

Town of Hot Springs Post-Workshop Report

Spring 2023



Prepared by Appalachian State University
Department of Geography and Planning
Graduate Students



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Overview

This post-workshop report is intended to support the Town of Hot Springs NC as they move forward following an April 2023 workshop, held in Hot Springs. Members from CPNI and Appalachian State University's Department of Geography and Planning have compiled and summarized notes to produce this post-workshop report and to support subsequent action. Information about Hot Springs (such as demographics and economic conditions), observations and summary of the public workshop, and recommendations for consideration by Hot Springs officials and residents are included here.

CPNI

The Construction Professionals Network Institute, Inc. (CPNI) is a non-profit initiative focusing on construction industry-related projects and community service throughout the State of North Carolina. CPNI volunteers its members' design and construction industry expertise as a catalyst to empower communities across North Carolina to improve their physical and economic environment. CPNI offers the comprehensive professional and technical expertise of its membership and collaborating partners in the form of workshops tailored to assist communities and engage local governments and community leaders to facilitate discussions and efforts toward redevelopment strategy, community engagement, visioning, and financial considerations. See www.cpni-nc.org.

Appalachian State Geography and Planning students

Data collection and preparation of this post-workshop report was completed by graduate students as a part of the course PLN 5470—Community Development. These students come from a variety of graduate degree programs, including Community and Regional Planning, Public Administration, Political Science, and Sustainable Development. They also compiled a pre-workshop memo and presented a slideshow about Hot Springs at the public workshop. See www.geoappstate.edu.

ACTIVATE North Carolina

A program of the North Carolina chapter of the AIA (American Institute of Architects), ACTIVATE North Carolina was founded in 2014 “to inspire people to take action and get involved in their communities.” See <https://www.aia.org/resources/6154534-activate-north-carolina>. ACTIVATE provides funding for CPNI Town Workshops.



Workshop Team

CPNI

Jones, Phil—UNC Charlotte (retired), CPNI Team Leader

Busch, Chris—Tremont Engineering

Burns, Doug—Becker Morgan Group

Grubbe, Ken—Samet Corporation

Humphrey, Joseph—C DESIGN

Stonaker, Mary—City of Greensboro

Appalachian State University

Dr. Elizabeth Shay, faculty member in the Department of Geography and Planning

Graduate students Kristen Gilmore, Matthew Grogan, Leon Horne, Thanh Schado, and Sarah Ulrich participated in the workshop. They and three other graduate students (Dalton Akos, Nick Farmerie, and Drew Finley) wrote the first draft of this report, a pre-workshop memo, and slides.

Executive Summary

Workshop Overview

A total of nineteen residents of the Hot Springs area attended the community workshop hosted by CPNI on April 20 and 21, 2023. Given that the town's population was measured at just over 500 residents in 2021, this strong attendance suggested high community engagement. Attendees included representatives of a diverse group of stakeholders: the mayor of Hot Springs; owners of both new and long-established local businesses; property and vacation rental owners and managers; and other residents interested in preserving the idyllic qualities of Hot Springs while welcoming sustainable growth. Residents expressed common concerns and values related to their personal stakes in the town, which were varied and overlapping. Business owners raising their families in the town noted their deep appreciation for the ubiquitous sense of community in their neighborhoods, and the challenges of growing the town in a way that will stimulate the local economy while preserving the reasons they choose to call Hot Springs home. Several residents expressed an appreciation for the structure of their neighborhoods, which include shared backyard spaces.



Workshop attendees await the start of the public meeting

Workshop attendees expressed a range of individual interests in and goals for the town, which include exploring and documenting its natural history and biological diversity; supporting the community's development through population increases and demographic change; protecting natural resources and Hot Spring's unique set of geographic/physical characteristics; and promoting sustainability while ensuring responsible development. These individual interests coalesced into a general desire to keep the small town a "nice place" to live and raise a family. The majority of those who attended had moved to Hot Springs within the past three decades. While a substantial share of the community was represented, attendees noted that long-term residents who have been in Hot Springs for several generations were not present at the workshop. Participants were eager to contribute to a summary of the town's history, and inquired about the data sources and administrative boundaries used in the demographic report presented at the workshop.

Sustainable growth and shared community values were the two strongest sentiments that residents expressed at the workshop. Attendees expressed an enjoyment of the rural backdrop to their homes provided by the National Forest, the Appalachian Trail and the French Broad River, as well as appreciating the recreation activities afforded by such proximity. Also noted as an asset was the natural boundary to growth provided by the forest, which incentivizes growth to occur in a compact and sustainable manner.

A connection to history and preserving the established ways of doing things in the town were additional priorities. Participants were concerned about unbridled, unsustainable growth threatening the natural environment and the beloved sense of community. The “new energy” of the town brought by relative newcomers serves to reanimate and celebrate the unique culture of Hot Springs, while maintaining existing social and community fabric.



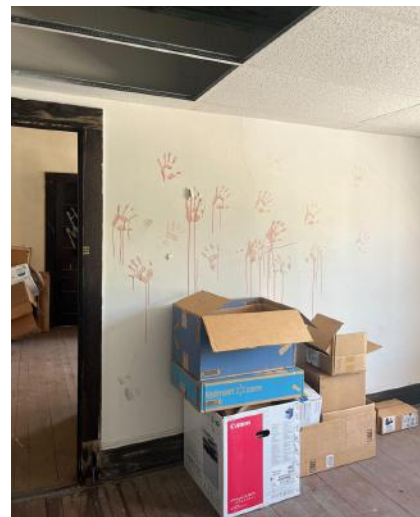
Workshop participants cited renovation of aging and distressed structure as important for staying connected to the town's history

While residents identified walkability as an asset, they expressed concern that increased commerce and tourism would threaten pedestrian safety, which is already a concern in certain storefronts with narrow or deteriorating sidewalks. Residents were adamant about protecting the town against the construction of wide roads meant for fast-moving traffic, and roads with an excessive number of intersections and driveways that prevent the efficient circulation. Participants viewed the influx of motorcyclists as well as trucking traffic re-routed away from nearby major highway construction as a safety issue with immediate cause for concern. Residents also noted a desired increase in parking capacity in the downtown area. An additional asset in the town is good internet access, made possible by the recent installation of fiber optic cables.



The Town has identified walkability of the town center as a point of pride

The competing interests between growth and cost control is one of the most significant points of contention in the town, as residents warned against relying too heavily on tourism, but also advocated for building more affordable housing. In particular, workshop participants mentioned affordable housing for members of the labor force who wish to live in the town year-round as a priority. This is in competition with investors who are buying up properties and converting them to rentals. Additional desires included a new exercise facility or gym and a youth center akin to a YMCA. Again, sustainable growth was a key theme in these sentiments; residents recognize that growth is needed, but want to prevent growth from occurring in an unfettered or destructive manner. Another significant issue identified was a lack of zoning and code enforcement, which makes the town unable to issue civil penalties to derelict properties. Volunteer participants require major support and assistance in applying for community-oriented grants in order to meet these goals.



Second story above Town Hall—example of distressed but potentially valuable property



CPNI Hot Springs, NC Workshop Agenda April 20-21, 2023

WORKSHOP SCHEDULE

Day 1 Thursday, April 20, 2023:

- **11:00– 11:30 AM: Arrive** - CPNI Team arrives at Pine Hall
- **11:30 – 12:30 PM Van/Walking Tour**
- **12:30 PM - LUNCH – Smokey Mountain Diner**
- **1:30 PM:** Return to Pine Hall
 - Introductions - Phil Jones, CPNI
 - Community Participants
 - CPNI & App State Team
- **1:45 PM:**
 - Hot Springs Overview – App State Geography and Planning Dept.
 - History/Culture -
 - Physical Character (Environmental, Topography, Landscape, Utilities, Transportation, Etc.) -
 - Demographics
 - Market/Economic Conditions
- **2:00 PM – 3:30 PM**
 - Hot Springs - Opportunities/Challenges – Mayor Norton
 - Open Forum with Community Participants
- **3:30 PM BREAK**
 - Afternoon discussions & recap; “Think tank” discussions with CPNI team
- **4:00 PM – 5:00 pm**
 - Continue Open Discussion
 - Summary of Day 1 Discussion
- **5:00 PM – Adjourn** for the day – travel Iron Horse Station Inn & check into rooms
- **6:00 – 7:30 PM: Group Dinner** – Iron Horse Station Restaurant
- **7:30 – Until: Team Brainstorming** - review the day, share thoughts, recommendations, ideas

Day 2 Friday, April 21, 2023

- **7:30 AM – 8:30 AM: Breakfast and Continue Brainstorming (CPNI/App State Team)**
- **8:30 AM - 9:00 AM – Return to Pine Hall** (*an alternate location may be announced*)
- **9:00 AM - 10:00 AM**
 - Continue Community Discussion
- **10:00am – 11:00 AM**
 - Community Visioning
- **11:00 AM - Noon**
 - Recommendations from CPNI/App State
 - Next Steps
- **Noon: Adjourn**

Demographic Review

Given survey results from the 2022 Hot Springs Comprehensive Plan highlighting the desire of residents for more affordable housing and a sustainable local economy, the following data on population, housing, and small business activity offer useful context.

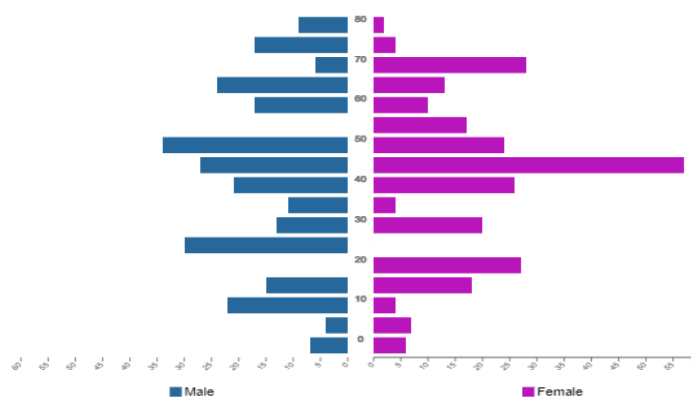
Hot Springs at a Glance¹:

- Population: 540 (~3.5% increase since 2020 Census)
- Median Age: 47 (46.7 and 48.2 for female and male, respectively)
- Ethnicity: over 99% White
- Educational attainment: 18.1% High School diploma only, 15.4% Bachelor's Degree
- Median Household Income: \$34,271 (\$56,750 for households with married couples)
- Home Ownership: 59% of households own their homes

Population²

The 520 residents reported by the U.S. Census Bureau in 2020 include 448 adults, of which 109 (21%) are 65 or older (compared to 17% for the state). The 2022 estimate is 3.5% higher, at 540 residents.³ The median age of 47 is higher than the state average of 39.4. The pyramid below breaks out the population in five-year increments, with spikes in female residents at 45-50 and 70-75 years, and in men at 25-40 and 50-55 years.

Hot Springs Population Pyramid 2023



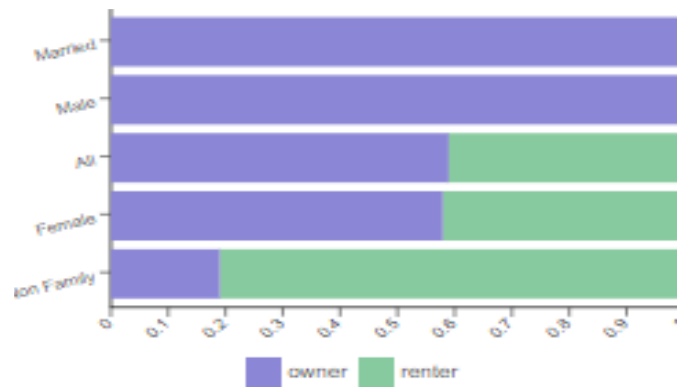
¹ <https://datausa.io/profile/geo/hot-springs-nc>

² <https://data.census.gov/profile?g=160XX00US3732840>

³ <https://worldpopulationreview.com/us-cities/hot-springs-nc-population>

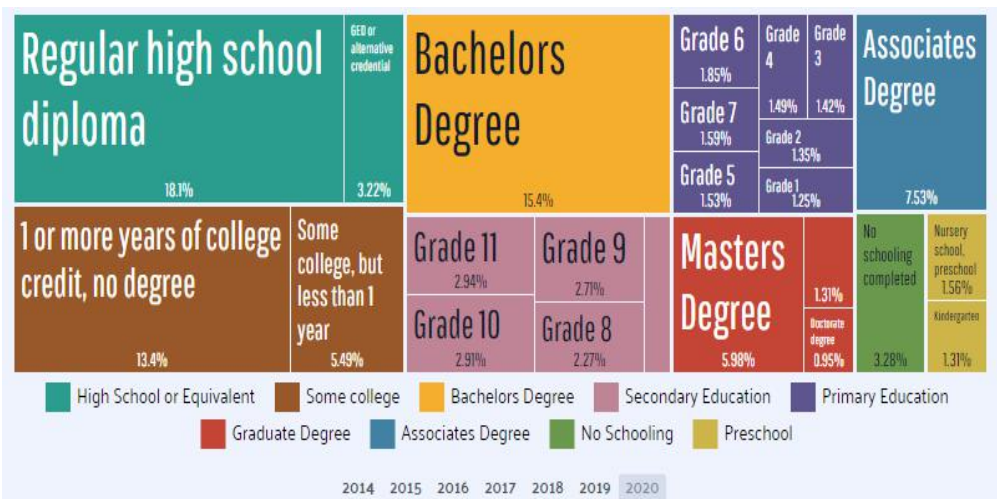
The population is close to 100% White, with only four people identifying as non-White. The median household income is slightly more than \$34,000, although the median income is higher (\$56,750) for households with married couples.

While in the aggregate 59% of households own their homes, ownership varies across type of households (figure below), with male-headed households and those with married couples enjoying the highest level of home ownership, and female-headed households similar to the aggregate level of 59%.⁴



Education

Approximately 11% of Hot Spring residents hold no high school diploma or equivalent. Educational attainment (highest degree completed) is 18.1% with a high school degree, 7.5% with an Associates degree, 15.4% with a Bachelor's, and 6% holding a Masters.⁵



⁴ <https://worldpopulationreview.com/us-cities/hot-springs-nc-population>

⁵ <https://datausa.io/profile/geo/hot-springs-nc>

Economic Review

Housing

The [ACS 2021 Housing Report](#) found 329 housing units for Hot Springs.⁶ Of these units, 216 are occupied, 55.1% by their owners and the remainder by renters. Of the 113 vacant units, only 15 are listed as for rent or for sale, with 98 vacant units being classified as “other vacant.” Nearly 60% of the housing supply in Hot Springs is categorized as one-bedroom detached. Mobile homes are the second largest category, making up nearly 20% of the housing supply. The median home value in Hot Springs in 2021 was \$165,700 and the median gross rent was \$470. Over half of renters in Hot Springs are cost-burdened, meaning they pay 30% or more of their income towards the cost of housing.

Zillow provides data on home value trends using the Zillow Home Values Index. Growth in property values has been climbing in recent years. Zillow’s reported median home value in February 2023 was \$271,800, an increase of more than \$100,000 over the ACS estimated median home value for Hot Springs in 2021.

Even as the cost of renting or owning a home in Hot Springs rises, making it harder for residents and employers alike, short-term rentals (e.g., Airbnb or VRBO) are increasing, which both reduces supply of housing and increases costs.

The housing stock and conditions in Hot Springs are complex, with the shortage of affordable and acceptable homes for rent or sale coupled with high vacancy and empty buildings that reduce the quality of the streetscape.

Local Business

The Hot Springs 2022 Comprehensive Plan incorporated the results of a survey of community members and local organizations on the Town’s most important needs and priorities. Although only 17.6% (93 of 528) of Town residents responded, the survey is a

⁶ https://www.socialexplorer.com/tables/ACS2021_5yr/R13293269

useful starting point for considering where the Town of Hot Springs should direct their resources. Downtown businesses are important to residents, who are concerned about wasted space in abandoned or poorly maintained buildings; the ability of the current businesses to serve residents; and the potential loss of the Town's iconic "small town charm" due to a lack of curb appeal for visitors. Goals related to local businesses include:

- Promote and direct development and redevelopment activities that are compatible and appropriate with the community's vision for use of land
- Increase year-round stable employment opportunities for residents and satisfy local demand for retail and service sector businesses
- Provide community facilities and services that meet the Town's physical, cultural, and social needs

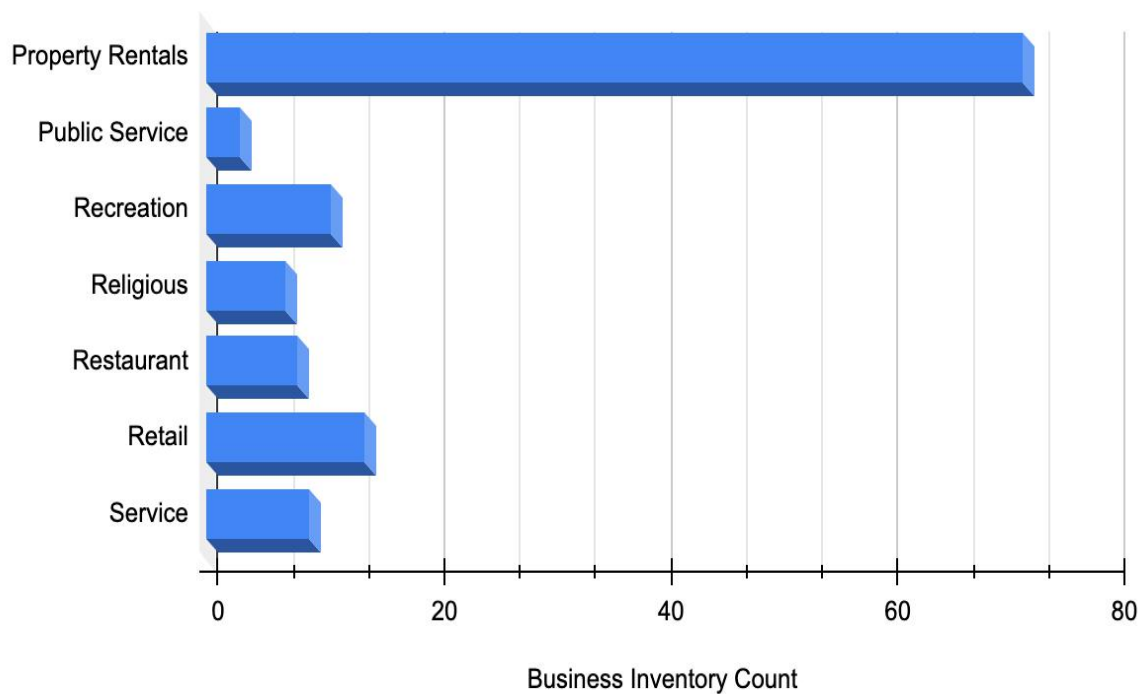
Hot Springs residents are concerned with the aesthetic and proper use of current commercial developments, but less interested in substantially expanding commercial development square footage. Local commercial development is strongly desired, primarily to meet the needs of permanent residents through grocery stores or affordable housing, and secondarily to maintain the "small town charm" for visitors. That is, residents are not looking for massive new commercial districts; they simply want to make better use of the commercial spaces already present by making them more attractive, accessible to visitors and residents, and functional.

The 125 businesses listed on the [Hot Springs Business Registry](https://www.hot Springsnc.org/business-directory/) are classified into six categories: service, retail, restaurant, religious, recreation, and public service.⁷ Property rentals make up the largest portion, comprising 58.1% of all businesses on the registry with 73 separate businesses. The three public service listings (2.4% of all entries) include the library, Town of Hot Springs, and electric vehicle charging. The remaining categories are distributed as follows: 11 recreation (8.9%), 7 religious organizations (5.6%), 8 restaurants (6.5%), 14 retail establishments (11.3%), and 9 service businesses (7.3%). The property rental category is dominated by single-family rentals, with a few hotels,

⁷ <https://www.hot Springsnc.org/business-directory/>

event venues, hotel/restaurant combinations, and retreat centers. The recreation category is split among various businesses such as animals, camping, outdoor centers, whitewater and rafting businesses, skiing, and game preserve businesses. The restaurant category is evenly divided between sit-down and sit-down/grocery combination businesses. The retail category includes arts, alcohol, curiosities, general store, hardware, and recreation retail, while the public service category includes auto, banking, childcare, construction, medical, and spa businesses.

Hot Springs Business Inventory by Category of Business



Town Tour and Built Environment

Overview

As a part of planned workshop activities on April 20, members of CPNI, Appalachian State team (Department of Geography and Planning), and town officials conducted a tour of the town by van and on foot. During the van tour, the group visited several residential areas surrounding the town, the downtown area, the town's public housing, and areas along the French Broad River.



River Access

The van tour included a stop at the only river access in the town, located under the Bridge Street bridge. The parking lot and ramp are not publicly held, but rather owned by Nantahala Outdoor Center (NOC), a private recreation company. While the NOC currently allows members of the public to access the French Broad River from their property, that permission could be revoked at any time. Additionally, team members observed the route through town of the Appalachian Trail (AT), one of its notable sources of tourism.

Jurisdictional Limits of Town

During the tour, members observed how the jurisdictional limits of the town extend quite far, and learned from the volunteer zoning administrator (and tour guide) that if the town were to annex land in the future, it would likely be at the edge of its current jurisdiction, along the French Broad River.

Abandoned and Derelict Properties

Several abandoned or derelict properties were viewed. Some of these properties were somewhat dilapidated, with unkempt lawns, abandoned vehicles, and structural damage. A major discussion point during the workshop involved concerns with code enforcement and the town's ability (or inability) to manage abandoned or derelict properties. These properties range from simple eyesores to potential physical safety hazards for members of the community.

Public Housing

The team members also viewed the town's public housing complex, operated by the Hot Springs Public Housing Authority. Team members observed that quality of buildings and grounds appears to be higher in comparison to some larger municipalities elsewhere in North Carolina. The homes appear to be mostly duplex-style units, where two households share an adjoining wall. A small playground is also available for children in the complex.



Image courtesy of Kristen Gilmore, Appalachian State Department of Geography and Planning

Revitalization of Town-Owned Buildings

During the walking portion of the tour, members viewed two abandoned spaces that the town is interested in revitalizing. One of these areas was the empty space above the Town Hall, which the town has considered renovating, and perhaps repurposing for office space. Additionally, members toured a building that the town had previously used as a community center, which town leadership indicated they would like to have operational again. However, the building requires renovations and updates; CPNI had a structural engineer present to observe the building and site. A quick inspection indicated the building may have asbestos that will need to be remediated.



Drone Image of community center. Courtesy of Chris Busch, CPNI team member

Peerless Blowers and Duke Energy Solar Farm

The van tour also showcased Peerless Blowers, a major manufacturing plant within the town, in addition to an adjacent solar energy farm. Peerless Blowers manufactures industrial blowers⁸, and is located at the edge of Andrews Avenue. The microgrid is

⁸ <https://peerlessblowers.com/>

notable as the first community installation Duke Energy has built in North Carolina, and one of the most advanced microgrid installations in the entire nation. This solar farm has the capacity to provide the town’s energy needs for several hours in the event of a disruption that causes the town to become disconnected from the rest of the grid.⁹



The Hot Springs Solar Farm from Duke Energy⁷

Overall, the van and walking tour showcased the general layout and feel of Hot Springs— for which the CPNI and Appalachian State team members had gained some sense from pre-workshop research—as a small mountain town with a lot of character and substantial assets. Natural features, such as the mountain landscape, French Broad River, and Appalachian Trail, connect the town to its natural surroundings. The built environment, including the historic buildings in downtown, quaint homes in the residential areas, forward-thinking solar energy plant, and active community, gives the town “strong bones” from which to build on moving forward.

⁹ <https://news.duke-energy.com/releases/duke-energy-places-advanced-microgrid-into-service-in-hot-springs-nc>

Recommendations from CPNI

1) Citizens' Committee

Hot Springs has virtually no fulltime staff to take on initiatives that could move the town forward toward its vision. The CPNI team recommends that the town form a Citizens' Committee to prioritize initiatives and drive projects forward. The Town's comprehensive Plan contains multiple good and important ideas, as does this report. However, without a priority and a champion for each initiative, these ideas may languish. Their first task should be to prioritize initiatives and appoint a "champion" for each top priority. Limiting actions to only the top priorities in the immediate future is important to avoid overreach. The committee would also need to engage other community members to develop a network of volunteers to help move initiatives forward. Preferably, the Citizens' Committee would be appointed by the Town Council to provide it legitimacy.

2) Downtown Development Corporation

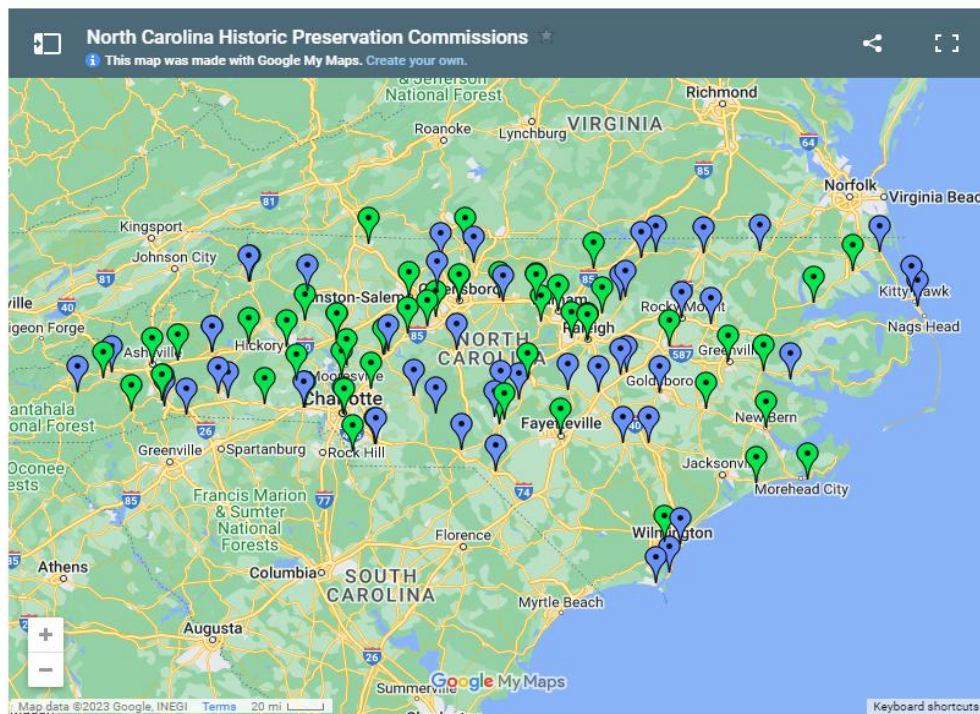
The town should consider organizing a 501(c)(3) "Downtown Development Corporation." We have seen this successfully implemented in other towns. The 501-c 3 would be able to leverage funds, and actually buy and develop properties. This would be a legal entity that could implement many of the initiatives undertaken by the Citizens' Committee described above.

3) Town Hall and Community Center Buildings

A first step in restoration of these two buildings should be an engineering/environmental assessment to determine their structural integrity and if they contain hazardous material (asbestos) that needs to be remediated. The Team believes both buildings have excellent potential for renewal. The second floor of the Town Hall could become Town offices, with the first floor then becoming available for income producing retail. The side of the Community Center Building containing the old jail and fire station might be converted as a retail and historic attraction. We have seen historic facilities of this type successfully converted to such purposes in other towns.

4) Historic Preservation Commission/District

Hot Springs currently has an approved and certified Federally Designated historic District by the Department of the Interior making all “contributing structures” eligible for Federal and NC State Historic Tax Credits for structures built prior to 1936. Remaining buildings over 50 years of age may qualify for NC Tax Rehab Credits. The Tax Credits serve as an incentive to encourage rehabilitation and preservation of the contributing structures. These structures are an integral component of the fabric of Hot Springs. To encourage the preservation of the Historic District, the town could potentially pursue creating a historic preservation commission (HPC), which would allow them to manage historic property, especially in the downtown. North Carolina General Statutes 160D-940 through 160D-951, in addition to 160D-102, 303, 404(c), and 105-278),¹⁰ allow municipalities and counties in the state of North Carolina to create a historic preservation commission, which may designate historic districts and landmarks.



There are over 100 HPCs in towns and cities across the state.¹¹

¹⁰ <https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/local-historic-preservation-commissions-certified-local-governments>

¹¹ <https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/local-historic-preservation-commissions-and-clgs/about-local-historic-preservation-commissions>

Members of an HPC are appointed by the local governing board, in this case, the Board of Aldermen. According to the North Carolina Department of Natural and Cultural Resources, local designation of a historic place can stabilize property values, maintain neighborhood character, and maintain the historic qualities of a district. At a state level, the North Carolina State Historic Preservation office provides support to local governments seeking to “identify, enhance, protect, and enhance properties significant in North Carolina history and archeology.”¹²

5) Parking and Streetscape

The Team believes the town has a great opportunity to improve the downtown while retaining its essential character by developing long-range parking and streetscape plans, and implementing this over time. As a first step in this process, we recommend a parking capacity and traffic study be conducted. There is likely more parking capacity available than is currently recognized, if it can be organized differently. A parking study might be supported by a team of advanced students from Appalachian State University’s Department of Geography and Planning, or another academic institution. A streetscape plan would be the second priority. The sidewalks could be improved and widened, which would facilitate pedestrian traffic and vehicular traffic “calming” through town. Any streetscape and parking studies should be tied together to work in concert. Funding for these may be available through Main Street USA or other sources.

6) NCDOT Bridge Replacement and Town Park

Hot Springs cherishes the natural setting in which the Town sits, and benefits from recreational assets like the French Broad River and the Appalachian Trail. With pending construction of a new bridge over the river, the Town is interested in what options may remain for preserving the existing bridge and converting it for pedestrians—a recreation and tourism asset that also could address the lack of reliable public river access.

Uncertain about the process for initiating such a discussion, the town could seek advice from Division 13 Senior Planning Engineer Hannah Cook at hkcook@ncdot.gov

¹²<https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/local-historic-preservation-commissions-and-clgs/about-local-historic-preservation-commissions>

(Division 13: <https://apps.ncdot.gov/dot/directory/authenticated/UnitPage.aspx?id=652>). They could raise the topic with Vicki Eastland, Rural Planning Organization (RPO) Coordinator with Land of Sky Regional Council (<https://www.landofsky.org/rpo.html>), to discuss getting this goal into a transportation plan or to craft a Town resolution. The RPO Coordinator also may be able to help determine whether the project is in the State Transportation Improvement Program rather than coming from Division 13 maintenance funds. Refer to a map of projects here:

<https://ncdot.maps.arcgis.com/home/webmap/viewer.html?webmap=cb02f4f828974670ad01bb83be91b18c>. Preserving the existing bridge is an ambitious goal—but it might qualify for greenway funds, in which case there may be some benefit in contacting the NCDOT Integrated Mobility Division (<https://www.ncdot.gov/divisions/integrated-mobility/>). Either strategy would require someone—from either Town or County—to take ownership of this action item. Having a Hot Springs official or resident take on this priority aligns with workshop discussions on the need to activate a Citizens' Committee and network of volunteers, with individuals leading specific goals and initiatives.

Another potential site for a town park is the land owned by the Hot Springs Spa and Resort on the river, which we understand was used for large gatherings and music festivals in the past, although the current Spa owners have not allowed this. We recommend you continue to engage with the Spa to pursue potential purchase of the property, perhaps under the 501(c)(3) "Downtown Development Corporation" described above.

7) Affordable Housing

The conflict between workforce housing availability and the growing number of short-term rental investment properties was described above. The CPNI Team recommends the Town undertake a housing market study as a first step to address this problem. This will help define the actual issues with data. This is also an important tool to use when trying to encourage investors to look at Hot Springs for development of workforce housing. The Team also recommends the Town or Citizens' Committee engage with the Hot Springs

Housing Authority to see whether expansion is possible. The housing run by the Authority seems to be well managed and maintained.

8) Zoning and Code Enforcement

Hot Springs currently has no ordinances or zoning that governs development and upkeep of properties. This prevents the Town from addressing derelict and abandoned properties. This situation is not unusual in rural communities where the prevalent attitude is “you can’t tell me what to do with my property.” The first step in overcoming this situation is to build political will to help residents see the need for a balance between the common good and individual property rights. Once attitudes respond to education and outreach, the Team recommends a few ordinances be enacted by the Town Council to address vacant buildings, absentee landlords, and derelict properties. There are good examples of these available through the Council of Governments and they should be able to help in drafting these. Once enacted, the issue becomes code and zoning enforcement. While the Town has limited resources to condemn and take possession of properties out of compliance, the 501(c)(3) Development Corporation described above can often step in to take over or renew properties. The Town should also work closely with county authorities to develop a pathway towards code enforcement, and to write a handful of zoning ordinances toward Town goals.

One mechanism available to control growth and change would be the adoption of an “overlay” district or districts that provide zoning incentives and allowable uses, thereby accelerating the rezoning process and assuring compliance with the adopted Comprehensive Hot Springs Master Plan. When utilized in concert with the existing Historic District, will provide Hot Springs with a proactive mechanism supporting the community’s vision.

9) Intergovernmental Cooperation

It is extremely common for smaller municipalities in North Carolina to rely on larger governmental bodies for support in the delivery of services. These bodies typically have a greater capacity and expertise to accomplish the goals set forth by the municipality.

Currently, the Town of Hot Spring seems to engage in minimal intergovernmental cooperation. As a result, town services are not being delivered as effectively and efficiently as they could be. However, there are encouraging signs that the Town is open to working with other organizations, as they have been working with the non-profit CPNI. This section will detail possible areas where the town could engage in intergovernmental cooperation and will conclude with a recommendation on how to go about initiating this transformation.

As explained in the recommendation above, the town lacks the capacity to enforce its codes. The town would like to regulate derelict properties. Typically, when a town lacks this capacity internally it will look to the county to help provide this service. The town's responsibility in this agreement is to set the rules of the code and define important language. It is then the county's responsibility to enforce the code. In this relationship, the municipality sees a benefit from enforcing the code and the county sees a benefit from the increased revenue generated by the contracted service. There is also the mutual benefit of better code enforcement to safeguard the general welfare of the public. The town provides a relatively large and varied set of direct services, including police and public works. These can be viewed as assets of the town, but they are also expensive to provide, particularly police. We recommend beginning a dialogue with other jurisdictions in the county to discuss potential cost-sharing.

Other issues identified by the Town include an aging wastewater treatment plant and aging utility systems in general. The Town has recently obtained a grant for its wastewater treatment plant—a strategy that it would be beneficial to replicate, to continually upgrade the utility infrastructure. The Town lacks the internal revenue to initiate all the required improvements, but grants are one way to fill this gap. The town also wishes to support existing businesses. Grants are another form of funding that could help the town support businesses without directly using their own revenue. See the section below on resources.

At the current time, the Town lacks resources to add full time staff. However, as growth occurs and revenues increase, the Town will need to grow the staff. We recommend

setting a future goal of hiring a town manager to oversee the day-to-day operations and change its form of governance to council-manager. Most municipalities see improvements whenever a manager is granted the authority to make operational decisions while the Council takes the responsibility for setting the vision of the town. A professional manager will also have experience facilitating intergovernmental cooperation and obtaining grants.

Conclusion

The recommendations contained in this report may help Hot Springs achieve its vision of sustainable community growth. This process will involve balancing the goals and preferences of more recently arrived but highly engaged residents with those of long-established members of the population who have resided in Hot Springs for many years. Community building workshops like this one play a vital role in moving the town forward, because they encourage residents to think critically about what they want their town to be in the future. Hot Springs is a vibrant community that values its history but is also eager to develop and grow. With hard work and a commitment to a shared vision and values, the town can prosper for many years to come.

Resources

Professional Organizations	Contact	Additional Information
Urban Land Institute	https://uli.org/	
American Institute of Architects	https://www.aia.org/	
American Society of Landscape Architects	https://www.asla.org/	
American Planning Association	https://www.planning.org/	
American Institute of Certified Planners	https://www.planning.org/aicp/	
American Society of Civil Engineers	https://www.asce.org/	
American Council of Engineering Cos of NC	https://www.acecnc.org/	

Non-Profit, State, University Organizations	Contact	Additional Information
NC State Historic Preservation Office	http://www.hpo.ncdcr.gov/	
League of Historic American Theatres	www.lhat.org	
UNCG Ctr for Community-Engaged Design	https://iarc.uncg.edu/cc-ed/nc-main-street/	
Project for Public Spaces	https://www.pps.org/	A non-profit dedicated to helping people create and sustain public spaces that build strong communities. They have extensive web resources as well as examples of

		successful placemaking projects that can serve as inspiration
Development Finance Initiative	https://dfi.sog.unc.edu/	DFI partners with local governments to attract private investment for transformative projects by providing specialized finance and development expertise. They are a good organization to engage in transforming sites owned by the city. They charge a fee for service and offer pro-bono assistance through classes.
N.C. State University College of Design	Meg Calkins, FASLA mecalkin@ncsu.edu , 919-515-8342	Professor and Head of the Department of Landscape Architecture
UNCC College of Arts & Architecture	Deborah Ryan, ASLA deryan@uncc.edu , 704-687-0123	Professor of Architecture and Urban Design, Director of the Master of Urban Design Program

Potential Funding Sources	Contact	Additional Comments
Parks and Recreation Trust Fund (PARTF) Grants	https://www.ncparks.gov/more-about-us/parks-recreation-trust-fund/parks-and-recreation-trust-fund	-Funding Cycle: Applications due in May; granted in August -Award Amount: Maximum \$500,000; the applicant must match 50% of the total cost -Project Types Funded: Local governments can apply to acquire land for parks and build recreational facilities for use by the public.
Resourceful Communities	https://www.conservationfund.org/our-work/resourceful-communities/our-approach	Creating New Economies Fund (CNEF) provides small grants for innovative triple bottom line projects. Grants average \$8,000-\$12,000, with a maximum award of \$15,000. Funding has supported a variety of projects, including eco-tourism, youth leadership development, sustainable agriculture, alternative energy, and more
EPA Grants for Recreation Economy for Rural Communities	https://www.epa.gov/smartgrowth/recreation-economy-rural-communities	Assistance program to help rural communities revitalize Main Streets through outdoor recreation
American Trails Resource Directory	https://www.americantrails.org/resource-library/directory	Information and resources on all aspects of trail development, education, and outreach
Rural Development Assistance Grant	https://www.rd.usda.gov/programs-services	Program assistance is provided in many ways, including direct or guaranteed loans, grants, technical assistance, research, and educational materials.
Department of Transportation (DOT) Planning Grant Initiative	https://connect.ncdot.gov/municipalities/PlanningGrants/Pages/Planning-Grant-Initiative.aspx	Funding Cycle: August Call for Proposals; November deadline; February decisions Project Types: Annual matching grant program to encourage municipalities to develop comprehensive bicycle plans and pedestrian plans
Transportation Alternatives (T.A.) Funds	https://trade.railstotrails.org/index ; State DoT TA Coordinator, Johanna I. Cockburn (919) 707-2601; jicockburn@ncdot.gov	Federal government funds for projects that expand travel choice, strengthen the local economy, improve the quality of life, and protect the environment. Eligible projects include pedestrian and bicycle facilities,

		safe routes for non-drivers, and historic preservation
Economic Development	Contact	Additional Comments
NC Department of Commerce – Downtown Development and Site Development funds – Main Street Solutions Fund	https://www.nccommerce.com/grants-incentives/downtown-development-funds	-Funding Cycle: Announced in May -Award Amount: Up to \$200,000 -Project Types: Economic development planning assistance to designated metropolitans in Tier 2 and 3 counties to activate North Carolina Main Street communities; retaining and creating jobs in association with small business
Main Street Solutions Fund	Dan Becker, Main Street Grants Administrator, dan.becker@nccommerce.com , 919-814-4668	-Economic development planning assistance available for Main Street Communities and metropolitans located in Tier 2 and 3 counties -Funding Cycle: Announced in May -Program goals are to: Provide direct financial benefits to small businesses. Spur local investment in association with small business. Retain and create jobs in association with small business. -Awards up to \$200,000 to local government
Economic Development Assistance Program	https://www.grants.gov/web/grants/view-opportunity.html?oppld=306735	-Funding Cycle: Ongoing -Not eligible for non-profits with a 501 (c)(3) status -Requirements: A feasibility study establishing the presence of a critical mass of support factors, entrepreneurial demand for use, and community support for the facility; A <i>pro forma</i> demonstrating financial capacity to operate the facility and reach a positive cash flow within a reasonable period; and A management plan for the operation of the facility that at a minimum address -Tenant selection policy; -Tenant lease agreement terms; -Business assistance policy (identify sources of assistance); -Tenant records review policy; -Tenant graduation policy; and -Management oversight of incubator operations
Bank of America Community Reinvestment Grant	https://about.bankofamerica.com/en-us/global-impact/charitable-foundation-funding.html#fbid=riTIB8jBKxj	-Provides grants related to the needs of individuals and families and grants related to the needs of the community by addressing economic development and social progress -Applications accepted 6/1/2020-6/26/2020

NCGrowth's Incubator Guide	Jess Wilkinson, Economic Development Manager Jessica_Wilkinson@kenan-flagler.unc.edu 919-843-3282	NCGrowth is developing a comprehensive incubator guide to help communities determine the feasibility of business incubators in their communities. This guide provides case studies, resources, and examples of alternatives to incubators.
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Real Estate development	Contact	Additional Information
North Carolina Department of Commerce Building Reuse Program	https://www.nccommerce.com/grants-incentives/building-or-site-funds/building-reuse Hazel Edmond, Building Reuse Program, 919-814-4659, hazel.edmond@nccommerce.com	Available for renovating vacant buildings or renovating and expanding buildings occupied by companies operating in N.C. for at least the last 12 months
Economic Development Partnerships of N.C.	https://edpnc.com/	
UNC Chapel Hill School of Government <i>Guide to Opportunity Zones</i>	https://dfi.sog.unc.edu/projects/opportunity-zones/	

Sources

Data USA: <https://datausa.io/profile/geo/hot-springs-nc>

Duke Energy News Center: <https://news.duke-energy.com/releases/duke-energy-places-advanced-microgrid-into-service-in-hot-springs-nc>

Hot Springs Comprehensive Plan 2022-2032:

https://www.townofhotsprings.org/files/ugd/54a112_2d81ee26e81c4b4da9c755de69170a78.pdf

North Carolina Department of Natural and Cultural Resources:

<https://www.ncdcr.gov/about/history/division-historical-resources/state-historic-preservation-office/local-historic-preservation-commissions-certified-local-governments>

North Carolina History Project: <https://northcarolinahistory.org/encyclopedia/madison-county-1851/>

North Carolina State Historic Preservation Office: <https://www.ncdcr.gov/state-historic-preservation-office#:~:text=The%20North%20Carolina%20State%20Historic,North%20Carolina%20history%20and%20archaeology>

Peerless Blowers: <https://peerlessblowers.com/>

Visit NC: <https://www.visitnc.com/listing/RxEb/hot-springs>

World Population Review: <https://worldpopulationreview.com/us-cities/hot-springs-nc-population>

Images: Unless otherwise noted, images are from members of Appalachian State team

Town residents attending the public workshop

Mary Helen Adamson

Alicia Araya

Julie Bryce

Keith Calloway

Pete Dixon

Chris Donochod

Cindy DuBose

Stacey Geyer

Marian Griffin

Sue Gurnee

Joan Kretschmer

Thomas Manning

Philip Solomon

David Wagner

Ann and John Flynn

