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Homegrown Tools tells the story of small towns that have successfully stimulated private investment and job creation. The tool is meant to connect public officials, practitioners, and researchers to successful small town economic development strategies and inspire small towns to leverage their unique assets. Homegrown Tools is managed by NCGrowth, an EDA University Center at UNC Chapel Hill, in partnership with the UNC School of Government, the Federal Reserve Bank of Richmond, the NC Rural Center, and the UNC Department of City and Regional Planning.





Yancey County, North Carolina

Points of Interest	County Data
Population (2019)	18,069
Municipal budget (2021-2022) source: Yancey County Government website	\$25,950,164
Per capita income (2019)	\$23,264
Median household income (2019)	\$39,888
Poverty rate (2019)	17.8%
Minority population (2019)	25
Proximity to urban center: Asheville	30 miles
Proximity to interstate/highway: I-26	Runs through county
Economic Development Strategy	Tourism, Entrepreneurship

Time Frame for Implementation: 2018-2022

Synopsis

Burnsville helps small businesses tackle common obstacles by offering grants along with incentives that encourage entrepreneurs to improve their business practices. This program, called the Burnsville Downtown Entrepreneur Assistance Program (DEAP) has helped to spark entrepreneurship and revitalize the historic downtown center. ¹

Introduction

Through conversations with prospective entrepreneurs and small businesses seeking to expand, the Yancey County Economic Development Commission determined that businesses lacked capital, affordable rents, and businesse planning support to reach their goals. These businesses

[&]quot;2019 Economic Development Report for Yancey County." Accessed May 27, 2020. http://yanceyedc.org/assets/yancey-edc---2019-year-end-report.pdf.

were seeking assistance, but there was no state or local incentive program for businesses with few employees.² The Yancey County EDC wanted to proactively incentivize new entrepreneurs who did not have the financial backing or employee count to benefit from existing incentive programs. To do this, the Yancey County Economic Development Commission created the Burnsville Downtown Entrepreneur Assistance Program (DEAP) to encourage sustainable business pursuits. DEAP is a \$2,500 grant that requires recipients to enroll in business development courses and grants them access to the Yancey County Chamber of Commerce.³

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 parts of already existing Buncombe and Burke counties. 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 regional waterways along with a longstanding cultural appreciation for the land have 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.

Historic Burnsville is the social, cultural, and political hub of Yancey County and is located 30 miles northeast of Asheville. Visitors to downtown Burnsville have many options for shopping, eating, and visiting local artists. The Toe River Arts Council operates a gallery and gift shop in Burnsville to give people a chance to meet the artists who call this town home.

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² Interview with Jamie McMahan. 15 February 2022.

³ 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/

⁴ National Archives and Records Administration. National Archives and Records Administration. Accessed May 27, 2020. https://catalog.archives.gov/id/47722904

⁵ National Archives and Records Administration. National Archives and Records Administration. Accessed May 27, 2020. https://catalog.archives.gov/id/47722904

Yancey County is a small community with a focus on its regional identity. While the industry makeup of Yancey County is varied and includes tourism, agriculture, manufacturing, and health care, small firms make up the vast majority of private businesses. Ninety-six percent of Yancey County businesses have less than 50 employees and 57% of businesses have less than 5 employees.⁶ As small businesses make up the majority of businesses in Yancey County, economic development efforts must aim to support entrepreneurs and small business owners. In order to have a thriving local economy, promoting sustainable small businesses in the community center was a clear solution to revitalizing downtown Burnsville.

The Strategy

DEAP Informed by Yancey County's Strengths

In 2019, Yancey County identified tourism and small business as two of the County's seven pillars of economic development (along with industry, agriculture, quality of life, workforce, and infrastructure).⁷ These pillars were agreed upon during framework discussions which included monthly stakeholder meetings where the community reviewed

relevant data and identified assets and liabilities related to each of the subtopics listed above. The impact of tourism in Yancey County is evidenced by the numbers: in 2017, 260 jobs were created by visitor spending and local tax receipts from visitor spending totaled \$2.75 million.8

Yancey County has seen a steady increase in small businesses opening between 2016-2022. This growth increased in late 2020 and early 2021 demonstrating that despite the COVID-19 pandemic, Yancey County has seen steady growth of new entrepreneurs and recruitment of new businesses.⁹ By providing assistance to local small business owners, the Downtown Entrepreneurship Assistance Program is meant to encourage entrepreneurship and, in turn, contribute to the longevity and charm of main street for visitors and residents.

DEAP Grant Application Requirements

To encourage small business development and increase tourism, the Yancey County EDC funded the DEAP grant. To apply for the grant, an entrepreneur must demonstrate that they have office space, they are creating at least one full-time job, and provide a copy of their business plan and financial statements. The EDC uses this information to determine if the business will substantially invest in the community and chooses grantees accordingly.¹⁰

DEAP Partners with Community College

In addition to financial support, the Downtown Entrepreneur Assistance Program requires business owners to take a business course at Mayland Community College, a key local resource for small businesses. If a recipient does not wish to take the course, they can ask to be exempted. An

⁶ Strategic Economic Development Plan 2019." High Country Council of Governments, October 2019. https://yanceyedc.org/assets/yancey-ed-plan-final-(1).pdf

⁷ Strategic Economic Development Plan 2019." High Country Council of Governments, October 2019. https://yanceyedc.org/assets/yancey-ed-plan-final-(1).pdf.

⁸ Strategic Economic Development Plan 2019." High Country Council of Governments, October 2019. https://yanceyedc.org/assets/yancey-ed-plan-final-(1).pdf

⁹ McMahan, J. (2021). Yancey EDC 2021 Year End Report. Yancey County Economic Development Commission. https://dehayf5mhw1h7.cloudfront.net/wp-content/uploads/sites/534/2022/01/06150835/Yancey-EDC-2021-Year-End-Report-Final-Draft.pdf

¹⁰ Interview with Jamie McMahan, February 3, 2022

exemption will only be granted if the EDC board determines that the recipient has demonstrated experience in business ownership. The program also grants successful applicants one year of free membership to the Yancey County Chamber of Commerce to promote a vibrant business network within the county, to foster cross-sector interconnectivity, and to offer accessible and timely resources to the grant recipients.¹¹

DEAP Success Stories and Challenges

In 2018, the EDC issued its first grant to Magnolia & Wren Ltd. Boutique. ¹² In 2019, the grant was issued to three new businesses: Highway 55 Diner, Rad Dawgz Hotdog Joint and Homeplace Beer Company. A grant was also given to the already existing Hog Hollow's Pizza for expansion purposes. ¹³ No grants were awarded in 2020 due to the pandemic, rather, funds were lent to local businesses that had to remain closed during lockdown. In 2021, six DEAP grants were issued to downtown businesses including to Burnsville Candle Company, ¹⁴ a new downtown retail store, and Second Home, a new restaurant. ¹⁵ In addition to grants, the EDC plans to offer loans through the DEAP in 2022 by partnering with the MAY Coalition who will administer the loan funds. ¹⁶

Outcomes

- \$25,000 in DEAP grants issued over the total life of the program and the number of businesses receiving the grant each year is increasing.¹⁷
- Providing access to knowledge for entrepreneurs through business courses at Mayland Community College included with the DEAP grant.
- 25 new business startups assisted by the Mayland Community College Small Business Center from 2016 through 2021.¹⁸
- Tourism spending in Yancey County increased from \$38.4 million to \$53.4 million between 2016 and 2021.¹⁹

How and Why the Strategy is Working

Grants are based on investment not job creation.²⁰ Due to a small workforce and a 2019 unemployment rate of 3.2%, job creation is not Yancey County Economic Development Commission's largest priority.²¹ This grant targets fledgling entrepreneurs, so applicants only have to show the creation

¹¹ 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/

¹² 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/.

^{13 2019} Economic Development Report for Yancey County." Accessed May 27, 2020. http://yanceyedc.org/assets/yancey-edc---2019-year-end-report.pdf

¹⁴ Yancey EDC Grant to Burnsville Candle Company. (2021, December 8). WKYK, WTOE. https://www.ourlocalcommunityonline.com/2021/12/07/yancey-edc-grant-to-burnsville-candle-company/

¹⁵ Second Home Receives \$2500. (2021, October 18). WKYK, WTOE. https://www.ourlocalcommunityonline.com/2021/10/18/second-home-receives-2500-from-yancey-edc-entrepreneurship-assistance-program/

¹⁶ McMahan, J. (2021). Yancey EDC 2021 Year End Report. Yancey County Economic Development Commission. https://dehayf5mhw1h7.cloudfront.net/wp-content/uploads/sites/534/2022/01/06150835/Yancey-EDC-2021-Year-End-Report-Final-Draft.pdf

¹⁷ Yancey EDC Grant to Burnsville Candle Company. (2021, December 8). WKYK, WTOE. https://www.ourlocalcommunityonline.com/2021/12/07/yancey-edc-grant-to-burnsville-candle-company/

¹⁸ Yancey County Economic Development Commission. (2021). 2021 Economic Development Report for Yancey County. https://dehayf5mhw1h7.cloudfront.net/wp-content/uploads/sites/534/2022/01/06150835/Yancey-EDC-2021-Year-End-Report-Final-Draft.pdf

¹⁹ Yancey County Economic Development Commission. (2021). 2021 Economic Development Report for Yancey County. https://dehayf5mhw1h7.cloudfront.net/wp-content/uploads/sites/534/2022/01/06150835/Yancey-EDC-2021-Year-End-Report-Final-Draft.pdf

²⁰ Strategic Economic Development Plan 2019." High Country Council of Governments, October 2019. https://yanceyedc.org/assets/yancey-ed-plan-final-(1).pdf

^{21 2019} Economic Development Report for Yancey County." Accessed May 27, 2020. http://yanceyedc.org/assets/yancey-edc---2019-year-end-report.pdf.

of one full-time job. Many state level grants require more job creation making them inaccessible to small businesses. The DEAP makes funds more accessible and does not place limitations on how to spend the funds. The EDC evaluates the other application criteria, such as the businesses financial statements and business plans, to determine how much it is likely to invest in the community.

Natural and cultural attractions have established Yancey County as a destination. Since tourists already frequent Yancey County for outdoor experiences in the Blue Ridge Mountains, charming strolls down main street, and visits with local artists, the Economic Development Commission was able to focus its efforts on expanding the already existing tourism economy rather than growing it from the beginning.

The county has ample resources for small businesses.

The region is home to various business support resources. 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.²³ 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.²⁴ Together these resources create a fertile environment for successful local businesses.

Lessons Learned from the Story

Pairing financial incentives with education promotes business sustainability. On average twenty percent of new U.S. businesses fail within the first year. Fifty percent fail within the first five years.²⁵ Yancey County's Downtown Entrepreneurship Assistance Program Grant is dedicated to curbing that number by incentivizing new business owners to take advantage of available resources. One of the program's most useful resources is the business course which helps new business owners form long-term strategies for success. Yancey County found that the two most common reasons why businesses fail were 1) not having a business plan and 2) not being able to access capital.²⁶ The business courses that are a part of DEAP aim to promote business plans and demonstrate the value of continued education. The DEAP program hopes that once business owners have completed one course at Mayland Community College they will be more likely to enroll in others.

Investing in one aspect of a local economy can benefit other industries of an economy. Burnsville used the strengths of one aspect of economic development to heighten another. Yancey County's EDC took advantage of Burnsville's strong 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. With a lively downtown thanks in large part to DEAP, there is now even more reason to visit Burnsville's historic and endearing town center, thus strengthening the region's tourism industry.

²² Strategic Economic Development Plan 2019." High Country Council of Governments, October 2019. https://yanceyedc.org/assets/yancey-ed-plan-final-(1).pdf

²³ 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/.

²⁴ Strategic Economic Development Plan 2019." High Country Council of Governments, October 2019. https://yanceyedc.org/assets/yancey-ed-plan-final-(1).pdf.

^{25 &}quot;Why Small Businesses Fail: Top 8 Reasons for Startup Failure." How. Accessed May 26, 2020. https://www/businessknowhow.com/startup/business-failure.htm

^{26 &}quot;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/

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