

McDowell Economic Development Quarterly E-Update

July 1, 2009-September 30, 2009

With this issue, the McDowell Economic Development Association will begin sending a quarterly E-Update in the interest of providing better information on economic development activity to the membership and the Board of Directors.

Board of Directors

The Economic Development Association is overseen by a Board of Directors that meets monthly at the office on South Garden Street. There are twenty-two (22) members of the Board of Directors. Fifteen (15) voting members on the Board of Directors appointed as follows: the MEDA Board of Directors appoints five (5) members from the executive and full membership category and two (2) members from affiliate membership following submission of names of persons to the Board of Directors by the nominating committee, the McDowell County Board of Commissioners appoints three (3) members, the City of Marion appoints one (1) member, the Town of Old Fort appoints one (1) member, the McDowell County Board of Education appoints one (1) member, the McDowell Technical Community College Board of Trustees appoints one (1) member, and the McDowell Chamber of Commerce Board of Directors appoints one (1) member. There are seven (7) Ex-Officio (non-voting) members on the Board of Directors as follows: Marion City Manager; McDowell County Manager; McDowell Chamber of Commerce Executive Director; NC House of Representatives; Isothermal Council of Governments Executive Director; Marion Business Association Executive Director; and, the MTCC Small Business Center Manager. The MEDA Staff and Board of Directors strive to fulfill the mission and vision of the organization which are:

Mission - To create an environment conducive to economic growth and development for all, and to market McDowell County's human and physical resources to existing and prospective industry, businesses, and individuals.

Vision - An open association of citizens who strive for continuous improvement in the quality of life for all citizens by maximizing our potential for economic growth and development.

As each of you may or may not be aware of, the sharing of economic recruitment information must be done in the context of respecting the various roles and responsibilities of those involved. The release of information involves State Laws, the policies of the Department of Commerce and the wishes of the client. Most clients looking at various locations do not want their interest shared or publicized. This often involves issues related to competitors, but can also include shareholders or employees at other locations.

It is necessary, therefore, to share as much pertinent information as possible without damaging relationships with other parties involved in the process or the client.

Current Trends and Conditions

McDowell County was referenced as ranking second of the State's 100 counties in percentage of workforce employed in manufacturing in the 2008 North Carolina Economic Development Guide at 40.1%. The 2008 annual average labor force as reported by the North Carolina Employment Security Commission was 20,866. The only county higher is Alexander County with most counties being closer to 10 to 15 percent. The economic downturn has obviously impacted this sector in a

huge manner. In addition, McDowell County was growing and experiencing a boom in second-home construction and retiree locations to the community. This has also dramatically slowed over the past year and we will address this in a future newsletter in more detail with an overview of building permit statistics. Please see the chart at the end of this document that shows the unemployment rates for the past five years for McDowell County with annual averages for each year.

The trend at the national level seems to be improving and local activity is also picking back up. Examples include the following:

Several local manufacturing companies have been calling laid-off employees back to work. We have spoken with representatives from several of our existing industries and know of six companies that have called employees back to work in the past month.

ToolCraft, Inc. announced that it would be hiring an additional twenty-five workers and that they have received additional military contract work.

Baldor Electric announced that is will be expanding within the next twelve months and adding twenty-five jobs to their local workforce.

In July, the State and the County announced the location of Morganton Pressure Vessels to McDowell County. The company will locate in the closed Cobia Boats facility and will initially employ 45 people. The work force is comprised primarily of welders. The company is owned by an Italian parent company and manufactures containerized tanks called pressure vessels.

New Client Activity

New client activity has been improving over the past quarter. We receive client interests from many different activities. A website is maintained that lists all of the current sites and buildings in McDowell County. The link to the NC Site Search website for McDowell County to view available buildings is:

<http://www.ncsitesearch.com/SearchResults.asp?P=Building&P1=marketrpt.asp&Name=&Region=-1&County=59&BType=IF&PStat=1&AFrom=&ATo=&CFrom=&CTo=&CFromE=&CToE=&NatGas=False&Rail=False&Crane=False&Shell=False&Barge=False&Sort=3&ID=117&Paging=1>

and the link to view available sites is:

<http://www.ncsitesearch.com/SearchResults.asp?P=Site&P1=marketrptsite.asp&Name=&Region=-1&County=59&BType=&PStat=1&AFrom=&ATo=&CFrom=&CTo=&CFromE=&CToE=&NatGas=False&Rail=False&Crane=False&Shell=False&Sort=3&ID=117&Paging=1&Barge=False&Cis=False>

The frequency of direct internet contact is increasing. Contact is also often made through the Department of Commerce recruiting efforts and their contacts. Other contacts can occur through existing companies or people from this community, electrical companies such as Duke Energy or Rutherford Electric, Industrial Realtors or Consultants, or through our direct efforts such as attendance at trade shows such as; the MEDA staff attended the *WINDPOWER 2009* show this past spring.

In general, we have several projects trying to occur. One company considering locating in this community would employ 87 people over the next three years and another 100 in years 4-5. Half of the jobs would be Internet and Website Design related. The company would locate in an existing building. Because of the availability and affordability of existing buildings, most projects

considering community locations are interested in currently vacant buildings. Few contacts that we are currently receiving are looking for raw land with the intent of new construction. This company, if it occurs, should announce by the end of November.

A second company that we have been working with for five months would employ 45 individuals and locate in another existing building. A third company would employ 75 people and is considering a currently closed business location. We would describe these two projects as very positive and am hopeful that announcements will occur this calendar year. Finally, a fourth company would employ 15 people and is also looking at leasing existing manufacturing space.

We are working with eight other manufacturing projects of various sizes. The sizes range from 5 employees up to 75 employees. These are projects where we have had the opportunity to submit information about the community. Four of these projects have actually resulted in visits to the community. We would describe these projects as less likely but we will work diligently to try to increase the possibility of their location to this county.

General Project Update

The following serves to quickly summarize several other projects taking place or issues of an economic development nature.

The City of Marion and McDowell County have agreed to extend water and sewer lines on Sugar Hill Road using a combination of grant and local funds. The extension is for the proposed construction of a large commercial project that would locate adjacent to Interstate 40.

The Department of Transportation has released a draft and revised Transportation Improvement Plan. In the revised plan, the widening of Highway 221 South is pushed back and removed from the five year planning period. The widening of Highway 221 from Baxter's to the South Carolina State line has been a priority for many years and was to be under construction by 2011. This will be challenged by the McDowell County local governments.

A major initiative to plan for the extension of broadband and to make it more readily available has been underway by the McDowell Chamber of Commerce and includes many partners. We will put more information out on this or call Rod Birdsong for details.

Join MEDA-Membership Drive is Underway

The McDowell Economic Development Association has begun their 2009-2010 Membership Drive. Membership renewal letters have been mailed to last year's members as well as some prospective members. New members are welcomed and by joining MEDA you are showing that you are there for "your" county. Your support gives the Board of Directors and staff enthusiasm as well as showing them that you care about McDowell County's future growth. We need your support to further ensure the efforts being made by the board and staff are fully implemented.

Membership rates are as follows:

Affiliate Members - \$15.00 Full Members - \$100.00 Executive Members - \$150.00

For more information on becoming a member of the MEDA organization you may contact Harriet Smith at (828) 652-9391 or medainc@verizon.net.

Past Five Years of Unemployment Rates for McDowell County

2009													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	AnnAv
Labor Force	21042	21743	21807	21847	22091	22240	21668	21169					
Employed	17772	18276	18318	18546	18452	18662	18451	18099					
Unemployed	3270	3467	3489	3301	3639	3578	3217	3070					
Rate%	15.5	15.9	16.0	15.1	16.5	16.1	14.8	14.5					
2008													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	AnnAv
Labor Force	20687	20624	20683	20959	20823	20712	21211	20781	20663	21006	21127	21115	20866
Employed	19409	19252	19347	19365	19271	19150	19476	18994	18940	18904	18683	18445	19103
Unemployed	1278	1372	1336	1594	1552	1562	1735	1787	1723	2102	2444	2670	1763
Rate%	6.2	6.7	6.5	7.6	7.5	7.5	8.2	8.6	8.3	10.0	11.6	12.6	8.4
2007													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	AnnAv
Labor Force	21810	21712	21869	21667	21813	22044	22601	22052	21963	21688	21639	21587	21871
Employed	20401	20434	20713	20549	20629	20857	21277	20942	20909	20558	20522	20392	20682
Unemployed	1409	1278	1156	1118	1184	1187	1324	1110	1054	1130	1117	1195	1189
Rate%	6.5	5.9	5.3	5.2	5.4	5.4	5.9	5.0	4.8	5.2	5.2	5.5	5.4
2006													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	AnnAv
Labor Force	20845	20705	20901	20970	21093	21338	21953	21400	21096	21170	21189	21041	21142
Employed	19525	19330	19643	19802	19847	20006	20525	20103	19860	19927	19885	19802	19855
Unemployed	1320	1375	1258	1168	1246	1332	1428	1297	1236	1243	1304	1239	1287
Rate%	6.3	6.6	6.0	5.6	5.9	6.2	6.5	6.1	5.9	5.9	6.2	5.9	6.1
2005													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	AnnAv
Labor Force	21109	21180	21146	21106	21189	21399	21745	21848	21113	21120	21066	20852	21239
Employed	19515	19480	19632	19730	19733	19918	20156	19949	19739	19774	19676	19559	19738
Unemployed	1594	1700	1514	1376	1456	1481	1589	1899	1374	1346	1390	1293	1501
Rate%	7.6	8.0	7.2	6.5	6.9	6.9	7.3	8.7	6.5	6.4	6.6	6.2	7.1
2004													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	AnnAv
Labor Force	21708	21764	21678	21654	21725	21974	22515	21788	21510	21324	20944	20841	21619
Employed	20264	20163	20335	20414	20402	20546	20896	20380	20178	19955	19547	19428	20209
Unemployed	1444	1601	1343	1240	1323	1428	1619	1408	1332	1369	1397	1413	1410
Rate%	6.7	7.4	6.2	5.7	6.1	6.5	7.2	6.5	6.2	6.4	6.7	6.8	6.5