

# HOMETOWN STRONG

COMMUNITY FOCUSED PARTNERSHIPS

## Yancey County, North Carolina

Points of Interest	Yancey County Data
Population	18,069
Per Capita Income	\$23,264
Median Household Income	\$39,888
Poverty Rate	17.8%
Minority Population	2%
Proximity to Urban Center	30 miles to Asheville
Proximity to Interstate Highway	Runs through county

In recent years, Yancey County found that the entrepreneurial spirit was vibrant, and yet businesses were unable to stay open. The Economic Development Commission determined that this flaw in sustainability was due to a lack of business planning and capital such as affordable rent.<sup>7</sup> To combat these obstacles, the Yancey County Economic Development Commission has created the Burnsville Downtown Entrepreneur Assistance Program (DEAP) to encourage sustainable business pursuits. DEAP is a \$2,500 grant that requires successful applicants to enroll in business development courses and grants them access to the Yancey County Chamber of Commerce.<sup>7</sup> With

Burnsville tackles common obstacles for small businesses by offering multifaceted incentivizing grants in an effort to spark entrepreneurship and revitalize the historic downtown center.<sup>8</sup>

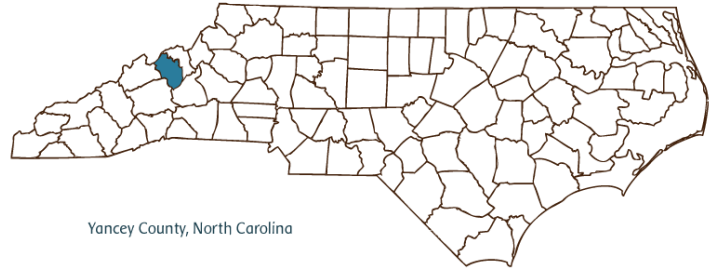
so many resources and a tight-knit community, Yancey County looked to how it could both foster entrepreneurship and create a thriving Main Street in downtown Burnsville.

## The Community and its History

Yancey County, founded in 1833 by John "Yellow Jacket" Bailey, was one of the earliest western counties in North Carolina, formed from already existing Buncombe and Burke counties.<sup>2</sup> The county is positioned within the southwestern region of North Carolina. The Black Mountains, the tallest mountains east of the Mississippi River, occupy the southern part of the county while the Toe River acts as the county's northern border. Several other prominent rivers and creeks run through Yancey County such as the Cane River, Jacks Creek, and Crabtree Creek. The region's waterways along with a longstanding cultural appreciation for the land has created fertile farmland in the county. Yancey County is home to several natural destinations, the most well known being Mount Mitchell, the highest peak in the Eastern United States.<sup>3</sup>

Historic Burnsville is the social, cultural, and political hub of Yancey County and is located 30 miles northeast of Asheville. The town is named after Captain Otway Burns, a naval hero of the War of 1812. Burns acted as the deciding vote in the creation of western counties in North Carolina, such as Yancey County itself. In granting more representation in the General Assembly for westerners, Burns lost the trust of the easterners he represented and thus lost reelection. In 1909, the statue of Captain Burns was erected in the center of the Burnsville Town Square.<sup>2</sup> It still stands today.

Yancey County is a small



community with a focus on its regional identity. Industry spans from tourism to agriculture to small business. 96% of Yancey County businesses have less than 50 employees. 57% of businesses have less than 50 employees.<sup>4</sup> Considering how dependent Yancey County has a thriving local economy, the need to promote sustainable small businesses in the community center was a clear solution to revitalizing downtown Burnsville.

## The Strategy

The Yancey County Economic Development Commission (EDC) has identified both tourism and small business as two of Yancey County's seven pillars of economic development (along with industry, agriculture, quality of life, workforce, and infrastructure).<sup>4</sup> To promote both tourism and small business success in the community, the EDC has developed an initiative grant for small business development in downtown Burnsville. The grant takes advantage of two of Yancey County's key assets: a thriving entrepreneurial spirit and the inherent attraction of the charming and tucked away mountain town.

Through the grant creation process, it was discovered that the largest threats to small business success are a lack of business planning and a lack of capital.<sup>7</sup> To combat these common threats, the EDC created the Downtown Entrepreneur Assistance Program (DEAP).

DEAP is a \$2,500 lump sum grant available for new businesses or expanding existing retail businesses in downtown Burnsville. By limiting this grant to downtown stores, the EDC is working to create an energetic Main Street to act as a tourist attraction. The grant is not restrictive and can be used to pay for rent, labor, or however else the business owner deems appropriate. In order to reduce business failure and promote sustainable business practices, as well as to ensure that the unrestricted grant is being put to good use, the grant applicant must include a thorough business plan with the application.<sup>7</sup>



*Burnsville Town Square*

In addition to financial support, DEAP requires business owners to take a business course at Mayland Community College, a local and essential resource for small businesses. Whether or not the recipient needs to take the course is dependent on the level of experience and education of the business owner. The program also grants successful applicants one year of free membership to the Yancey County Chamber of Commerce in order to promote a vibrant business network within Yancey County, to foster cross-sector inter-connectivity, and to offer accessible and timely resources to the successful applicants.<sup>7</sup>

In 2018, the EDC issued the grant to Magnolia & Wren Ltd. Boutique.<sup>1</sup> In 2019, the grant was issued to three newly businesses: Highway 55 Diner, Rad Dawgz Hotdog Joint and Homeplace Beer Company. A grant was also given to already existing Hog Hollow's Pizza for expansion purposes.<sup>8</sup>

### **How and Why the Strategy is Working**

***Grants are based on investment, not job creation.***<sup>4</sup> Due to a small workforce and a 2019 unemployment rate of 3.2%, the Yancey County Economic Development Commission is not concerned with job creation.<sup>8</sup> While many state level grants require job creation, the DEAP does not have limitations on where to spend the grant. Finances can be allocated wherever they are most needed. This allows for

businesses to focus on the longevity of their business rather than creating employment opportunities.

***Natural and cultural attractions have established Yancey County as a destination.***<sup>4</sup> While part of this initiative was to make downtown Burnsville a tourist destination, tourists do already frequent the area. Due to this precedent, the Economic Development Commission was able to focus on expanding tourism, and not creating the tourism industry with the Downtown Entrepreneurial Assistance Program.

***The community has ample resources for small businesses.*** While small businesses in the region do fail, the region has various resources that businesses can take advantage of. The DEAP utilizes several of these resources, including Mayland Community College which houses the Mayland Small Business Center, as well as the Yancey County Chamber of Commerce.<sup>7</sup> The community is also fortunate enough to have access to a major four-lane highway, minimal competition from large commercial businesses, and high-speed internet connection throughout downtown Burnsville.<sup>4</sup> Together these resources create a fertile environment for successful local businesses.

## Lessons Learned

***Pairing financial incentives with education promotes community sustainability.*** Twenty percent of new businesses fail within the first year. Fifty

percent fail within the first five years.<sup>6</sup> Yancey County's Downtown Entrepreneurship Assistance Program Grant is dedicated to curbing that number by providing ample resources to new business owners. One of the most useful resources is the business course as it will benefit the businesses in the long-run. Yancey County found that the most common reasons for business failures are a lack of a business plan and lack of capital.<sup>7</sup> The business courses aim to promote business plans and demonstrate the value of continued education. Mayland Community College offers several business courses that recipients would view as more accessible and worthwhile having already taken a course through this program. The financial resources offered by the DEAP provide an obvious incentive to apply, but knowledge on how to run a successful business through Mayland Community College courses may help more. The knowledge and skills gained will benefit the business in the first five years and beyond.

***Investing in one aspect of a local economy can benefit other regions of the economy.***

Burnsville used the strengths of one aspect of economic development to heighten another. Yancey County's EDC took advantage of Burnsville's local entrepreneurship to strengthen the town's tourism. By incentivizing downtown businesses to create in-depth business plans, the EDC is contributing to the longevity of Burnsville's Main Street. It is giving the

street time to become a tourist destination. With a lively downtown thanks to DEAP, there is now even more reason to visit Burnsville's historic and endearing town center, thus strengthening the region's tourism industry. The 2019 median wage in Yancey County increased by \$3,975, demonstrating overall positive economic development, not just in small businesses or tourism.<sup>8</sup> The Yancey County EDC has shown their commitment to investment leading to cross-sector development.

## Endnotes

1. "First Grant Award through New Downtown Entrepreneurship Assistance Program." WKYK, WTOE. Accessed May 27, 2020. <https://www.ourlocalcommunityonline.com/2018/11/06/firt-grant-award-through-new-downtown-entrepreneurship-assistance-program/>.
2. "History." Town of Burnsville, NC. Accessed May 27, 2020. <https://townofburnsville.org/history/>.
3. National Archives and Records Administration. National Archives and Records Administration. Accessed May 27, 2020. <https://catalog.archives.gov/id/47722904>
4. "Strategic Economic Development Plan 2019." High Country Council of Governments, October 2019. [https://yanceyedc.org/assets/yancey-ed-plan-final-\(1\).pdf](https://yanceyedc.org/assets/yancey-ed-plan-final-(1).pdf).
5. "U.S. Census Bureau QuickFacts: Yancey County, North Carolina." Census Bureau QuickFacts. Accessed May 27, 2020. <https://www.census.gov/quickfacts/yanceycountynorthcarolina>.
6. "Why Small Businesses Fail: Top 8 Reasons for Startup Failure." How. Accessed May 26, 2020. <https://www.businessknowhow.com/startup/business-failure.htm>.
7. "Yancey Co. EDC Announces New Business Incentive for Downtown Burnsville Development." WKYK, WTOE. Accessed May 27, 2020. <https://www.ourlocalcommunityonline.com/2018/09/17/yancey-co-edc-announces-new-business-incentive-for-downtown-burnsville-development/>.
8. "2019 Economic Development Report for Yancey County." Accessed May 27, 2020. <http://yanceyedc.org/assets/yancey-edc---2019-year-end-report.pdf>.