

# **McDowell Economic Development Quarterly E-Update**

**October 1, 2009-December 31, 2009**

MEDA staff initiated a quarterly newsletter to provide updated information concerning economic development activity. The information is provided to you with the understanding that all information concerning projects is not always known or cannot be shared because of project confidentiality and/or state requirements.

## **Year-end Summary**

Most understand the seriousness and the impact of the economic recession of 2008-09. The forces and impacts of the economic recession were felt both internationally and nationwide. McDowell County and Western North Carolina was not immune from these forces and was greatly impacted by this economic downturn. The economic engine for this community was strong and was being sustained at the time by growth in manufacturing, in the construction industry including real estate, increased population, the local commercial market and an expansion in the tourist industry. All of these activities were negatively impacted in a significant manner in 2009.

The consensus seems to be that the economy will improve in 2010. There is evidence at the local level to confirm this prediction. The number of projects considering McDowell County as a possible location has increased over the past few months. According to several local agents, real estate sales and interest in the county is beginning to improve. County staff did meet with the new owners of a large subdivision in December. The previous owners had sold lots but never initiated the development. The new owners have the full intention of completing the project. The former owners had filed bankruptcy.

The unemployment rate continues to remain very high. In October it was 14.5% and the new unemployment rate for November is 14.9%. The November rate has McDowell County tied with Anson County as the seventh highest in the State. However, the rate was lower than the highest rate of 16.5% in the month of May. Again, McDowell County has the second highest percentage of manufacturing jobs in the State of North Carolina and impacts to this sector hit our local economy particularly hard. Nationally, most have predicted a very slow reduction in the unemployment rate and this will almost certainly be the case for McDowell County.

## **Project Summary for 2009**

There were several successes in 2009. The following summary overviews these projects:

**In February 2009**, Toolcraft announced that they had secured new federal military contracts and would be able to add twenty-five (25) workers to their operation. A One North Carolina grant provided assistance to this expansion.

**In May 2009**, Baldor announced that their local operation had been approved for an expansion that would add twenty-five (25) workers. Again, a One North Carolina grant was secured for the expansion of their operation.

**Also in May 2009**, it was announced that Morganton Pressure Vessels would begin operations in the closed Cobia Boats facility in the McDowell County Industrial Park. The parent company is a company based in Italy named the Baglioni Group. The company will employ primarily welders and manufactures pressurized containers. The company is committed to employ forty-five (45) people and received assistance from the State and County government.

**In September 2009**, a public hearing was held for an unnamed company that would have possibly employed over one-hundred people and was Internet related. The company is located in another State and the planned expansion into North Carolina looked favorable. For reasons related to the economy and a slow-down in their sales volume, the project was put on hold. The current status is that the project is still possible but if it does materialize it will be on a greatly reduced scale and employment.

**In November 2009**, the Governor announced the opening of North Cove Bottled Water owned by a company out of Florida called Able Rebuilders, LLC. The company will focus on bottling flavored water and will see a significant expenditure of \$6.1 million in machinery and equipment and the employment of over one-hundred people. The employment will occur over a period of three years.

**In December 2009**, an announcement was made involving a company that will locate in what is known as the H & M building on Ashworth Road. The building is 7,500 SF and a portion of the building space will be used for warehousing. The company is a supplier of metal products and cuts metal to a customer's specification.

**Also in December 2009**, International Automotive Components (formerly Collins and Aikman) announced that they would expand their operations by investing 4.1 million in new machinery and equipment and adding six employees. Old Fort CEO, David Sudzina, stated that the expansion also created a favorable future environment for decisions that will be made by the company.

### **Current Manufacturing Activity**

There are currently two projects that appear likely to announce in the first quarter of 2010. One would employ 45 people over a two year period. The company would locate in an existing building. The second project would employ 12 people and locate in an existing commercial building. Public hearings and approvals are expected by the end of January.

There are six or more other projects that your economic development staff is pursuing ranging from "very real" opportunities to "long-shots" that may or may not materialize.

### **Other Activity**

The construction of a new and significant commercial shopping center at the intersection of Sugar Hill Road and Interstate 40 was announced in 2009. The press has reported this as being a Super Wal-Mart store. This project will enable the City of Marion to extend its utility infrastructure along the Sugar Hill Road corridor. Every indication is that this project will be underway in 2010.

McDowell Technical Community College and McDowell County announced the opening of a new employment and jobs training center, the "Ford Miller Employment and Training Complex", located at 316 Baldwin Avenue. The facility is the former Marion Mills office building and is housing the North Carolina Employment Security Commission, the McDowell JobLink Career Center and MTCC Job Skills Training Center.

Movement towards "green technology" occurred in McDowell County in 2009. McDowell County and the McDowell County School System announced a partnership with FLS Energy, located in Buncombe County, to install solar panels on two (2) county buildings and three (3) school buildings. FLS is also putting together proposals for several manufacturing operations.

The McDowell Economic Development Association and McDowell County has been working with a variety of agencies to complete the "Foothills Pilot Plant Project". This project is a "value added agriculture project" that will assist small growers of chickens and rabbits to supplement their income and is part of the emerging organic food market. The construction of this facility should begin by early summer 2010 and will be located on Highway 226 South near the Ag barn facility.

### **Tier Ranking Change**

The State of North Carolina uses a "Tier System" for the purpose of granting new or expanding companies tax credits for employment and investment. In December 2009, the tier ranking for McDowell County was moved from a Tier 2 to a Tier 1 reflecting the deteriorating conditions of the local economy. Information about this program can be viewed at the link below.

<http://www.nccommerce.com/en/BusinessServices/SupportYourBusiness/Incentives/CountyTierDesignations2010.htm>

*In closing, we do wish each of you a very successful and prosperous New Year! Call or email if you have questions, suggestions or concerns.*