardner Webb University
- Primary Actions
 - o Use WDB funds to leverage more private investment to support job-readiness, pre-employment classes, career testing, etc.
 - o Increase public and private investment in incumbent worker training
 - o Advocate new rules for FIT and NEI to allow more programs for incumbent workers
 - o Improve information to jobseekers, employers, service providers and community leaders about opportunities in growth industries
- Metrics for Success
 - o Increased training activity for incumbent workers
 - o Expanded use of FIT and NEI
 - o Increases in the region's average wage relative to the state average wage



Foster Applied Innovation and Collaboration

Challenge:

Area businesses can compete and provide higher-paying jobs only if they innovate

Strategy:

Assist existing businesses to become globally competitive

Goal:

Creation of more globally successful businesses among the existing industry base

Action Items and Participating Organizations:

Action Item 6: Co-sponsor visits to existing manufacturers in collaboration with the North Carolina State University's Industrial Extension Service

- Ongoing Efforts
 - o Existing efforts of NCSU Industrial Extension Service
 - o Existing efforts of NC Department of Commerce Existing Industries activities
- Participating Organizations
 - o Regional representatives for the NCSU Industrial Extension Service.
 - o NC Department of Commerce's existing industry representatives for the area.
 - o Local economic development organizations
 - o Advantage West and the Charlotte Partnership
- Primary Actions
 - o Make area employers more aware of the services and benefits accrued from greater interaction with the NCSU Industrial Extension Service.
- Metrics for Success
 - o Larger numbers of IES clients from among companies in the region
 - o Increased number of visits and actions resulting from visits to existing companies in the region
 - o Employment increases among companies in targeted industries



Promote and Support Entrepreneurship

Challenge:

The region needs to create more new jobs

Strategy:

Create new companies to increase the number of economic opportunities and new jobs

Goal:

Increased number of locally owned companies in the region

Action Items and Participating Organizations:

Action Item 7: Increase services for area entrepreneurs

- Ongoing Efforts
 - Conduct a formal assessment of the entrepreneurial space needs within the four counties
 - Foothills Connect received over \$400,000 in funding and will be operational by summer 2005
- Participating Organizations
 - Foothills Connect
 - Advantage West
 - Community College Small Business and Industrial Training Programs
 - Community Development and Leadership Organizations (Cleveland 20/20, Realize Rutherford, etc)
 - SBTDCs
 - Chambers of Commerce
 - Local Main Street Programs
- Primary Actions
 - Identify incubator space, including a permanent facility for Foothills Connect
 - Provide training to improve quality of service to area entrepreneurs
- Metrics for Success
 - Increase the number of proprietorships annually by 4 percent



Action Item 8: Provide access to capital by organizing a local 'angel network' or seed capital fund

- Ongoing Efforts
 - Informal investment activity, but nothing organized
- Participating Organizations
 - Blue Ridge Angel Investors Network (BRAIN)
 - Advantage West
 - Area Chambers of Commerce
 - County Economic Developers
 - Area entrepreneurial leaders

- Primary Actions
 - Create a series of social/networking events about angel investing
 - Foster efforts by Foothills Connect and other entrepreneurial organizations to share ideas about potential investment opportunities
- Metrics for Success
 - Increase number of investments
 - Increase rate of return on investments



Regional Collaboration

Challenge:

Regional Stakeholders do not always recognize shared concerns or opportunities for collaboration.

Strategy:

Identify several critical issues on which to work together

Goal:

Regional cooperation on select issues of shared concern

Action Items and Participating Organizations:

Action Item 9: Where feasible, access resources to support water/sewer system expansions through multi-system collaborations in targeted development areas

- Ongoing Efforts
 - o Ad hoc efforts to link water/sewer systems for emergency management purposes
- Participating Organizations
 - o County and Municipal management
 - o Utility Authorities
 - o Sanitary Districts
- Primary Actions
 - o Advocate changes to the selection criteria used by funding agencies (e.g., the Rural Center, the Division of Water Resources in the North Carolina Department of Environment and Natural Resources) to select projects as an incentive for greater regional cooperation.
- Metrics for Success
 - o Number of projects funded to interconnect the water/sewer systems (See Appendix 2 for survey of existing Water/Sewer System)



Action Item 10: Promote expanded travel and tourism

- Ongoing Efforts
 - o Collaboration involved in achieving the Blue Ridge National Heritage designation
 - o Creation of county National Heritage committees, inventory of each county's heritage tourism assets, and preparation of county plans
- Participating Organizations
 - o Advantage West
 - o Blue Ridge Host
 - o Rutherford Tourism Development Authority
 - o Cleveland Travel & Tourism
 - o McDowell Tourism Development Authority
 - o Polk County Tourism Development Authority
 - o Tryon Downtown Development Association and Visitors Center



- o Regional and county heritage tourism committee representatives
- Primary Actions
 - o Develop a regional tourism marketing plan
 - o Inventory the region's key regional events and attractions (e.g., Equine and Agricultural-related tourism in Polk, 2008 American Legion World Series, and HGTV Dream Home in Lake Lure).
 - o Create a website linking the four county tourism authorities that builds on the regional tourism plan
- Metrics for Success
 - o Increased growth rate of tourist expenditures in the region
 - o Increased average time tourists spend in the region based on surveys of area tourists

Action Item 11: Promote inter-county cooperation for regional economic development activities

- Ongoing Efforts
 - o Ad hoc meetings between Boards of County Commissioners and/or county economic development agencies have been held to discuss specific development projects or areas of general cooperation.
 - o Cooperative economic development marketing initiatives.
- Participating Organizations
 - o County and Municipal governing boards
 - o County economic development agencies
 - o Isothermal Planning and Development Commission
 - o NC Department of Commerce
- Primary Actions
 - o Examine opportunities for sharing the costs of development of industrial or commercial sites and the tax revenues from the resulting private investment.
 - o Advocate for any changes in State enabling legislation to support joint economic development projects.
- Metrics for Success
 - o Number of joint projects developed.

Promote 'Quality' Land Use and Development

Challenge:

The economic downturn left abandoned or obsolete buildings and disinvestment in many downtown districts.

Strategy:

Encourage the preservation and reuse of existing buildings, especially in downtown areas

Goal:

Reused buildings and revitalized downtowns

Action Items and Participating Organizations:

Action Item 12: Encourage historic preservation and reuse of existing buildings

- Ongoing Efforts
 - Florence Mill in Forest City
 - Uptown Shelby efforts
 - Future Forward Economic Alliance Brownfield Initiative in McDowell
- Participating Organizations
 - Isothermal Planning and Development Commission
 - Future Forward Economic Alliance
 - Advantage West
 - Local Historic Properties Commissions
 - County and Municipal Governments
 - Main Street Programs
 - Preservation North Carolina
 - Building owners and local developers
- Primary Actions
 - Identify target buildings for preservation and reuse
 - Solicit grant funds to remediate Brownfield problems in targeted buildings
 - Leverage private investment and federal tax credits to support present activities
- Metrics for Success
 - Reduced number of empty buildings



Action Item 13: Support and expand 'Main Street' programs throughout the region

- Ongoing Efforts
 - Main Street Programs in Forest City, Rutherfordton, Shelby and Marion
 - Activities such as Shelby's Alive at Five+
 - Community Organizations such as Realize Rutherford
- Participating Organizations
 - Organizations like Realize Rutherford or Uptown Shelby Association
 - Main Street Programs
 - Municipal governments
 - Local merchants associations and Chambers of Commerce



- Primary Actions
 - o Identify funding for events and activities in the region's urban centers
 - o Inventory and market events and activities that occur in the region's urban centers
- Metrics for Success
 - o Increased number of downtown businesses
 - o Increased attendance for events and activities in region's urban centers

Action Item 14: Identify regionally important natural assets (with an aim toward setting policies to preserve those assets)

- Ongoing Efforts
 - o Blue Ridge National Heritage Area
 - o Broad River Greenway (Cleveland County)
 - o Lake Lure / Chimney Rock
 - o Overmountain Victory National Historic Trail
 - o Rails-to-Trails (Rutherford County)
 - o Tryon Arts Council
 - o Alexander Ford Project
- Participating Organizations
 - o Isothermal Planning and Development Commission
 - o County and Municipal management
 - o County Tourism Development Authorities
 - o Local nonprofits and land conservancies
 - o Local Historical Societies
- Primary Actions
 - o Inventory the most important natural assets in the region
 - o Create land use plans around the assets to preserve them
 - o Increase access to the region's parks and natural amenities
 - o Market these natural amenities as a tourist and residential asset
- Metrics for Success
 - o Increase number of visitors to amenities
 - o Increase the total acreage covered by asset preservation plans associated with the targeted natural assets



Appendix 1: Additional Strategies Considered by the CEDS Committee

Several other strategies were presented to the CEDS Committee, but were not given the same priority as those listed above. These strategies are organized by themes, with the strategies within each theme listed in descending order of the number of votes they received from the CEDS committee. Some or all of these actions will be moved into the body of the strategy as progress is made on the first 13 action items.

Enhance the Region's Connections to the World

- Subsidize broadband access in under served commercial areas along targeted development corridors
- Advocate for Improvements to US 64 (from US 221 to I-40)
- Improve linkages to Charlotte and Greenville-Spartanburg Airports
- Market the region's proximity to 4 major metropolitan areas (Charlotte, Asheville, Greenville-Spartanburg, SC)
- Maintain corporate air service to Rutherfordton, Shelby and Marion
- Encourage greater market penetration among Internet Service Providers

Build a 21st Century Workforce

- Develop a regional social marketing campaign regarding the importance of education and target it to at-risk families
- Leverage training resource for available jobs
- Advocate opportunities for GED and vocational/technical education
- Provide training to incumbent workers in at-risk industries or occupations

Foster Applied Innovation and Collaboration

- Organize entrepreneurial training events
- Support training programs for allied health occupations (health care consortium)
- Support training program for production workers (motor vehicle, fabricated metals and cleaning compounds)
- Identify and highlight success stories of new product or process innovations in local firms
- Coordinate cluster CEO meetings focused on topics of shared concerns such as skill needs, industry innovations, etc.
- Support training programs for occupations related to logistics and distribution
- Support training programs for clerical workers (targeted to specific industries)

Promote Entrepreneurship & Investment

- Provide business planning seminars for displaced workers (especially skilled workers)
- Expand access to information about entrepreneurial opportunities
- Create opportunities for entrepreneurs to get to talk about issues, concerns and opportunities (i.e., network)
- Organize events around business-related topics targeted to 2nd home and retiree markets

Develop a Regional Image

- Attract talent by marketing area jobs and quality of life to area college graduates
- Support tourism alliances and host groups
- Foster business investment focused on targeted industries (noted earlier)
- Facilitate expanded consortia to support education and training
- Attract pre-retirees and retirees through collaborative marketing
- Increase the region's profile in the Charlotte partnership and Advantage West marketing efforts

Promote 'Quality' Land Use & Development

- Facilitate rehabilitation of obsolete buildings
- Market assets to local residents and tourists
- Promote and support strong community & neighborhood development
- Promote affordable housing
- Provide ready-to-occupy flexible-space shell buildings
- Identify and seek additional funding to clean up brownfield sites
- Promote expanded crime prevention efforts
- Expand certified sites and buildings programs

Addressing Quality of Life Issues

- Coordinate and integrate the region's recreational assets
- Support and expand Rails to Trails
- Assist efforts to catalog unique assets with regards to healthcare and leisure activities for retirees
- Survey area pre-retirees and retirees regarding current activities and interests to determine unmet demand

Appendix 2: Region C Water System Survey

Location	Ownership	Service Area	Res. Cus.	Com. Cus.	Ind. Cus.	Capacity	Average Daily Flow	Age of Facility	Date of Last Upgrade	Capital Improvements Scheduled for next 3 years.	Will these improvements improve capacity?
Polk County											
Town of Columbus	Columbus	.75 SM	730	120		.6 MGD	.225 MGD		2002	Yes - Replace Pump and drill another well.	Yes
Town of Tryon	Tryon	1/25 SM	1850	36	2	2MGD	.65 MGD	17 Years	1988	Yes-Plant Renovation and Supply Reservoir	No
Town of Saluda	Saluda	1SM	365			Supplied by Hendersonville				Yes-Line Replacement	No
McDowell County											
Town of Marion	Marion	14.5 SM	3471	430	21	4 MGD	1.5 MGD	50+ Years	2004	No	No
Town of Old Fort	Old Fort	4 SM	641	104		.76 MGD	.43 MGD	22 Years	2004	Possible New Well and Storage Tank	No, taking the place of old storage
Rutherford County											
Chimney Rock Village	Chimney Rock	1 SM	100	5		.075 MGD	.035 MGD	2 Years		Yes-Line Extensions	No
Town of Lake Lure	Lake Lure	6 LM	287	62		.25 MGD	.031 MGD	20+ Years	2005	Yes-New Storage Tank	Yes-.25 MG
Town of Rutherfordton	BRWA										
Town of Ruth	BRWA										
Town of Spindale	BRWA										
Town of Forest City	Forest City		5844	860	12	8 MGD	4.9 MGD	57 Years	2003	Possible New Plant at Riverstone	Unknown
Town of Bostic	Forest City	1 SM	270	10		Supplied by Forest City					
Town of Ellenboro	Ellenboro	6 SM	711	62	3	Supplied by Forest City				Yes-Line Extensions	
Broad River Water Authority	BRWA	140 SM	5230	598	39	12 MGD	4 MGD	21 Years	2004	Scada Extensions	No
Cleveland County											
Town of Belwood	CSD										
Town of Boiling Springs	Boiling Springs	4 SM	1567 *		*	Supplied by Shelby				Yes-Line Extensions	

Appendix 2: Region C Water System Survey											
Location	Ownership	Service Area	Res. Cus.	Com. Cus.	Ind. Cus.	Capacity	Average Daily Flow	Age of Facility	Date of Last Upgrade	Capital Improvements Scheduled for next 3 years.	Will these improvements improve capacity?
Cleveland County											
Town of Casar	CSD										
Town of Earl	CSD										
Town of Fallston	Fallston	1SM	217	36		.046 MGD	.045 MGD			No	No
Town of Grover	Grover	1SM	382		5	Supplied by Kings Mountain				No	No
City of Shelby	Shelby	21 SM	10113 *		*	12 MGD	4.25 MGD	51 Years	1994	Yes-Dechlorination Equipment for Filter Backwash, Security	No
City of Kings Mountain	Kings Mountain	16 SM	4931	31	35	8 MGD	3 MGD	37 Years	1991	Yes	No
Town of Kingstown	CSD										
Town of Lattimore	CSD										
Town of Lawndale	Lawndale	1 SM	288	20		.18 MGD	.056 MGD	30 Years	2000 New V	No	No
Town of Mooresboro	CSD										
Town of Patterson Springs	CSD										
Town of Polkville	CSD										
Town of Waco	CSD										
Cleveland Sanitary District	CSD	176	17,403	1000	20	6 MGD	3.8 MGD	22 Years	1993	Yes-Off Storage Pond and Sediment Basin	Yes 8 MGD

Appendix 2: Region C Sewer System Survey

Location	Ownership	Service Area	Res. Cus.	Com. Cus.	Ind. Cus.	Capacity	Average Daily Usage	Age of Facility	Date of Last Upgrade	Capital Improvements Scheduled for next 3 Years	Will the Improvements Increase Capacity
Polk County											
Tryon	Tryon	1 SM	985	28		1.5 MGD	.5 MGD	37 Years	1989	Yes-Dechlorination and Line	No
Columbus	Columbus	1 SM	350	100		.8 MGD	.2 MGD	30 Years	1970's	Yes-Line Extentions, Upgrade Pump Station and rehabilitation of the Treatment Plant.	No
Saluda	Saluda	1 SM	365			.1 MGD	.045 MGD			Yes-Plant Upgrade	No
McDowell County											
Old Fort	Old Fort	2 SM	384	84		1.2 MGD	.313 MGD	40 Years	2004	No	No
Marion	Marion	8.5 SM	2359	370	19	4 MGD	.9 MGD	85+ Years	2002	No	No
Rutherford County											
Chimney Rock	Rutherford County	1 LM				Operated and Maintained by Lake Lure					
Lake Lure	Lake Lure	32 LM	777	120		.995 MGD	.749 MGD	36 Years	2005	Yes-Line Repair and Extensions	No
Rutherfordton	Rutherfordton	5 SM				3 MGD	.45 MGD	30 Years	1999	Yes-Retrofitting	No
Ruth						Some of the Town is Handled by Rutherfordton					
Spindale	Spindale	6 SM	1550	215	6	4.5 MGD	1 MDG	30 Years	1999	No	No
Forest City	Forest City		8500		7	4.95 MGD	3.5 MGD	45 Years	1997	No	No
Bostic											
Ellenboro	Sewage Line System to be completed in					Sewage system will be operated by Forest City					
Cleveland County											
Belwood											
Boiling Springs	Boiling Springs	3 SM	924			.6 MGD	.33 MGD		1998	Yes-Pump Station and Line Extensions	No
Casar											
Earl											
Fallston	Fallston	1 SM	51	28		Treated by City of Shelby					
Grover	Grover	1 SM	344			.1 MGD	.065 MGD	17 Years		No	No
Shelby	Shelby	25 SM	8388			6 MGD	2.85 MGD	41 Years	1995	Yes	No
Kings Mountain	Kings Mountain	6.5 SM	4938	31	35	6 MGD	2.89 MGD	42 Years	1991	Yes-Rebuild Basin	No

Appendix 2: Region C Sewer System Survey											
Location	Ownership	Service Area	Res. Cus.	Com. Cus.	Ind. Cus.	Capacity	Average Daily Usage	Age of Facility	Date of Last Upgrade	Capital Improvements Scheduled for next 3 Years	Will the Improvements Increase Capacity
Cleveland County											
Kingstown	Kingstown	2.5 LM				Treated by City of Shelby					
Lattimore											
Lawndale	Private	1 SM	4	2	1	.78 MGD	.006 MGD	50 Years	92	Eventually this private plant will be abandoned and sewage will be pumped to Shelby.	No
Mooresboro											
Patterson Springs											
Polkville	Polkville is in the beginning stages of sewage plant construction										
Waco											