



Jamie L. McMahan  
Planning & Economic Development Director  
NCEDA, AICP, NREDA, SEDC



## **2022 Economic Development Report for Yancey County** **Continuing Local Growth in the Face of Increasing National Economic Headwinds**

As Planning & Economic Development Director for Yancey County it is my privilege to share with you a year-in-review report to look back at 2022 and efforts made to stabilize, enhance, grow, and diversify the economy in our community.

### **The Yancey County Economy at a Macroeconomic Level:**

An assessment of Yancey County's local economy across the major economic indicators reveals that despite rising economic challenges on the horizon nationally we as a community have managed to fare very well in 2022, making measured growth in many areas. While the public health emergency resulting from Covid has ameliorated over the course of the past year the resulting economic waves caused by the federal government's response to the pandemic, have continued to ripple outward and intensify in many respects.

While economists still debate when and/or if the country will face a recession in 2023, suffice it to say aside from that prediction it is a fact that we have been living in an economic environment defined by record high inflation and rising interest rates as the Federal Reserve continues its aggressive policy of monetary "tightening" with successive historically large increases to the federal funds rate. These conditions have hit the pocketbooks of individuals and companies and Yancey County is no exception. Yet as of the end of 2022 our community's unemployment rate remained at 3.35%<sup>1</sup>, a historically low rate of unemployment, lower than both the national and state rate. Not only did we finish the year seeing continued record low unemployment, we also saw continued population growth of 1.62%<sup>2</sup> over the previous year, which is an exception when compared to many other rural communities across the state and southeast which saw population declines in 2022. Additionally, no doubt due in large part to the continued wage pressure resulting from low unemployment and a tight labor market, the average median

---

<sup>1</sup> 2023 North Carolina Development Tier Designations annual report, NC Department of Commerce

<sup>2</sup> 2023 North Carolina Development Tier Designations annual report, NC Department of Commerce

wage in Yancey County grew to \$40,622 in 2022 up from \$38,506 in 2021<sup>3</sup>. These strong numbers, following a continuing positive year over year trend in Yancey County, resulted in the county continuing to maintain its Tier 2 economic status, ranking the 35<sup>th</sup> most prosperous of North Carolina's 100 counties according to the metrics utilized by the NC Department of Commerce for its annual Tier Designation Ranking<sup>4</sup>.

### **Business Startups:**

Despite a much tighter environment around access to capital for small businesses and startup entrepreneurs as interest rates continue to rise, Yancey County has continued to see steady growth in business startups over the past year, both small single-proprietor startups, and growth in larger corporate franchise establishments as well. At the end of Q4 2021 there were a total of 384 private business establishments across all industry sectors in Yancey County. As of the end of Q2 2022 (the most recent data available to the US Bureau of Labor Statistics) that number had grown to 411<sup>5</sup>.

Continuing our goal of fostering small business growth in Yancey County, the Yancey County Economic Development Commission (Yancey EDC) awarded three grants through its Downtown Entrepreneurship Assistance Program (DEAP) in 2022 supporting local businesses, Appalachian Java, Faith Family Health, PLLC, and Plott Hound Books.

In addition to the grants awarded locally from the Yancey EDC DEAP grant program Yancey County applied for and received several grants through the NC Department of Commerce Rural Building Reuse Program. These grants represented a total of \$400,000 in investment supporting Mountain Community Health Partnership's Burnsville Clinic and Micaville Clinic (currently under development) and the historic restoration and renovation of the NuWray Hotel. The grant dollars invested in these projects leveraged millions of dollars in private investment by the participating companies and resulted in the creation of a total of 37 new full-time jobs in the local economy.

### **Industry Development:**

Yancey County saw the formal commissioning of The Quartz Corp's new 150,000 square foot facility in Micaville as well as Altec Industries third campus located at Love Fox Road in Burnsville in 2022. As of 2022 we saw the percentage of our workforce employed in the manufacturing/industrial sector reach 25.3%, a full quarter of the labor force, contrasted by the second largest sector for employment, the retail sector which employs 14.7% of the Yancey County workforce<sup>6</sup>. Continued stability in the manufacturing sector is borne out by looking at Yancey County's gross domestic product (GDP) across all industries as well. Based on the most recent data available we see an upward trend, \$489.75 million versus \$465.34 million in GDP the previous year<sup>7</sup>.

---

<sup>3</sup> Calculated by the NC Department of Commerce, Labor & Economic Analysis Division

<sup>4</sup> 2023 North Carolina Development Tier Designations annual report, NC Department of Commerce

<sup>5</sup> U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis, Number of Private Establishments for All Industries in Yancey County, NC

<sup>6</sup> North Carolina Economic Development Guide 2022

<sup>7</sup> U.S. Bureau of Economic Analysis, Gross Domestic Product: All Industries in Yancey County, NC

113 Green Mountain Drive, P.O. Box 246, Burnsville, NC 28714

(828) 682-7722

Jamie.McMahan@yanceycountync.gov

With the stated desire to look forward to be able to continue to provide adequate space for industrial business recruitment and the potential needs of our existing industries to expand as they grow in the future, Yancey County commissioned Sanford & Holshouser Economic Development Consultants to assess potential sites for development into a future publicly owned industrial park. Based on that assessment and the evaluation of eight potential properties, Yancey County acquired an 84-acre tract of land in west Burnsville to be developed into a 47-acre industrial park, with the balance of the acreage reserved for future development.

Subsequently, Yancey EDC completed the formal and rigorous application process with the NC Department of Commerce Certified Site Program to formally certify the site to be marketed by the Economic Development Partnership of North Carolina (EDPNC). As a result, the site, to be named the West Burnsville Industrial Park, was formally certified by the NC Department of Commerce as the newest state certified industrial site in western North Carolina on 26 October 2022. Since that time Yancey County has solicited proposals from engineering firms to begin the site design and development of the park, which is scheduled to begin in 2023. Funds for development of the park have been leveraged through direct state appropriation of grant dollars to Yancey County to support infrastructure improvements on the property and through the NC Department of Commerce's Infrastructure Development Fund – Utility Account which recently announced a \$600,000 grant toward site development. Currently all dollars appropriated for the development of the site are completely grant funded.

### **Travel & Tourism Sector:**

Perhaps no single sector of the local economy continues to see more year over year growth than the travel and tourism sector. Building on increased revenues available for promotion through the occupancy tax generated by overnight stays in Yancey County, the Travel and Tourism Committee of the Yancey County Chamber of Commerce has been able to step up its marketing efforts. The results of that increased investment are evident. As of the most recent data available in 2022 Yancey County saw a 27.2% increase in visitor spending in the local economy, on top of a 16.3% increase seen the previous year. In total dollars, this increased spending resulted in \$68 million in revenue for the county, an increase over the previous year's revenue which totaled \$54 million<sup>8</sup>.

Increased visitor attention to the area has also generated opportunities for projects in other sectors to gravitate to Yancey County and the region, such as the television and film production industry. In 2021 and 2022 Yancey County saw three television and film production projects film in the area, perhaps most notably the first season of the Amazon Studios science fiction series production "The Peripheral" which aired in late 2022. Additionally, the NuWray Hotel project is well underway, with the restoration, renovation, and expansion of the historic inn slated to be completed in 2023. One challenge facing our community however, which is attributable to the rise of the tourism economy, is the increased strain on the housing market resulting from what has been a steady and continuous rise of the conversion of residential properties into short term rentals over the past several years.

---

<sup>8</sup> North Carolina Department of Commerce, Visit NC, Tourism Economics 2022

113 Green Mountain Drive, P.O. Box 246, Burnsville, NC 28714

(828) 682-7722

Jamie.McMahan@yanceycountync.gov

### **Housing & Workforce Development:**

Nowhere has rising interest rates more acutely affected the citizens of Yancey County than its impact on the rising rate of home mortgage lending. Historically high listing prices, coupled with a decrease in available inventory, and the rising cost of a mortgage to middle income wage earners, continues to cause strain in our housing market and continues to drive would be homebuyers to the rental market instead. As of August, 2022 the vast majority of residential properties available for sale in Yancey County (61.5% of all listings) were priced above \$400,000<sup>9</sup>.

Funded by a grant from the Dogwood Health Trust, Yancey County engaged Bowen National Research, one of the premiere housing consulting firms in the country, to do a complete housing needs assessment and to propose potential ways in which local government could act to positively impact issues around housing development, affordability, and availability. With the completion of that report in fall of 2022 and the completion of a comprehensive infrastructure assessment and accompanying list of proposals for potential infrastructure development to spur housing construction due to be completed in February 2023 by the engineering firm of McGill & Associates the Yancey County Commission, Burnsville Town Council, and Yancey EDC Board are scheduled to hold a joint housing summit in February 2023 to discuss potential initiatives geared toward addressing housing.

A further partnership with Dogwood Health Trust and Yancey County has resulted in the formation of a \$2.3 million Residential Infrastructure Fund to support public infrastructure extensions to qualifying residential developments. Dollars from this fund have been earmarked to support Northwest Regional Housing Authority's Sawmill Village project on Sawmill Hollow Road in Burnsville, and proposals from other potential residential developments are under consideration for additional funding going into 2023.

### **Public Infrastructure Development:**

Through huge cash investments which came to the states through the American Rescue Plan Act (ARPA) and due to the effective work of the Yancey County Manager and County Commission, as well as the Burnsville Town Manager, Mayor, and Town Council to lobby for increased investment in our community, Yancey County and the Town of Burnsville received some of the largest financial investments in recent memory targeted for public infrastructure improvements and the construction of public facilities in the history of our community. Yancey County received a total of \$16.5 million for water and sewer infrastructure projects and the Town of Burnsville received a total of \$12 million in infrastructure grant funding. These funds will allow significant investments in improvement and expansion of both wastewater and drinking water utility service throughout the Town of Burnsville and Yancey County.

### **Summary & Conclusion:**

Though 2022 provided a challenging economic environment for our community, as well as the entire nation, Yancey County maintained steady and resilient growth in all economic sectors. Looking ahead for 2023 and 2024, certainly the economic forecast remains turbulent, with a potential recession looming ahead. Nevertheless, Yancey County and the Town of Burnsville have

---

<sup>9</sup> Housing Needs Assessment, Yancey County, Bowen National Research 2022

113 Green Mountain Drive, P.O. Box 246, Burnsville, NC 28714

(828) 682-7722

Jamie.McMahan@yanceycountync.gov

taken steps to plan for potential bumps in the economic road, including planning to deploy historic investments in infrastructure, housing, business recruitment and development, and small business assistance. Though rising rates and the resultant strain in the labor market will be factors which may well have a negative impact, looking ahead, I and the Yancey County Economic Development Commission Board of Directors remain positive and confident that we can continue a pace of measured growth and diversity in our sectors of employment which will help us ride out more smoothly whatever economic situation might lie ahead.

I would like to sincerely thank the Yancey County Commissioners, County Manager and Finance Officer, and the Burnsville Town Council, Town Manager and Finance Officer, and the members of the Yancey County EDC Board for your tireless and enthusiastic commitment to the work of economic development. Most importantly I would like to thank our citizens who make up the amazing workforce which is the engine that drives our economy.