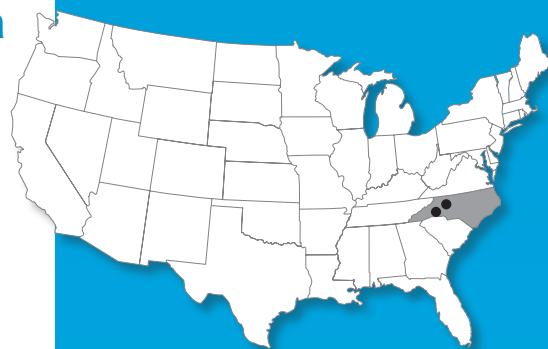


Bakersville and Hayesville, North Carolina



	Bakersville	Hayesville
Population (2000)	357	297
Municipal budget (2006)	\$320,000 ³	\$330,000 ⁴
Per capita income (2000)	\$16,000	\$12,280
Median household income (2000)	\$19,290	\$20,000
Poverty rate (2000)	18%	15%
Minority population (2000)	0%	0%
Proximity to urban center	60 miles to Asheville, N.C.	130 miles to Atlanta, Ga.
Proximity to interstate highway	30 miles	75 miles
Strategic approach	Tourism Downtown development Organizational development	
Time frame	1995-2007	

Over the last several decades, parts of North Carolina have seen explosive growth. Hundreds of new businesses have been attracted into the urban corridor from Charlotte, through the Triad and into the Research Triangle Park. Universities and colleges throughout the state have incubated entrepreneurial activity, leading to new business spin-offs in biotechnology and high-tech industry. All of this economic activity, largely concentrated along the Interstate I-40 and I-85 corridor in central North Carolina, has created thousands of new jobs and generated millions in new investment.

Far away from the activity, in the mountains of western North Carolina, a different approach to economic development is emerging – an approach that is, in fact, redefining the term economic development. It is an approach that is rooted in rural heritage and culture. According to Becky Anderson, executive director of Handmade in America, the challenge for small mountain communities is to create economic development strategies that are sensitive to the natural environment and that preserve the unique mountain culture. Bakersville, having recovered from a devastating flood in 1998, demonstrates how a small community can turn a natural disaster into a catalyst for reinvigorating civic and

Two small rural communities in the mountains of North Carolina build civic infrastructure and partnerships, and boost tourism by elevating heritage and cultural assets and revitalizing downtown.

³ Interview with Charles Vines, mayor of Bakersville, June 24, 2007.

⁴ Interview with Harrell Moore, mayor of Hayesville, July 16, 2007.

economic activity. Hayesville, using similar heritage-based approaches, enriches the story with tourism and infrastructure development.

The communities and their history

Bakersville

Bakersville, the county seat for Mitchell County, is a quaint mountain community. Tucked beneath hulking Roan Mountain, it is an hour's drive from Asheville, Boone or Johnson City, Tenn. Incorporated in 1870, Bakersville has a rich and storied history. David Baker, the town's first resident, is believed to have settled here in 1797. Initially an important trading center, Bakersville endured the boom and bust nature of the mining industry throughout the 1900s. According to a local historian, during the late 1800s and early 1900s, "business varied with prices mica would bring; good prices, many jobs, good business; low prices, the reverse. Fortunes were made and lost."⁵

Agriculture and manufacturing were important contributors to the local economy in the latter half of the 20th century. Over the last 10 years, however, Mitchell County lost 3,400 manufacturing jobs. A modest employment resurgence in the mining industry began in the 1990s, when silica quartz, a mineral used in silica computer chips, was discovered in Mitchell County. In 2007, the mining industry employs 10 percent of the county's workforce. The local school system is the county's largest employer, and the commercial Christmas tree business is a growing economic sector. The Penland School of Crafts, a national center for craft education, is located several miles from Bakersville. Newer residents tend to be artists or retirees. According to one civic leader, native residents of Bakersville tend to be individualistic, free thinking, pragmatic and cautious with money. These characteristics of long-time residents likely stem from the boom and bust nature of Bakersville's economic history.

In 1996, the town was at an economic low point. Main Street was 40 percent vacant and, according to Bakersville Mayor Charles Vines, "there wasn't a whole lot going on in the early 1990s." In response, a group of business owners, artists and civic leaders came together and formed the Bakersville Improvement Group (BIG). Their idea was to use arts and culture as a means for improving Bakersville's downtown corridor. Initially BIG (then referred to as Rhododendron Festival Inc.) worked to initiate an annual Rhododendron Festival, an event that spawned a variety of other civic projects. At roughly the same time, Bakersville was selected to participate in Handmade in America's Small Towns Project, which was designed to provide downtown revitalization assistance to communities too small to qualify for the National Main Street Program.⁶

⁵ From "A History of Bakersville, North Carolina" available at: <http://www.bakersville.com/hist.html>.

⁶ Handmade in America is a nonprofit community development organization located in Asheville, N.C. Among other things, Handmade works with communities in western North Carolina to develop environmentally sustainable economic solutions that emphasize the craft industry, enhance opportunities in the marketplace and develop entrepreneurial strategies for the region's crafts artisans. For more information, see <http://www.handmadeinamerica.org>.

In 1997-98, the town, represented by BIG, was beginning to work with representatives from Handmade in America to draft a plan for the community, including a renovation project for the town's historic courthouse on Main Street. Then, on Jan. 8, 1998, disaster struck. Between 13 and 19 inches of rain fell on the nearby snow-covered Roan Mountain in a matter of hours. Overnight, flooding wiped out every business along Crimson Laurel Road in Bakersville. Main Street businesses were flooded as well. Bridges across the county were washed away, making travel and commerce nearly impossible. In the days and weeks following the flood, state and federal disaster response resources flowed into town, but economic recovery was going to be a long process for Bakersville. Further exacerbating the town's development challenge, Bakersville was put under a development moratorium in 1999 for its decrepit and flood-damaged wastewater treatment system.

Hayesville

Hayesville is the only incorporated town in Clay County, located five miles north of the Georgia state line in far western North Carolina. The town is situated on a knoll overlooking the Hiwassee River and has an expansive view of the southern Appalachian Mountains. Clay County was carved out of Cherokee County in 1861. The town of Hayesville was built around the historic two-story Clay County Courthouse in 1888. Today, more than 80 percent of Clay County's land area is forested and 46 percent is federally owned.⁷ History and culture play a significant role in Hayesville's social and civic life. The Clay County Historical Museum, located in the town's old brick jail house, is the town's centerpiece. The Licklog Players, a regional theatrical group, has been performing in the community since 1978, "bringing people together through the enjoyment of creative, entertaining live theater."⁸ The John C. Campbell Folk School, which *National Geographic* declared in 2007 as one of the "100 Best Vacations to Enrich Your Life," is located 10 miles away in Brasstown.

In recent years tourism, especially related to mountain heritage and outdoor recreation, has taken a prominent role in Hayesville's local economy. Lake Chatuge, located just minutes from town, offers miles of shoreline for swimming, boating, camping and fishing. Campgrounds in the Nantahala National Forest, a short drive from Hayesville, attract visitors from across the region. Fly-fishermen, hikers and bicycle tourists flock to the nearby Fires Creek for beautiful scenery and waterfalls.

The primary civic organization in Hayesville is the Clay County Community Revitalization Association (CCCRA). With a membership of several dozen local volunteers, CCCRA works to initiate and carry out development projects "that maintain the county's character while

⁷ North Carolina Rural Economic Development Center, "Saying Yes to Small Business" (November 2001, No. 9).

⁸ From the homepage of the Licklog Players, available at: <http://www.licklogplayers.org/>.

increasing economic opportunity.”⁹ According to a recent study conducted for Handmade in America, “although members of CCCRA are a mixture of locals and newcomers, many locals see the group as outsiders trying to change things.”¹⁰ Regardless of perception, though, CCCRA has a strong organization and has accomplished a number of significant projects. The CCCRA has been the leader and has partnered with the town and a number of other organizations in the community. According to Rob Tiger, the former president of CCCRA, “the organization has a tight relationship with the town government.”

Several important forces have tremendous bearing on Hayesville’s approach to economic development. First, in the mid-1980s, a highway bypass for U.S. 64 was constructed to re-route traffic away from downtown Hayesville. In 2002, the U.S. 64 bypass was widened to four lanes, becoming the first four-lane road in Clay County. Larger retail and service businesses now tend to locate on the bypass where traffic is heavier. Second, Clay County is in the midst of a construction boom from retirees and second-home owners migrating up from Atlanta and elsewhere to build in the rural North Carolina mountains. Real estate and construction businesses are thriving. A new development for retirees with 150 homes is being constructed two blocks from the downtown square. Although this particular development happens to be outside of municipal Hayesville, it will bring with it a sudden influx of new residents – perhaps more than doubling the town’s population. This development, along with those that have preceded it, represents a substantial shock to social, civic and economic life in Hayesville.

The strategy

The community and economic development strategies in Bakersville and Hayesville, although not identical, are similar. They both involve building infrastructure and capacity for initiating and sustaining locally driven community and economic development. In addition, each town’s strategy includes elements of tourism and downtown revitalization. Bakersville’s strategy is to improve the town’s civic infrastructure in an effort to attract and retain artist studios and other Main Street retailers that attract tourist dollars into the local economy. Hayesville is working to beautify the community, forge partnerships to develop tourism infrastructure and put on events that attract tourists and invigorate local civic energy.

Building infrastructure and capacity

Despite each community’s limited population and financial resources, Bakersville and Hayesville have taken steps to build physical infrastructure and organizational capacity to facilitate community and economic development. In each community, a local volunteer-led organization evolved in response to dramatic shocks to the local economy. BIG (in Bakersville) and

⁹ North Carolina Rural Economic Development Center, 2001.

¹⁰ Molly Levin, “Quality of Life Indicators in Two Small Towns in the Blue Ridge Heritage Area.” In Harmon, David, Ed. (2006) *People, Places, and Parks: Proceedings of the 2005 George Wright Society Conference on Parks, Protected Areas, and Cultural Sites*. Hancock, Michigan: The George Wright Society.

CCCRA (in Hayesville) are the primary community and economic development organizations. Each partners with its town's local government, but government is not the primary driver of the strategy in either place. Each organization includes both long-time residents and newcomers, and each seems to represent the interests of those residents who are active in civic affairs.

In Bakersville, the 100-year flood that struck in 1998 led to a re-evaluation of the town's floodplain, after which the state declared portions of the commercial district ineligible for redevelopment. Rather than view this redefinition of the floodplain as an economic threat, BIG volunteers went to work to turn it into an opportunity. The initial move was to shift focus from the courthouse project to a creek walk project. A creek walk, they decided, could pull the community together and, importantly, would demonstrate activity and "revitalization" in the new floodplain. Further, local leaders believed that additional public space, in the form of a creek walk, would add to the civic fabric of Bakersville, support the growing artist-based downtown economy and attract tourists into the community.

BIG partnered with Handmade in America, the National Forest Service, the National Endowment for the Arts and the N.C. Fish and Wildlife Commission to fund and construct a one-mile paved walkway along Cane Creek, which flows within a block of Main Street in Bakersville. Immediately after the flood, the town tapped the grant-writing expertise of Jim Burns from the Town of Boone. Burns assisted the town and BIG in obtaining grants to finance various components of the creek walk, as well as financial support for reconstruction of the community's wastewater treatment facility.¹¹

Completed in early 2000, the creek walk in Bakersville provides access to catch-and-release trout fishing and includes handicap-accessible fishing platforms. Local donations were solicited for a network of decorative lights along the creek walk. Citizens were given the opportunity to donate \$1,000 toward creek walk lighting in exchange for a commemorative plaque with their name on one of the lamp posts. This was an opportunity for locals to assume ownership of the creek walk. In an innovative partnership, the town convinced Wal-Mart to donate energy-efficient light bulbs to the project, reducing the town's electricity bill for creek-side lighting from \$200 to \$50 per month. The creek walk project evolved into what became the first stage of a long-term plan to create parks, playgrounds, multi-use sports fields and a gymnasium for the town of Bakersville -- all in the floodplain adjacent to Main Street. A design student with North Carolina State University is working with BIG and the Town of Bakersville to draft architectural plans for the next phase of development.

In Hayesville, CCCRA (in partnership with the local government) began its development work in a simple and organic way. In 1996, a local civic entrepreneur named Glen Love decided to clean and paint the awnings on downtown storefronts. He used his own pressure-washing

¹¹Bakersville wastewater treatment plant was upgraded to accommodate treatment of 100,000 gallons per day. The development moratorium was lifted in 2001.

machine and purchased paint with his own money. This simple activity was the catalyst for additional volunteer projects, which several years later evolved into CCCRA's development agenda.

CCCRA has completed several community beautification projects, including landscaping at the main entry to town and planting trees along Main Street. Further, CCCRA funded and built a community playground and a downtown park. CCCRA led a local effort to renovate the exterior of the Clay County Courthouse by initiating a commemorative brick fundraising campaign. Currently, CCCRA is working with the Southern Appalachian Biking Association to construct a 15-mile mountain bike trail, which is projected to bring hundreds of bicycle tourists into Hayesville. Finally, CCCRA is the lead organization on a local project to construct a "pioneer village" on a plot of land adjacent to the historical museum in downtown Hayesville. Original structures for the village, including a church, barn and residence, were donated to CCCRA by a family in Clay County. The organization partnered with the Clay County Historical and Arts Council to raise \$100,000 to move the structures into Hayesville and reconstruct the village, which is expected to be a tourist draw.

Tourism through events and festivals

The second part of each town's strategy is to sponsor events and festivals that create community cohesiveness and attract tourist dollars into local businesses. According to Bob Hensley in Bakersville, "Events keep Bakersville in people's minds eye. Every small town in America should have a street festival to help celebrate its uniqueness. The more a community can do to get people thinking and talking about their town, the better." Again, as with civic infrastructure projects, events and festivals in Bakersville and Hayesville tend to be initiated and organized by volunteer civic organizations (BIG and CCCRA, respectively).

Bakersville's main event is the annual Rhododendron Festival, "the premier festival in celebration of the world's largest natural rhododendron gardens" (situated on Roan Mountain).¹² Beginning in 1994 and held every June since, the festival includes a street fair, antique car show, children's events and other cultural attractions. When the creek walk was completed in 2000, vendor tents were added to pedestrian areas along the creek walk. The event attracts thousands of visitors who eat in the local restaurants, purchase artwork from local artists and buy produce from local farmers. The success of Bakersville's Rhododendron Festival spilled over into a number of additional events, including an annual Christmas parade, an Easter egg hunt and a Fourth of July fireworks celebration. According to the Rhododendron Festival website, "the festival has been responsible for three-quarters of a million dollars in grants, which have brought new businesses, new jobs, a clean-up campaign and a renewed sense of pride to 'our town.'" ¹³

¹²North Carolina Rhododendron Festival homepage: www.bakersville.com/rhod.html.

¹³Ibid.

Hayesville's main event is Car-B-Q, an annual antique car show, barbeque festival and live music concert that takes place every July. CCCRA has forged partnerships with several local banks and businesses, which provide financial support to the event. Regional radio stations and newspapers provide free publicity. These partnerships, initiated and managed by CCCRA, have resulted in an event that brings hundreds of visitors into downtown Hayesville. CCCRA also puts on an event called Lies and Pies, which involves story-telling and a pie bake-off. According to Rob Tiger, Lies and Pies "is a competition for who can make the best pie and spin the best lie." Events celebrating Hayesville's unique heritage have become a means for attracting tourists and for integrating newcomers into the local civic and social networks.

By initiating projects to build civic infrastructure and partnerships, and to attract tourists into Bakersville and Hayesville, the volunteer-led organizations in both communities are redefining economic development in terms that make sense for small rural communities in the mountains of North Carolina. Referring to Hayesville's partnership with the Southern Appalachian Biking Association, Rob Tiger commented that "this [building a mountain bike trail to attract tourist dollars] is the kind of economic development that we're interested in. We're not going to succeed if the approach is to lure traditional industries. We have to think smaller scale." And, in Bakersville and Hayesville, small-scale projects are having a positive economic impact.

The outcomes

Outcomes that can be attributed to Bakersville's and Hayesville's economic development strategies include:

- In Bakersville, four new businesses and nine new jobs are attributed to the construction of the Cane Creek Walk.
- From 2003 to 2007, 10 vacant downtown buildings were occupied by new art galleries, restaurants or service businesses in Bakersville.
- In 2006, a new butcher shop, bookstore, coffee shop and several new service businesses moved into Hayesville's downtown square.
- Two old auto service stations at the main entry to Hayesville have been renovated and remodeled into a gourmet restaurant and a furniture retailer, improving the appearance of the community's gateway.
- In 2006, the Bakersville Rhododendron Festival attracted between 2,000 and 3,000 visitors.
- The Bakersville Rhododendron Festival is responsible for bringing \$750,000 in grant funding to Bakersville.

- According to Rob Tiger with CCCRA, “Downtown is taking shape. We have turned the corner. I know two or three people who are looking for property in town for new business space.”
- Said Hayesville Mayor Harrell Moore, “More and more newcomers are becoming active in local volunteer organizations.”

How and why the strategy is working

Given each community’s success with small-scale revitalization projects and tourism, the question becomes how and why these small mountain communities have been able to achieve such impressive outcomes. First of all, each community lies in a scenic and desirable setting within easy reach of larger metropolitan populations. Second, there is a deep sense of shared heritage and culture in small mountain communities that contributes to communal behavior. Also, both Bakersville and Hayesville have moved beyond the initial spark provided by Handmade in America and have assumed ownership of their communities’ futures. BIG and CCCRA have worked to build partnerships for spreading out the volunteer burden of small town development. Finally, both towns actively work to bring newcomers into civic and social organizations.

Capitalizing on assets – location and attraction. Hayesville is located 130 miles from Atlanta, one of the fastest growing cities in the country. The rural mountain setting in Clay County is a major draw for tourists, retirees and vacation-home owners. Bakersville, while not as much of a second home destination as Hayesville, is situated in one of the most scenic parts of North Carolina. Both communities are within easy reach of protected state and national forestland. The location and attractions of these communities create a natural draw for tourists, artists and vacation/retirement property developers, and both towns are positioning themselves to take advantage of these assets.

Deep sense of shared heritage and culture. Bakersville and Hayesville are both situated in the Blue Ridge National Heritage Area. Residents of these small mountain communities share a sense of place and history that sets these communities apart from others outside western North Carolina. According to one report, “one of the main reasons that this area of North Carolina was designated a national heritage area is that it, along with other areas of Appalachia, has been relatively isolated and fostered unique cultures, arts and communities.”¹⁴ Because of this shared sense of belonging and community, residents in these towns are able to work together and volunteer together in a meaningful and long-lasting manner.

Community ownership and initiative. Since the mid-1990s, both Bakersville and Hayesville have worked with Handmade in America to craft development strategies, forge new partnerships and build capacity for long-term economic revitalization. Over time, each community has

¹⁴ Molly Levin, 2006.

come to own its strategy. Leaders have evolved in each community who take their own initiative (without prodding from Handmade). According to Bakersville Mayor Charles Vines, “Handmade in America doesn’t do the work for us, but they have been a great spark plug.” Local ownership and initiative are crucial for sustainable economic development.

Partnerships to spread work across groups and individuals. “We learned early that small community groups have to take special care not to over-commit,” said Rob Tiger from CCCRA in Hayesville. “We put special emphasis on forming partnerships to spread the burden of volunteer work across various groups.” CCCRA partners with almost any organization, including local banks, businesses, media outlets and regional tourism authorities. BIG works closely with town officials, members of the Arts Council and other heritage-based entities in Mitchell County.

Integration of newcomers with new ideas. Even with the deep sense of shared heritage among long-time residents, what sets these two communities apart has been their ability to embrace this shared sense of belonging while at the same time integrating newcomers into the social and civic life of the community. “New people are moving into Clay County because they love it here, and these new people can be spark plugs for making new things happen,” said Rob Tiger in Hayesville. Mayor Moore agreed: “Newcomers are getting more and more involved in volunteer work.” In Bakersville, the membership of BIG is roughly half long-time residents and half newcomers.

What are the lessons from this story?

In small towns, community development is economic development. Both Hayesville and Bakersville demonstrate that community development projects, aimed at creating public infrastructure (both built and abstract), can lead to economic outcomes. The development of a creek walk in Bakersville has been credited with the creation of new businesses on Main Street. The mountain bike trail and Pioneer Village projects in Hayesville are intended to increase tourism traffic and provide entrepreneurial opportunities for new business development. Informal organizations and partnership development in both communities have made it possible for economic development to occur.

Small projects can build momentum and partnership for facing larger challenges. The evolution of CCCRA is a perfect example of beginning with small, “low-hanging fruit” projects to demonstrate the capacity for change. CCCRA started in 1996, when a local resident named Glen Love decided to clean and paint the awnings around the Hayesville town square. This effort led to a music event on the square, which the community parlayed into a number of other events and celebrations. In small towns, small steps can lead to giant strides.

Heritage, culture and history are economic development assets. Events and celebrations in Bakersville and Hayesville tend to be centered on an element of heritage. Antique cars, local cuisine and story-telling are all aspects of heritage. Each of these communities demonstrates a means for taking the local heritage from a particular region and leveraging it for economic gain, in this case tourism dollars.

Look for opportunity in adversity. In both towns, volunteer-led organizations developed in response to palpable economic hardship. BIG (in Bakersville) came together and gained momentum after the flood in 1998. “The flood in 1998 brought the citizens of Bakersville closer than ever before,” Mayor Vines said. CCCRA (in Hayesville) was at least a partial response to the dramatic up-tick in retiree and vacation home development.

Small groups of committed residents can jump-start development in small towns. Both BIG and CCCRA are ad-hoc volunteer organizations that, over time, have become the primary drivers of economic development in their respective communities. Both organizations started with a small group of committed residents willing to volunteer time toward making something happen in their community.

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