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2003 – 2004 CAEZ Annual Report

Executive Summary

CAEZ was formally organized in 1994 as the result of designation as an Enterprise Community. We immediately proceeded to begin implementing the strategic plan that had been developed as a result of community meetings. CAEZ began emerging as a community development leader and then suffered through some growing pains. Most of the \$2,950,000.00 grant had been spent via donation, grants, stipends, etc. and none of the long range goals to develop a self sustaining community had been accomplished. In 1999, an evaluation by USDA shows the initiative began in 1994 as being insolvent with the lead entity, (CAEZ), nearly “down for the count”.

CAEZ began a process in 1999 of refocusing our efforts, creating new benchmarks that were realistic and achievable, and installed new fiscal management policies which were compatible with our benchmark system. In 2003, an A-133 audit shows CAEZ with 1.5 million dollars in net assets as compared with 1999 assets of \$228,000.00 and \$515,000.00 in obligations. The consistent effort and guidance by USDA, specifically the help of Rick Satterfield, allowed us to make the transition from a non-profit going nowhere to a truly vibrant organization that continues to be a major player in the economic development of this region.

This Enterprise Community has addressed needs in housing, health care, emergency services, education, economic development, and developed local capacity to meet other needs as identified by the community. We have accomplished many of our goals set out in the original strategic plan. We now have a strong organization to continue our efforts to turn a poverty stricken area with pervasive unemployment into a strong vibrant community. The requested designation extension, if approved, will greatly increase our chance to accomplish this goal.

Community Participation

CAEZ is governed by a nineteen member volunteer Board of Directors which represent all nine (9) census tract covered by CAEZ. The participation by our citizenry on the various committees of CAEZ provides community input which allows us to respond to the needs of our community. Newspaper articles help keep the community informed of our programs to benefit our community. Our partnership with community development groups provides a median by which we may identify the needs of our community and provide programs to meet those needs.

An evaluation by Dr. Steve Aignor of the University of Iowa ranks CAEZ as the top enterprise community in indicators of economic activity and states "CAEZ appears to have made excellent progress towards the key outcome indicators of reducing poverty and increasing economic activity."

CAEZ completed development of the Mt. Hope Industrial Park and currently 652 people are employed by tenants of this park. Aggressive leadership by Chairperson, Michael Martin has helped locate, install, and retain tenants in the anchor businesses in this park and we are actively involved with locating other tenants to fill all available space.

CAEZ has made tremendous progress in meeting the goals and objectives as specified in the original strategic plan. There remains more work to be done before we will be a strong, vibrant, self sustaining community. We fully intend to continue our efforts and the citizens of this area remains committed to our goals.

Most Significant Accomplishments

CAEZ began a Micro-Loan Program to support the startup and/or expansion of new businesses which would result in the creation of new employment opportunities. This effort has resulted in the employment of eighteen people. We have made nine (9) loans and all of the loans are either current or ahead of their payment schedules.

The enlistment of support from business and industry has enabled our tourism based industry program to move toward the first steps of implementation. The continuation of this effort was made possible by an RBOG grant from USDA and we are now seeing this effort come to fruition.

Problems/Obstacles

CAEZ has attempted to establish a tourism based industry by the utilization of our natural resources. However, a major obstacle was encountered when we discovered that one company owns 30% of the land in Clay County, West Virginia. This land has been enrolled (70,000 acres) in a managed timberland program and the company pays as little as 80 cents per acre taxes on the property. This has resulted in decreased revenue for the county and the company has no reason to sell since the taxes are minimal and the rewards great.

Solutions

CAEZ is working with a local coal company to develop a plan for post mining usage. The company is receptive to the idea of the development of a trail system to accommodate ATV's, horses, bicycles, and hikers. This may be the solution to the problem of suitable areas on which to develop a tourist based industry. If personnel are available, we may ask USDA to provide technical assistance in completing an environmental study of the affected area.

Best Practices 2004

CAEZ continues development of the Micro-Loan fund which is intended to aid business startups and/or expansion of existing businesses. CAEZ received an RBEG grant to supplement our already existing Micro-Loan fund. Each of the nine (9) loans made by CAEZ is either current or ahead of their scheduled payments. Pre startup training and technical review by USDA increases our chances of the new businesses being successful. The new business startups and expansion has been directly responsible for the creation of eighteen new jobs in our area. The continued business application of the CAEZ owned Mt. Hope Industrial Park has resulted in 652 new jobs for a census tract with 40% poverty rate. The active participation of CAEZ within the business sector continues to be a major factor in the creation of a self sustainable community.

Plans/Prospects

CAEZ will continue to aggressively pursue activities which will begin the first phase of development of a tourism based industry. Local economic development efforts will be focused around our Micro-Loan Program and the development of the Rt. 36 Industrial Site. We have a prospective tenant for this site and will continue improvements. The Mt. Hope Industrial Park is progressing and we will finish the park with two (2) more tenants.

Audit Financial Report – mailed on 12-15-04

Partnerships and Alliances

CAEZ is an active participant in the “Alliance of Champion Communities”, the West Virginia Micro Enterprise Association, the West Virginia Economic Development Council, and the West Virginia Division of Tourism. We continue to partner with Fola Coal Company, Bright Enterprises, and the Clay County Business Development Authority. Fola Coal is actively looking at donating easements for our trail system and Bright Enterprises has agreed to lease an eighteen mile section of railroad to CAEZ to develop a tourist attraction.