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2005 – 2006 CAEZ Annual Report

September 5, 2006

Central Appalachia Empowerment Zone

Officers

Michael Martin – Fayette – Chairperson Russell Deering – Nicholas – Vice-Chair
Linda Rhodes – Clay – Secretary Peter Triplett – Clay – Treasurer

Board of Directors

Mike Chapman – Braxton Rodney Cox – Roane
Ken Eskew – Fayette Joe Hoffman – Nicholas
Earl McCune – Clay Ben Murphy – Clay
Mardell Nevans – Clay Birl O'Dell – Nicholas
Malcolm Parker – Fayette Elizabeth Sampson – Clay
Peter Silitch – Braxton Doyle Tawney – Roane
Brent Wilson – Roane Earnest Workman – Clay

Central Appalachia Empowerment Zone Staff

Connie Lupardus, Executive Director

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Michelle Rogers, Office Manager

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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 and (2) Home Repair and (3) Renovation projects. CAEZ has funded projects for 38 homes that now supply safe, decent, and affordable housing. This has included septic systems, wells, window replacement, new roofs, home additions, and handicap assessable ramps. 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 \$65,000.00 to capitalize our Micro-Loan Fund to aid in the start-up of new businesses and in the expansion of existing businesses.
- 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. CAEZ has financially assisted a total of sixteen (16) new or expanded businesses in our service area: Clay 6 (six); Braxton 6 (six); Fayette 1 (one); Nicholas 1 (one); and Roane 1 (one).
- For the second year, CAEZ received the Neighborhood Investment Tax Credit for economic development from the WVDO. This credit is in the amount of \$6,530.00 and can be used to help donors offset taxes.
- 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 over 500 employees as a result of our efforts. The annual payroll is around \$8 million dollars that is returned to the local economy. GCS has expanded their operations to one (1) new office in Wheeling, West Virginia, and two (2) new offices in Texas.

- 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 has fifteen (15) employees and is still going strong.
- CAEZ has a contract on five (5) acres of land at the Mt. Hope Industrial Park and development will begin soon. This leaves approximately 1.75 acres remaining to develop and we have a potential tenant for that parcel.
- CAEZ received funding of \$75,000.00 and this will be used to construct a sewage treatment facility at the new J.G. Bradley Campground. Plans are to connect the houses across from the campground to the system to reduce raw waste contaminants in Buffalo Creek and the Elk River.
- 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 provided \$2,500.00 in funding to the Clay County Commission for maintenance at the Mary L. Chilton Park (Spread Park). New grills and trash cans have been purchased and installed and painting has been completed on all the shelters.

III. Infrastructure

Public Service Districts are eligible for preferential funding with set aside monies for public projects. Gauley River PSD has completed 95% of the water line in Nicholas County.

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 has reopened and is serving the citizens of our service area and beyond.
- The Fitness Center at the Clay County High School continues to serve the people of the area.
- Roane General Hospital's Fitness Center continues to grow and provide a much needed service to the Roane County area.

Directors Note:

The period from July 1, 2005 to June 30, 2006 marked 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.

CAEZ's staff, board members, businesses, and citizens have committed a large amount of time and effort into establishing the beginning of a sustainable tourism based industry within the CAEZ zone. CAEZ has negotiated a lease for eight plus (8+) 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 Wallback Lake will provide recreational activities for Clay County and the surrounding areas. The proposal from Amvest Minerals in the construction of a new highway to connect Rt. 16 to Rt. 19 in Summersville and to leave developable land behind will be a major boost to the economy in Clay, Nicholas, and Fayette County.

As Director of CAEZ for only eight (8) months, I have been privileged to see the positive changes taking place in our service area. I began work in April 2003 as Economic Development Coordinator with CAEZ and have worked diligently to carry out the mission, goals, and objectives as established by the people and the CAEZ Board of Directors. 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, raise our children, grandchildren and work to help the citizens of the CAEZ area to be a self sustaining force in our communities and state. The work which we have begun is vital 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 consistently 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.