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2004 – 2005 CAEZ Annual Report

September 6, 2005

Officers

Michael Martin, Chairperson	Russell Deering, Vice-Chair
Linda Rhodes, Secretary	Peter Triplett, Treasurer

Board of Directors

Mike Chapman	Rodney Cox
Earl Elliott	Ken Eskew
Joe Hoffman	Earl McCune
Ben Murphy	Mardell Nevans
Birl O'Dell	Malcolm Parker
Elizabeth Sampson	Peter Silitch
Doyle Tawney	Brent Wilson

Central Appalachia Empowerment Zone Staff

Jerry R. Sizemore, Executive Director
Connie M. Lupardus, Economic Development Coordinator
Michelle Rogers, Office Manager

The Central Appalachia Empowerment Zone is a federally designated Enterprise Community which operates under the oversight of the United States Department of Agriculture and the Rural Development Program. This Enterprise Community includes all of Clay County, and parts of Braxton, Fayette, Nicholas, and Roane Counties.

The Federal designation covers the period 1994 – 2004 and benchmarks set up by the citizens continue as the focus of our operations. The Federal Designation expired December 31, 2004, at which time CAEZ became a USDA Champion Community.

Following is a summary of activities completed or currently in progress as part of our efforts to make our community a better place to live and work.

I. Housing

CAEZ continues to operate (1) New Home Construction (2) Home Repair and (3) Renovation projects for health and safety. CAEZ has funded projects for 36 homes that now supply safe, decent, and affordable housing. This has included septic systems, wells, window replacement, home additions, etc. CAEZ continues to work with local providers such as DreamHome CDC, Southern Appalachian Labor School, and Mountain CAP to meet current housing needs.

II. Economic Development

- The continued development of our business loan portfolio with a capitalization of \$175,000.00 remains the center piece of economic development. This portfolio provides income for CAEZ to meet daily operating expenses through interest collected on the loans.
- CAEZ received a grant of \$30,000.00 to capitalize our Micro-Loan Fund to aid in the start-up of new businesses. Nine (9) new businesses are operating as a result of this effort.
- Two (2) businesses which began with funding from CAEZ continue to operate and have paid off these loans. Development of loan portfolios continues to expand our capability to aid business ventures in our area. Two (2) new businesses have started in Clay County with financial assistance from CAEZ.
- CAEZ received an NIP tax credit of \$6,135.00 for economic development.
- CAEZ continues the development of the Mount Hope Industrial Park. This total project was funded by EDA \$1,000,000.00, ARC \$500,000.00, SCBG \$500,000.00, and CAEZ \$500,000.00, for a cost of 2.5 million dollars. Lights at the access road to the Mt. Hope Industrial Park have been installed.
- Global Contact Services currently has 543 employees as a result of our efforts. (330 employed in Mt. Hope, 176 employed at Summersville 9 in class at Mt. Hope, and 18 in class at Summersville)
- The Juvenile Detention Center has been completed at the Mt. Hope Industrial Park. This center has established 52 jobs. The facility was opened in 2004.
- Mankin Equipment – currently in production. This has resulted in 15 manufacturing jobs.
- CAEZ received a grant of \$75,000.00 to establish a Firewood Distribution Cooperative. This was redirected to help the Buffalo Creek and Gauley Railroad Cooperative.
- CAEZ received a grant of \$50,000.00 to promote tourism based industry. The grant was awarded through the USDA Rural Business Enterprise Grant Program.
- CAEZ received a grant of \$10,000.00 to promote economic development in the CAEZ service area. This grant was part of the Budget Digest Program.
- CAEZ coordinated and completed evaluations of the Route 36 industrial site in Clay County. Engineering cost estimates for development were completed and the Clay County Business Development Authority now owns title to this eleven (11) acre tract.

- CAEZ provided \$2,500.00 in funding to the Clay County Commission for maintenance at the Mary L. Chilton Park (Spread Park).

III. Infrastructure

Public Service Districts are eligible for preferential funding with set aside monies for public projects. Gauley River PSD and Canoe River PSD received funding as part of the CAEZ service area. Applications were approved for Pumpkin Ridge and other areas. Gauley River PSD has an application approved for line extension in Nicholas County and construction should begin in the fall of 2005.

IV. Emergency Services

CAEZ continues to work with USDA to provide funding for Volunteer Fire Departments. Four (4) fire departments in our service area applied for set aside monies to enhance services to our citizens through obtaining Enterprise Community fund to build facilities, purchase equipment, trucks, and communications systems. The benchmarks established by CAEZ and approved by the Board of Directors have provided preferential status to fire departments in our service area.

V. Health

- One (1) wellness center in Clay County continues to provide services to our citizens. This center was funded by a grant from CAEZ for \$300,000.00. The Roane County Office at Newton closed for financial reasons but services are still offered in Spencer.
- The Fitness Center at the Clay County High School continues to serve the people of the area.

Directors Note:

The period from July 1, 2004 to June 30, 2005 marks the end of our fiscal year. Completed audits show that assets of CAEZ continuing to grow and the growth represent an expanded ability to promote business in the CAEZ service area.

Elswick Lumber Company currently has 26 employees and anticipates adding two (2) more when a new moulding operation begins. Mike's Auto Repair is expanding and will be adding one (1) new employee as a result of new equipment and business growth. Other beneficiaries of the CAEZ Micro Loan Program are P.J.'s Construction, Kate's Florist, Image Consultants, Steve's Auto Repair, Randy's Tint and Detail, Tubbo's Woodshop, and Black Bear Forest Products.

CAEZ has committed a large amount of time and effort into establishing the beginning of a tourism based industry. We have negotiated a lease for seven (7) acres of property at Dundon for the development of a campground and rafting headquarters. The formation of the Buffalo Creek and Gauley Railroad Cooperative now serves as the focal point of establishing rail excursions as part of the tourism program. The opening of the Bee Run Lake will provide recreational activities for Clay County and the surrounding areas.

I began work on October 1, 1999 as director of CAEZ and have worked diligently to carry out the mission, goals, and objectives as established by the people and the CAEZ Board of Directors. It is with some reluctance and reservations that I announce my intention to retire from public service at the end of this year. I have seen many projects of CAEZ's come to fruition and we have overcome many obstacles. Our work needs to continue and each small gain represents a better place to live and work. CAEZ is a self sustaining force in our community. The work which we have begun is vital to our community and CAEZ must continue as the lead entity in promoting and developing our area. I would personally like to express my sincere appreciation to each board member who has constantly supported my efforts to carry out the mission of CAEZ. Your commitment to the community has allowed CAEZ to "Make a difference" in the lives of our citizens.