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In 1885 an intrepid group of Asheville women formed “the Little Flower Mission” and opened a small hospital in a rented five-room house to help meet the healthcare needs of their local mountain community. A few days later, their first patient, an expectant mother, was admitted and gave birth to the first baby to be delivered at what we know today as Mission Hospital.

Those founding mothers could little imagine the ways Mission Health would grow and change over the intervening 133 years. And while our organization has expanded both geographically and technologically, the spirit of these founders continues to guide us.

Ever since those humble beginnings, in times of war and peace, through economic hardship and periods of social upheaval, Mission has been a constant, healing presence in western North Carolina – dedicated to serving the people of our beloved mountains.

It hasn’t always been easy, but whether it’s navigating a disadvantageous payor mix, caring for our aging population or adjusting to the ever-shifting winds of political change, Mission Health has not only adapted – we have led.

Today, Mission Health delivers on its original promise through the work of more than 12,000 health professionals and care teams who provide the full continuum of care – from preventive care to critical lifesaving procedures, to rehabilitative and hospice services – that contributes to the vitality of our community.

Beyond this, consider the economic impact new construction at hospitals in Buncombe, Macon, Mitchell, McDowell and Transylvania counties is having on local communities. These projects hold the promise of improved patient care in the most up-to-date facilities, and also provide meaningful work for local companies and career opportunities to men and women eager to put new-found construction skills to work.

We partner with other local businesses and agencies – from law enforcement and social services, to educational institutions like A-B Tech and UNC-Asheville, to community nonprofits like Green Opportunities, Project SEARCH, Haywood Street Respite and Homeward Bound – to make our community stronger and healthier. We pioneer new business models, new technology and new approaches to wellness, including innovative partnerships with GE and Cerner, seeking ways to integrate technology to improve the patient experience and save lives.

Mission Health has been ranked a US Top 15 Health System six times in the past seven years, and this year received the great honor of being recognized by Business NC magazine as the No. 1 hospital in the state.

Sustaining the viability of Mission is crucial to us; as the largest employer and healthcare provider in western North Carolina, we care for our friends, our neighbors, our families and our colleagues.

As we plan for the future, Mission Health has entered discussions to join HCA Healthcare, Inc., which will keep us on a path toward long-term economic stability and ensure that the world-class care our patients have come to expect can continue for generations.

The agreement with HCA will create one of the largest foundations in the state – perhaps the largest per capita in the nation – with significant resources dedicated permanently to dramatically improving the health of the people and communities of our region. Such an institution with a focus on the social determinants of health will be nothing short of transformational for our region – especially for those who need our help the most.

And that’s just the beginning. Mission Health continues its more than 130-year legacy of caring.

We thank all our team members and our community partners, and look forward to the next 130-plus healthy years serving western North Carolina.



A handwritten signature in black ink, reading "Ronald A. Paulus". The signature is fluid and cursive, with a large, stylized initial 'R'.

Ronald A. Paulus, MD
President and CEO
Mission Health

REGIONAL REPORT: WESTERN NORTH CAROLINA



LEEANN SEYMOUR

Pisgah National Forest is a draw for visitors and residents of western N.C.

Winning the west

The 23 westernmost counties in North Carolina, the mountain region, is a picturesque array of enormous peaks, rushing waterfalls, winding trails and sunken valleys that fill with a clouded mist in morning sunlight. In Boone, elevation 3,333 feet, some residences are high enough that balconies look down on mountaintops. Mount Mitchell, 35 miles from Asheville, is the highest point east of the Mississippi River, at 6,684 feet. The southern tip of the Appalachian Mountains dips into the Blue Ridge and Great Smoky chains, and in some counties in the southwest corner, roads stretch for tree-lined miles without ever being straight or flat. Grandfather Mountain is a natural wonder, as is Blowing Rock, where snow falls upward in the breeze.

Tourism and outdoor activities bring in billions. Kayaking, skiing, biking, hiking — people flock to the mountains to play with nature. But there is more to the west than that.

Three four-year universities — Appalachian State, Western Carolina and UNC Asheville — and several community colleges draw students who often stay after graduation to feed the workforce. Manufacturing and information-based companies thrive here, as do food processing, plastics and wood-products industries. Biotechnology is taking root. The place is open for business.

The keyword is teamwork. Outdoor venues work with local governments, which work with businesses, which partner with schools. “Thankfully, we all work very well together and accomplish a lot, because we aren’t territorial — we are all focused on doing good things for our community and the western region as a whole,” says Kevin Kimrey, director of economic and workforce development at Asheville-Buncombe Technical Community College.

This section explores the three regions of western North Carolina and what makes them prosper.

Arts, education and industry combine in Asheville

Asheville has become a magnet for arts and recreation.

The Buncombe County city's museums, theaters and art galleries draw crowds, while nearly two dozen music festivals fill a summer concert series. Lake Lure, Grandfather Mountain and the Cataloochee Ski Area in Maggie Valley are all easy day trips.

All those arts and activities attracted \$2 billion in tourist spending to Buncombe County in 2016. But tourism isn't the only thing Asheville and surrounding towns and counties have going for them.

UNC Asheville, one of the city's top 20 employers, reports a total economic impact of \$450 million and the intention to invest \$79 million in capital projects through fiscal year 2021. A recent economic impact study says the school accounts for 3,911 local jobs and adds \$164.6 million in income for Buncombe, Haywood, Henderson and Madison counties.

As important as it is, UNC Asheville isn't the only game in town when it comes to education.

When GE Aviation announced plans in March to invest \$105 million and hire 146 employees in Asheville and West Jefferson

to accommodate increased demand for its ceramic-matrix composite components for jet engines, Asheville-Buncombe Technical Community College was ready.

"We booked enough post-hire training events specifically for them through the end of the year so that they can hire six to 10 people per month," says Kevin Kimrey, director of economic and workforce development at A-B Tech.

He says the North Carolina Community College System was set up to serve every county in the state and has proved "an incredible asset." A-B Tech's work with local municipalities, school systems, chambers, economic-development organizations, veterans' groups, NCWorks and workforce-development nonprofits illustrates just what an asset it is to Asheville and western North Carolina.

"Thankfully, we all work very well together and accomplish a lot because we aren't territorial — we are all focused on doing good things for our community and the western region as a whole," Kimrey says.

A-B Tech feeds a qualified workforce to local industries through four channels:

- An open-enrollment plan moves students toward an in-demand job through

a specific course such as industrial maintenance or aerospace composites.

- Workplace learning connects with industries via apprenticeships, internships or co-ops, as students earn while they learn.

- Through a state program, local companies can upgrade training for their incumbent workforce. "The Customized Training Program provides funding and resources to help companies recruit and hire, as well as train incumbents," Kimrey says.

- Fourth, A-B Tech offers skill assessment for a Career Readiness Certificate, as well as career coaching.

Asheville also enjoys the rewards of the arts. According to the Asheville Chamber of Commerce, there are 7,993 "creative jobs" in Buncombe County — the sum of its photographers, musicians, singers, writers, graphic designers and fine artists. Since 2015, the chamber reports, industry earnings have increased 8% to \$397.8 million.

And Asheville isn't done growing economically. When the city launched its AVL 5x5 Vision 2020 initiative in 2016, its goal was 3,000 new jobs with an average annual wage of \$50,000 and 50 new high-growth companies in Buncombe County.



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Henderson County

South of Asheville, Henderson County offers picturesque waterfalls, wineries and breweries and a Blue Ridge Parkway tour from Hendersonville. The North Mills River Recreation Area in the Pisgah National Forest entices families seeking picnic sites, mountain biking, river fishing and tubing.

In 2016, tourism spending in Henderson County neared \$275 million.

"It is a tourist destination. That's a very important part of our economy," says Brittany Brady, president of the Henderson County Department of Economic Development. "Here in the western part of the state, people love to visit. And as a region, we keep hearing that. But we're saying, it's more than that. It's a great place to work. We see companies where employees are hiking before work and enjoying the arts on the weekend. That's why we're launching a campaign about having one foot in manufacturing and one foot in the mountains."

That campaign's slogan, to be formally unveiled in October, is "Mountain Made."

"In our geography, we have nearly 140 manufacturers. But they're tucked away," Brady says. "We have the most beautiful industrial park. We do things well, and it's the balance of the two."

Hendersonville has held its Made in Henderson County Advanced Manufacturing Job Fair since 2012. This year, in partnership with Blue Ridge Community College, 37 manufacturing booths drew about 300 visitors in addition to high school students.

"We want to focus on industry and think outside the box and create opportunities to get everyone engaged. You have to think outside your toolbox, and we're partnering with students, Blue Ridge and the military," Brady says. "We have to put the pieces of the puzzle together."

She mentions proximity to the BMW plant in Greer, S.C., which is 38 miles from Hendersonville, as well as plastics, aluminum die-casting and outdoors companies that can test their products in the area.

Blue Ridge Community College, with campuses in Hendersonville, Brevard and

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Flat Rock, recently established the South-eastern Advanced Molding Technology Education Center in partnership with existing and emerging plastics and metals industries. Brady notes that SAMTEC will be the only holistic molding and die-casting training center east of Illinois.

"We're going to be training people from all over the U.S. in die-casting and plastics injection," says Julie Thompson, BRCC's vice president for economic and workforce development/continuing education. "There are several companies that use that technology, so we see an opportunity to grow the SAMTEC center and train locally, regionally, even nationwide."

Brevard and Transylvania County

Brevard is surrounded by state and national parks. Bracken Mountain Nature Reserve, Gorges State Park, DuPont State Forest and Pisgah National Forest envelop the Transylvania County home of 7,800

perched at an elevation of 2,231 feet. Heart of Brevard, a downtown development agency, emphasizes kinship with nature in promoting business projects and the performing-arts activities that are its pulse.

Tourism dollars in Transylvania County reached \$94.62 million in 2016.

In Transylvania, 41% of county land is dedicated to outdoor recreation, according to the Transylvania Economic Alliance.

Live music and free square-dance instruction cover downtown streets each Tuesday, June-August. Jazz, bluegrass and eclectic music accompany the annual White Squirrel Festival, which completed its 15th year in May. Keith Lockhart, conductor of the Boston Pops, and Mark Weinstein, former executive director of the New York City Opera, lead the Brevard Music Center.

Brevard is also benefiting from a recent \$200,000 Main Street Solutions Fund grant. "When the grant crossed my desk, we knew real quick it was a great fit," says Heath Seymour, executive director of Heart of Brevard.

"There were several empty buildings, but they've been filling in. We've been pretty close to full on spaces that were for rent, and we have a couple that are for sale. When a building is for rent, lately, it goes fairly quick. People also want to buy, and I had one person tell me, even if it's three years from now, give me a call."

Like much of western N.C., it's a small town with big plans, doing business on an elevated stage.

"We have a brochure we publish every four or five months, and we've doubled the arts section and the amount of businesses in there," Seymour says. "We have people with traditional galleries and potters, but at the same time we have the hardware store, the paint store, the movie theater. We have more foot traffic and more things happening. We've had an increase in tourism. But we still have plenty to do." ■

— Kathy Blake is a freelance writer based in eastern North Carolina.

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High Country's magnetism draws tourists, industry

The town of Boone is 3,333 feet above sea level, the highest of any 10,000-plus population city east of the Mississippi River. Downtown streets climb between specialty shops of local art, restaurants of local and international fare and merchants with wares indicative of mountain living. Appalachian State University blends into this Blue Ridge setting with more than 150 undergraduate and graduate degree programs for its enrollment of about 18,000. The college graduated 3,500 this May.

An appreciation for the environment is omnipresent, both in town and on campus. In July 2014, App State launched its five-year plan, "The Appalachian Experience: Envisioning a just and sustainable future." The concept is for students to understand a mission of caring for the planet and its people. The school mission statement challenges students to "balance critical, creative and global thinking in a living laboratory, transforming theory into practice and fostering responsible citizenship." ASU's Walker College of Business has a graduate concentration in sustainable business as part of its MBA curriculum.

It's not unusual for the mountains' magnetism to hold students after graduation. "Appalachian State makes considerable effort to reach out to local and regional business and industry to provide valuable services while students gain valuable experience," says Joe Furman, director of Watauga County Planning & Inspections and Economic Development. Local businesses and sectors that use App State as a pipeline include ECR Software; the Watauga County Board of Education; local government; and finance, real-estate and insurance companies, Furman says.

"Graduates of the Department of Sustainable Technology and the Built Environment find jobs with local contractors and start their own contracting businesses. Recent graduate entrepreneurs start businesses of all types."

Business ventures in Watauga are as colorful as the scenery. "We have very interesting homegrown niche industries," Furman says, offering up the well-known Mast General Store, Cheap Joe's Art Stuff (art supplies), Misty Mountain Threadworks (climbing gear), Goodnight Brothers (country ham) and Hollar and Greene Produce (wholesale cabbage). Samaritan's Purse, the Christian relief organization, is the county's fourth-largest employer. "We would like to attract computer software developers, medical-implement manufacturing and outdoor-recreation equipment manufacturing. We also place priority on assisting start-ups and fledgling businesses."

In 2016, Watauga County saw upward of \$231 million in tourism dollars. Down the road 15 minutes, 8 miles on U.S. 321, the town of Blowing Rock draws visitors to its parks, Tweetsie Railroad and famous rock formation.

There is space between the two cities, ripe for bike trails and hiking, that would connect them. A greenway runs through it. Middle Fork Greenway is a soon-to-be

6.5-mile Blue Ridge Conservancy Project of picnic parks and trails that has 100 businesses committed to a July fundraiser called "Round Up for the Greenway." One mile is complete, 2 miles are in planning phases and \$4 million is raised to purchase land and fund the next 1.3 miles of construction, according to the Boone Area Chamber of Commerce. A study by N.C. State University says the greenway could result in \$947,000 in annual business activity benefits and a dozen new jobs with \$276,300 in labor income.

An economic impact study completed by N.C. State University and distributed by Watauga County says the greenway is expected to have "an annual usage of 38,000 trips, with a direct economic impact of \$580,000" as residents and tourist frequent stores, hotels and restaurants.

"The Middle Fork Greenway will connect the towns of Boone and Blowing Rock running with the Middle Fork of the South Fork of the New River. It will connect at each end to other pedestrian routes within the two towns, including the Boone Greenway and sidewalks and



APPALACHIAN STATE UNIVERSITY

Appalachian State University is a major driver of the High Country economy.

trails that lead to the Moses Cone Estate on the Blue Ridge Parkway,” Furman says. “Upon completion, one would be able to walk or bicycle from the South Fork New River, east of Boone, to the Cone Estate, and connect to the Mountains-To-Sea Trail as well.”

South of Blowing Rock, Highway 321 tilts downward toward Lenoir and Hickory in Caldwell County, which has the highest elevation change of any of N.C.’s 100 coun-

ties – 5,964 feet at its highest mountaintop to 900 feet in the flatlands.

Caldwell’s target industries lean toward the technical, with data centers, biotechnology and information-based services. Plastics and packaging, pharmaceuticals and timber industries also flourish. Infrastructure is vital to tourism as well as manufacturing, the Economic Development Commission of Caldwell County reports, noting proximity to Interstates

40, 77 and 85, as well as Charlotte-Douglas International Airport, less than an hour away.

In 2008, Caldwell became the birthplace of the North Carolina Data Corridor: Google built one of the world’s largest data centers in Lenoir that year; Apple followed, and Facebook located in Rutherford County.

Long recognized as a headliner in the furniture industry, the county has recruited more than 30 new industries in the last decade and repurposed more than 4.5 million square feet of vacant building space, according to the EDC.

“We are not just furniture any longer,” says Deborah Murray, executive director of the EDC.

Critical to the county’s industry recruitment, she says, is county government incentives for new and existing industry clients, as well as collaboration with Caldwell Community College and Technical Institute, Appalachian State and Lenoir-Rhyne University in Hickory.

“Going forward,” Murray says, “Caldwell County will continue to adapt to the rapidly and ever-evolving economic climate.”

Some of that already is happening. App State’s Small Business Technology Development Center, with a base office in Hickory, helped 14 clients start businesses and obtain nearly \$10.6 million in loans and equity investments in 2017 in its 14-county service area. Overall, the office served 366 client cases last year.

Caldwell lists nearly 25 companies that have located there since 2012, as industries discover the benefits of moving to the mountains and foothills.

Watauga’s Furman mentions five reasons businesses should consider his county: the location, with its scenery and mountain culture; App State and the public-school system; the culture of entrepreneurship and creativity; quality of life; and the area as a hub of northwestern N.C.

“And,” he says, “it’s gorgeous. Especially this time of year.” ■

— *Kathy Blake is a freelance writer based in eastern North Carolina.*



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★ CALDWELL COUNTY
NORTH CAROLINA

Manufacturing infrastructure and public-private partnership drive Exela's success in Lenoir

While many biotech companies attracted to North Carolina choose the Research Triangle Park or Wilmington, Exela Pharma Sciences picked Lenoir, population 18,000.

Phanesh Koneru, Exela's founder, says Lenoir's manufacturing legacy and infrastructure drew him in 2008 to this community better known for its mountain heritage than high-tech companies.

"First, there was the availability of manufacturing workforce, albeit not in pharmaceuticals manufacturing. Second is the availability of power, warehousing and transportation infrastructure," he says. The availability of a 20,000-square-foot building equipped with a sterile water system also played a major role.

Exela develops, manufactures and markets injectable and sterile ophthalmic products. Founded in 2005, it opened in Lenoir

in 2008. The company now counts about 300 employees, a surge from the 70 in 2015.

Koneru couldn't have chosen a better time than 2008 to come to Lenoir. At the time, Caldwell County's unemployment rate was 17.8 %, thanks to the erosion of the furniture industry that had been a cornerstone of the region's economy.

The Exela founder, a former practicing pharmacist and executive in the generic pharmaceutical industry, says public-private partnerships have been crucial to Exela's success in Lenoir.

The company partners with Appalachian State University, Caldwell Community College & Technical Institute and the N.C. Community Colleges BioNetwork for workforce development.

"We were able to work very closely with both state and local government officials to obtain grants and incentives, which helped

us over the years," he says. "Exela was also able to obtain USDA and SBA loans to support its growth. We believe the Exela history represents a fine example of private-public partnership to build and expand businesses in small rural communities."

Exela's customer base covers 5,500 U.S. hospitals and outpatient clinics. The first Exela-labeled product launched in 2015. The company manufactures or markets 18 sterile injectable pharmaceuticals, with additional products pending FDA approval.

"Exela not only supports the local economy, but we service all hospitals across the country during times of drug shortages," Koneru says. "We are ... proud to be an American company producing all our products here in the USA." ■

— Kathy Blake is a freelance writer based in eastern North Carolina.





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Mountainous southwest region works on economic-development challenges

Graham County, the third-least populous county in the state, is 302 square miles of dignified mountain ranges, gentle lakes and stunning national parks.

The far western section of North Carolina is home to Fontana Dam, the tallest dam in the eastern U.S. A canopy of about 100 species of trees, some centuries-old and football-field tall, shade 3,800-acre Joyce Kilmer Memorial Forest. Two-thirds of the county, which borders Tennessee on its western boundary, lies within the Nantahala National Forest, where elevations range from 1,177 to 5,560 feet. The forest itself climbs to 5,800 feet at Lone Bald in Jackson County and slopes to 1,200 feet in Cherokee County along the Hiwassee River.

This place is the definition of wilderness.

Still, Graham and its neighboring counties are within a three-hour drive of Atlanta, Chattanooga, Tenn., and Charlotte, and an hour-and-a-half from Asheville.

"If we were on flat land, we'd be at the center of it all, and Graham County would be a very different place. But an hour-and-a-half drive from the airport through God's country is much better than an hour-and-a-half drive through traffic from the airport to downtown in any major metropolitan area," says Sophia Paulos, Graham County's economic development director.

Paulos has been in the area for only two years. But she is firmly rooted.

"When I first moved from Washington, D.C., to Graham County two years ago, I described it as a large, raw diamond buried in the mud going unnoticed by all who passed by. Now, that diamond has been pulled into the light," she says.

Still, the far western section of North Carolina does present challenges. Highways cost more to build in the mountainous country, and natural gas is so expensive it's not feasible. Partnerships, Paulos says, are key to polishing western North Carolina until it shines.

Economic-development leaders for Graham, Cherokee, Clay, Haywood, Jackson, Macon and Swain counties, along with Eastern Band of the Cherokee Indians, N.C. Economic Development Partnership and the Southwestern Commission Council of Governments make up the MountainWest Partnership, a business-building resource for companies looking to locate there.

Those partnerships have worked to develop everything from agriculture to data centers. But in this scenic corner of the state, tourism is key.

"Because our region's economy these days is driven by tourism, and the reason many tourists come here is to recreate in our amazing lakes, rivers, and national parks and lands, we see much potential for growing the outdoor-recreation economy," says Sarah Thompson, executive director of



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Whitewater rafting is one of many outdoor attractions in southwestern N.C.

the Southwestern Commission Council of Governments. "We already have a lot of businesses operating in this sector — fly-fishing shops and guides, mountain biking sales and clubs, whitewater kayaking and rafting, to name a few. Our downtowns are thriving, in part due to the businesses that can benefit from this movement." ■

— Kathy Blake is a freelance writer based in eastern North Carolina.



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