North Carolina
Appalachian Regional Commission Program

2013 - 2016 Development Plan
October 1, 2013

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NORTH CAROLINA
Appalachian Development Plan
2013-2016

Governor Pat McCrory will utilize the resources provided by the Appalachian Regional Commission to assist him in achieving the goals he has set for the state. Governor McCrory took office in January of 2013, becoming the 74th governor of North Carolina. Governor McCrory is facing the enormous challenges communities that North Carolina are facing, head on in order for the state to thrive once more. He is working diligently to expand and build upon the tremendous economic assets that the state has, many of which are in the ARC region. He is positioning the state through his leadership for a "Carolina Comeback." The Governor is focused on improving the economy, the education system and the efficiency of government services so that all citizens have the opportunity to live, work and play in this great state. The Governor will utilize the resources provided by the Appalachian Regional Commission to achieve his goals.

Governor Pat McCrory

This document, in accordance with Section §5.3 of the Appalachian Regional Commission Code, will serve as North Carolina's Appalachian Development Plan for 2013-2016. The purpose of this plan is to establish a process that sets forth the goals, objectives, priorities and policies for North Carolina's Appalachian Regional Commission (ARC) program. This plan will also identify broad statewide issues and needs that the Governor has chosen to address with ARC resources and sets priorities for development projects and programs in these key areas. The implementation of this Plan will meet the diverse needs of Western North Carolina by targeting the ARC resources to accomplish the defined goals and objectives of both ARC and the Governor.

Appalachian Regional Commission - Background

In 1960, the governors from New York, Pennsylvania, Ohio, Maryland, Virginia, West Virginia, North Carolina, Tennessee, Kentucky, South Carolina, Georgia, Alabama, and Mississippi formed the Conference of Appalachian Governors to develop a regional approach to resolving quality of life issues in Appalachia. At that time;

- One of every three Appalachians lived in poverty,
- Per capita income was twenty-three percent lower than the U.S. average, and
- High unemployment and harsh living conditions had, in the 1950s, forced more than two-million Appalachians to leave their homes and seek work in other regions.

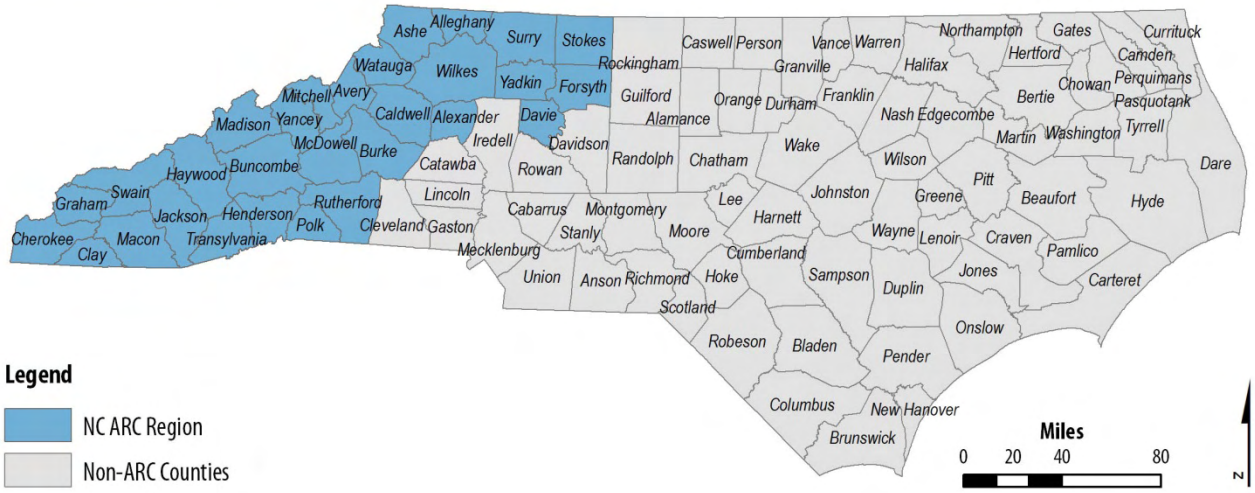
In 1963 President Kennedy formed a federal-state committee that came to be known as the President's Appalachian Regional Commission (PARC), and directed it to create a detailed program for the economic development of the region. The resulting program was outlined in an April 1964 report that was endorsed by the Conference of Appalachian Governors. President Lyndon B. Johnson submitted legislation to Congress based on the PARC's report. The Appalachian Regional Development Act, creating the Appalachian Regional Commission (ARC), was passed and signed in to law in early 1965 by a broad bipartisan coalition.

Federal-State Partnership

This federal-state partnership works to create opportunities for self-sustaining economic development and improved quality of life for the people of Appalachia. The region includes 420 counties and stretches from southern New York to northern Mississippi. The governors from the thirteen Appalachian states and the Federal Co-Chairman, appointed by the President, comprise the Commission. Governor Pat McCrory is North Carolina's member of the Commission; Dr. Patricia Mitchell, the Department of Commerce Assistant Secretary of the Rural Development Division, serves as his Alternate. The North Carolina Department of Commerce is responsible for the administration of the North Carolina ARC Program.

The Appalachian portion of North Carolina, commonly referred to as Western North Carolina, consists of twenty-nine counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey.

North Carolina Appalachian Regional Commission: ARC Counties

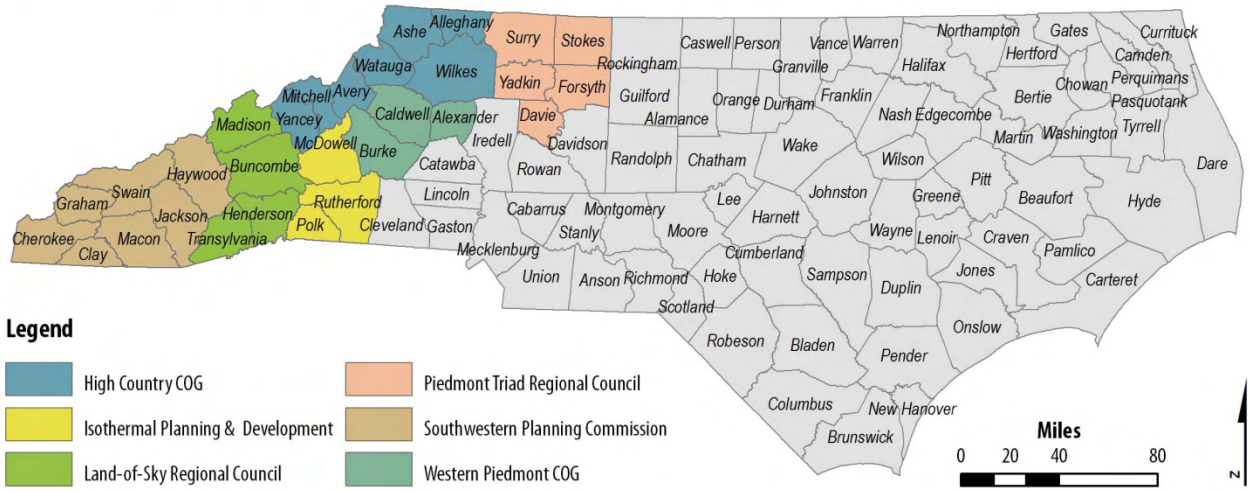


The 29 ARC counties are served by six Local Development Districts (LDDs). The LDDs are:

- *Southwestern Commission (Region A):* Cherokee, Clay, Graham, Haywood, Jackson, Macon, and Swain counties;
- *Land-of-Sky Regional Council (Region B):* Buncombe, Henderson, Madison, and Transylvania counties;
- *Isothermal Planning & Development Commission (Region C):* McDowell, Polk, and Rutherford counties;

- *High Country Council of Governments (Region D):* Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, and Yancey counties;
- *Western Piedmont Council of Governments (Region E):* Alexander, Burke, and Caldwell counties; and
- *Piedmont Triad Regional Council (Region G):* Davie, Forsyth, Stokes, Surry, and Yadkin counties.

North Carolina Appalachian Regional Commission: Councils of Government



The North Carolina ARC Program works closely with the LDDs in the development of eligible projects that are consistent with the ARC Code and guidelines. Each LDD is governed by a Board of Directors comprised of local government representatives. The LDDs are an active and critical part of the ARC partnership. The North Carolina ARC program meets with the LDDs regularly to discuss regional issues and to gauge the need for ARC resources. The LDDs provide support to the ARC program office in determining which projects should be recommended to the Governor for approval by ARC.

ARC Economic Status

ARC's primary objective is to help "distressed" counties improve their economic development potential in order to compete with the rest of the nation and world. The Appalachian Regional Commission uses an index-based county economic classification system to identify and monitor the economic status of Appalachian counties. The system compares each county's averages for three economic indicators—three-year average unemployment rate, per capita market income, and poverty rate—with national averages. The resulting values are summed and averaged to create a composite index value for each county. Each county in the nation is then ranked, based on its composite index value. Counties are designated as distressed, at-risk, competitive, or attainment, based on their ranking in the index.

Distressed -Distressed counties are the most economically depressed counties. They rank in the worst 10 percent of the nation's counties.

At-Risk -At-Risk counties are those at risk of becoming economically distressed. They rank between the worst 10 percent and 25 percent of the nation's counties.

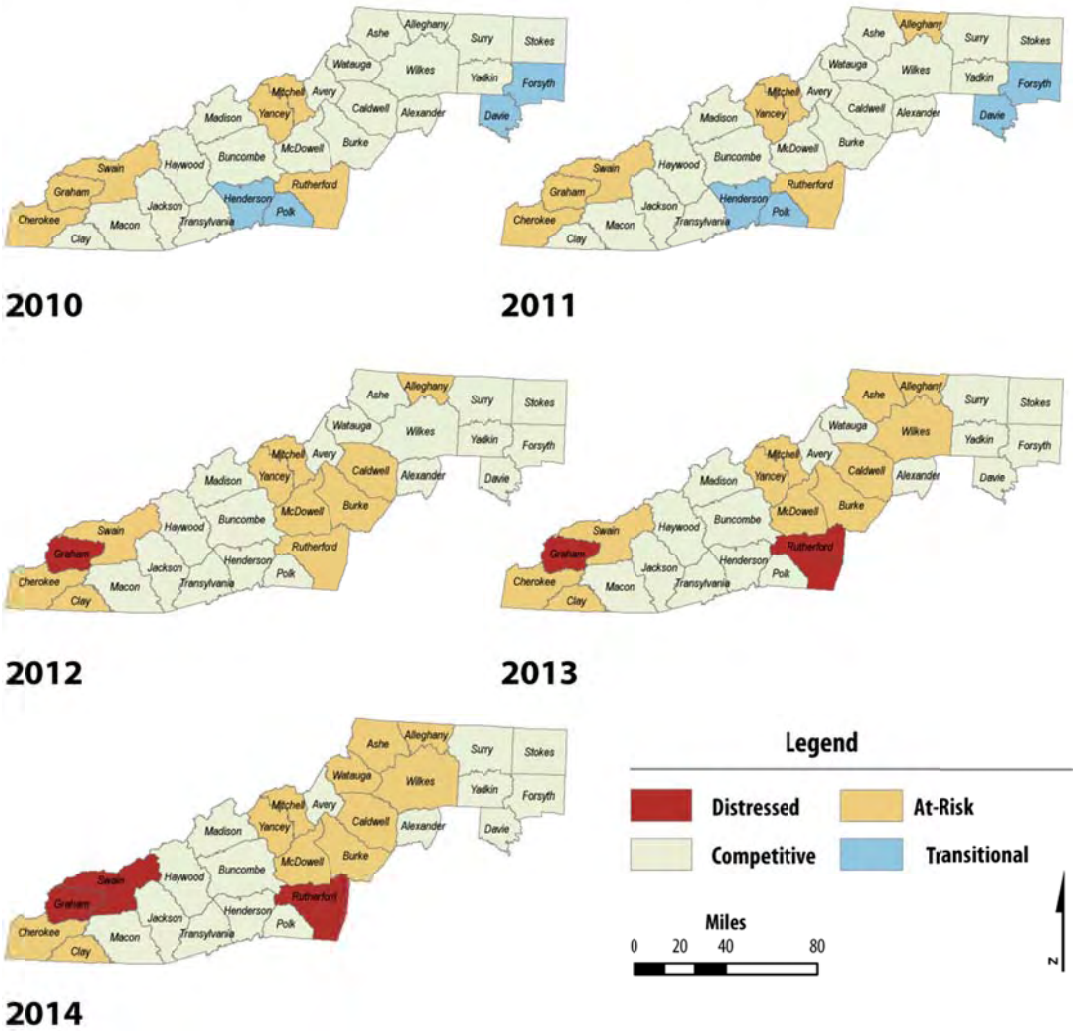
Transitional -Transitional counties are those transitioning between strong and weak economies. They make up the largest economic status designation. Transitional counties rank between the worst 25 percent and the best 25 percent of the nation's counties.

Competitive -Competitive counties are those that are able to compete in the national economy but are not in the highest 10 percent of the nation's counties. Counties ranking between the best 10 percent and 25 percent of the nation's counties are classified as competitive.

Attainment -Attainment counties are the economically strongest counties. Counties ranking in the best 10 percent of the nation's counties are classified attainment.

The Commission recognizes that some areas in non-distressed counties have substantially higher poverty or lower income levels than national averages and should be considered economically distressed. These areas should be an important focus of ARC's assistance. Accordingly, ARC designates "distressed areas," those census tracts in at-risk and transitional counties that have a median family income no greater than 67 percent of the U.S. average and a poverty rate 150 percent of the U.S. average or greater. Designations are revised annually using the latest five-year estimates from the American Community Survey.

North Carolina Appalachian Regional Commission: County Economic Status 2010 - 2014



ARC Strategic Plan "Moving Appalachia Forward"

The ARC's Federal Co-Chair and the Governors approved the 2011-2016 Strategic Plan, "Moving Appalachia Forward," in October of 2010. "Moving Appalachia Forward" identifies the vision and mission of the ARC and outlines how to use resources to meet the four ARC general goals. The primary mission of the Commission is to be a strategic partner and advocate for sustainable community and economic development projects in the region.

The ARC Strategic Plan shaped the policies developed for North Carolina's Appalachian Development Plan. North Carolina has established objectives and strategies for use of the Commission's funds under each of the four ARC goals. North Carolina's strategies provide the key framework for investment of ARC resources in Western North Carolina. All project proposals must implement one of the state strategies developed for the ARC Program. The ARC goals, strategies and objectives are discussed in detail later in the document.

Appalachian Development Highway System

In 1964, the President's Appalachian Regional Commission (PARC) reported to Congress that economic growth in Appalachia would not be possible until the Region's isolation had been overcome. Because the cost of building highways through Appalachia's mountainous terrain was high, the Region had never been served by adequate roads. The nation's interstate highway system had largely bypassed the Appalachian Region, going through or around the Region's rugged terrain as cost-effectively as possible.

The PARC report and the Appalachian governors placed top priority on a modern highway system as the key to economic development. As a result, Congress authorized the construction of the Appalachian Development Highway System (ADHS) in the Appalachian Development Act of 1965. The ADHS was designed to generate economic development in previously isolated areas, supplement the interstate system, connect Appalachia to the interstate system, and provide access to areas within the Region, as well as to markets in the rest of the nation.

The ADHS is currently authorized at 3,090 miles. By the end of FY 2012, 2,494.3 miles—81 percent of the miles authorized—were complete, and 238.7 miles were under construction. Many of the remaining miles will be among the most expensive to build. Completion of the ADHS remains a top priority for ARC.

Four ADHS corridors are located in North Carolina's portion of Appalachia. Corridor A and Corridor K serve the southwestern portion of the region, both originating in Haywood County and tracking south and west into Jackson County. In Jackson County, Corridor A turns south and connects with Georgia. Corridor K continues through the tip of the state into Tennessee.

Corridor K includes the most expensive highway system section which remains to be completed. The current cost estimate to complete NC's overall ADHS system is over $823.2 million, the majority of those costs resulting from the Corridor K section - currently estimated to cost $760.5 million to complete. This roughly 18-mile section will provide the only four-lane highway in Graham County, which is a designated distressed county. The expansion of Corridor B (Interstate 26) from Buncombe County north through Madison County provides the only four-lane road in Madison County. The final corridor, Corridor W - which is nearly complete - runs through Henderson County, leading south into South Carolina. The state's intrastate highway system complements the ADHS. This network of state roads will bring four-lane access to 90 percent of the state's population when it is completed.

Regional Profile

Land

The North Carolina portion of the Appalachian region includes 29 of the state's 100 counties, covering 11,902 square miles (24% of the state's land mass). The four largest counties, in size are; Wilkes (754 sq. miles), Buncombe (657 sq. miles), Rutherford (564 sq. miles), and Haywood (554 sq. miles). The four smallest counties are; Clay (215 sq. miles), Mitchell (221 sq. miles), Alleghany (235 sq. miles), and Polk (238 sq. miles).

A contributing stress factor in this region is availability of private land. Because so much land is in public ownership, the remaining acreage in the tax base is often not sufficient to support the county's required services.

Much of the region is sparsely populated with only three counties, as reported in the 2010 US Census, exceeding the state's 196 persons per square mile. These three counties are Henderson (286.1), Buncombe (362.9) and Forsyth (859.2). The remaining 26 counties have far lower persons per square mile ratios. The bottom three counties are Madison (46.2), Graham (30.3) and Swain (26.5).

The density of a county's population is an important facet of services and infrastructure improvements costs being both effective and affordable, and has significant implications for development implications for community and economic development potential, local government budgets, and public service deliverables.

Population

Almost 86 percent of Western North Carolina's population is located in rural communities compared with 51.1 percent of the state population, living in and around its urban cores. The 29-county region is home to 1.7 million people (2012 US Census estimates), who primarily live in just a few of the counties. Only three of the counties have populations of over one million, they are Forsyth (358,137), Buncombe (244,490) and Henderson (108,266). When combined with Burke (90,505) and Caldwell (81,930), the five counties represent half of the region's population. Conversely, the three counties with the lowest population are; Alleghany (10,927), Clay (10,618) and Graham (8,700). Five counties have populations less than 25,000 (Madison, Polk, Avery, Yancey, and Mitchell).

Western North Carolina Population		North Carolina Population	
2000 Population	1,532,165	2000 Population	8,046,491
2010 Population	1,698,908	2010 Population	9,535,483
% Change in Population (2000-2010)	11%	% Change in Population (2000-2010)	19%
2012 Population Estimate	1,715,764	2011 Population Estimate	9,669,244

During April 1, 2010 until July 1, 2011 (US Census Bureau) most of the region's counties lost residents. Of the 29 counties, only eight counties experienced an increase in population - with Buncombe (2.6%) and Forsyth (2.1%) gaining the most. Conversely the counties whose populations decreased the most were Alleghany (2.0%) and Graham (1.8%).

This outmigration and/or lack of population growth diminish the county's ability to provide the labor force they need to attract business and industry or to maintain the communities' infrastructure and services.

Western North Carolina's population is primarily female (51%) and has a median age of 43 years, as compared to the state's median age of 37. And the region's population is older, with 17 percent of being 65 years old or older, as compared to the state's average of 13.8 percent. Only two counties fall below the state's average - Watauga (13.3%) and Forsyth (13.6%). The counties with the highest 65 years old and greater population – almost double the state's average - include; Transylvania (27.5%), Polk (26.1%), Clay (26%), and Cherokee (24.9%).

A disproportionate elder population poses significant implications for these counties, through increased demands for senior services and decreased local workforce availability.

In the 2010, Census 84 percent of the region's total population reported themselves as Caucasian. African-American's, whose population is on the decline in this region, are the largest minority group, with 148,508 people. This represents a 10 percent decline when compared to the previous 2000 Census count. There are 116,425 Hispanic people in the region. The Hispanic population has grown 34 percent since 2000, due in large part to the rise of service-oriented and labor-intensive industries located in the region. The region's American Indian population, represented primarily by the Eastern Band of the Cherokee Indians, has grown to 14,700, up from 12,246, as reported in the 2000 Census.

Income and Poverty

Per capita income in the region is below the state average of $25,256. According to current US Census Bureau information, the per capita income in the past 12 months, (in 2011 dollars) 2007-2011, of only three of the 29 counties exceeded this average amount, The were Forsyth ($26,424), Buncombe (26,347) and Davie ($26,412) counties. The counties reporting the lowest per capita income include; Alleghany ($18,974), Graham ($18,999) and Swain ($19,506).

The majority of the region's county median household income levels also fall well below North Carolina's median household income of $46,291, with 26 counties having a median household income level that falls somewhere between the low of $32,255 (Graham) and $44,321 (Buncombe). Only three counties, had a higher median household income level than the State's – they are; Forsyth ($46,417), Henderson ($47,371) and Davie ($50,562). According to AccessNC the 2011 estimated median per capita income for the region was $20,467 and is projected to be only slightly higher ($22,151) in 2016.

The recent economic recession had a severe impact on the western region of the state and the number of individuals living in poverty still remains high in most of Western North Carolina. The American Community Survey's (ACS) most recent five-year estimates indicate that 21 counties in the region had poverty rates above the state average of 16.1%.

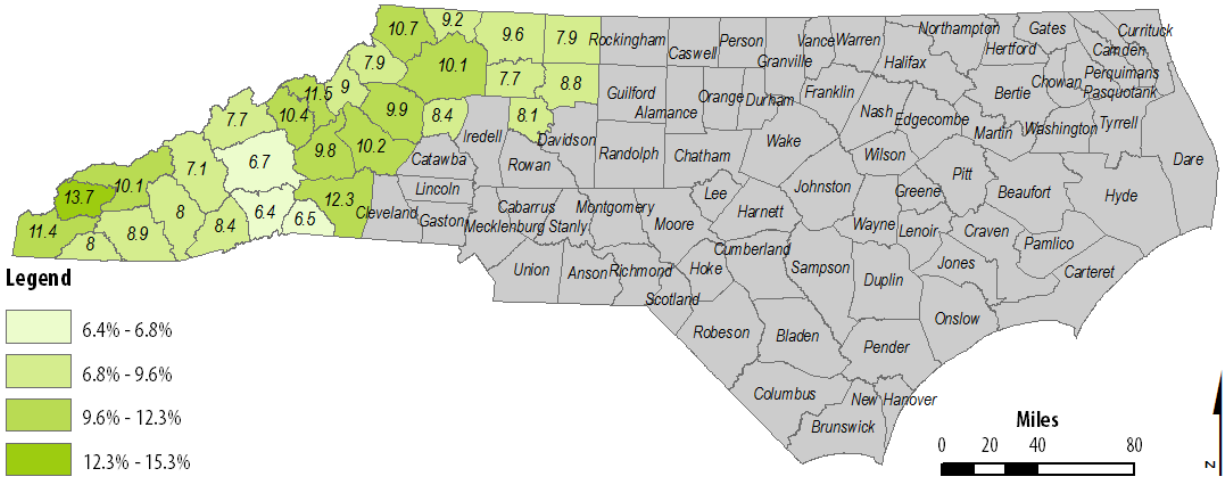
Low wage jobs and high rates of poverty not only impact the amount of money being spent or invested locally. Low wealth has negative health and educational attainment implications that negatively impacts business and industry development and recruitment competitiveness.

Employment and Unemployment

During the 2012 calendar year approximately 82.7 percent of the region's total employment was in private industry, with high concentrations of jobs being in the health care and social assistance (17.6%), retail trade (12.8%), and manufacturing (12.6%) sectors. Utilities occupations had the highest average annual wage ($61,738), followed by management ($54,399), finance and insurance ($46,656), and wholesale trade ($41,249). Although the unemployment rate in Western North Carolina had declined during the period of 2002 (7.1%) and 2007 (5.0%), the

national economic downturn, which began in 2008, impacted the region heavily. The annual unemployment rate rose from 5.0 percent in 2007 to 6.9 percent in 2008. Regional unemployment rates peaked in 2009 and 2010 at 11.4 percent and 11.7 percent respectively, and remained steady at 11.1 percent during 2011. In 2012, the region's rate fell slightly to 10.4 percent and the unemployment rate in 18 ARC counties exceeded the state's annual rate of 9.5 percent. The region's June 2013 unemployment rate was 9.1 percent. The state's unemployment rate has steadily been on the decline, including the western region of the state, though it still remains higher than the national average. According to the national Bureau of Labor Statistics, North Carolina's unemployment rate was 8.3 percent in August 2013, compared to the nation unemployment rate of 7.3 percent. The state is currently tied nationally, with Georgia and the District of Columbia, for sixth-highest for unemployment, down from being tied for third highest, a month earlier, in July 2013. The state's unemployment rate in the ARC region has also declined slightly in some of the 29 counties, with 11 counties having unemployment rates below the state's 8.3 percent average. Henderson County (6.4%) and Polk County (6.5%) have rates far below both the state and nation levels. Of the remaining counties, Graham and Rutherford County maintain the highest unemployment rates of 13.7 and 12.3 percent, respectively.

North Carolina Appalachian Regional Commission: July 2013 Unemployment (In Percent)



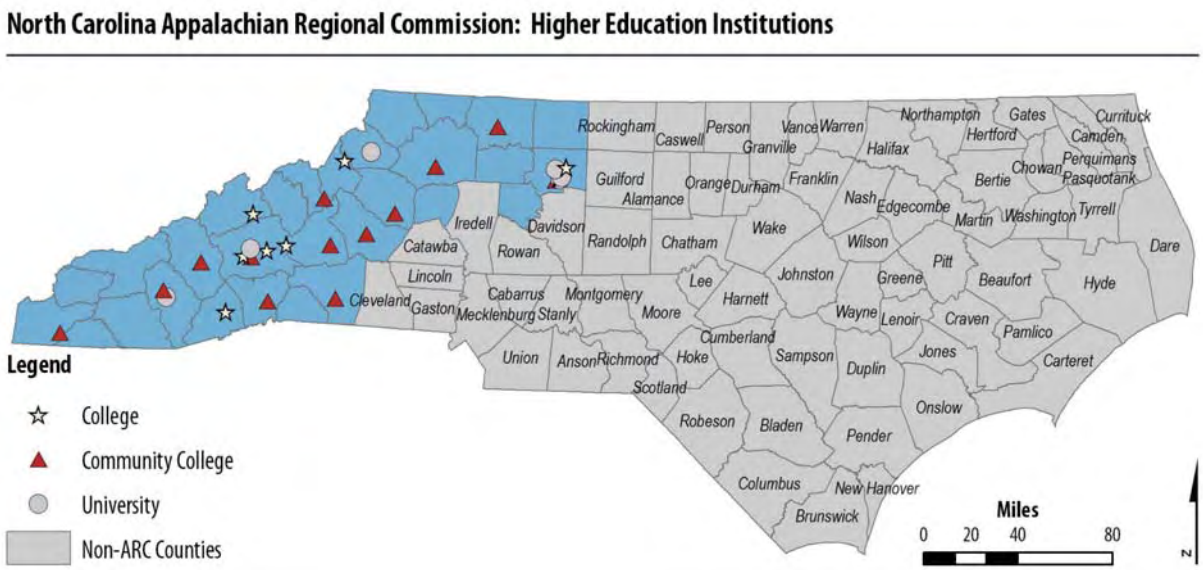
By continuing to focus on policies and programs that address some of the region's challenges – such as educational attainment, workforce skills, and chronic health issues - the Appalachian region will continue to improve its employment growth and be more competitive for business and industry recruitment and job creation opportunities.

Education

The region's state supported education network includes 32 school systems serving over 227,006 students in grades K-12. An additional 6,183 students are served in the region's 21 charter schools. During the 2011-2012 school year the average dropout rate in Western North Carolina for the 7-13 cohort was 1.92 percent, 0.10 percent lower than the state average. Of the 19 North Carolina county school systems exceeding the US average SAT score in 2011-2012, 13 were located in ARC counties. Of the 29 county systems scoring at or above the state average of 84.1 percent, 20 were Appalachian counties. These top ranked counties include; Watauga (88.3%), Buncombe (87.9%), Forsyth (87.3%), Polk (87.3%), Henderson (87.2%), Transylvania (86.9%), Haywood (84.4%), Macon (84.3%), and Davie (84.1%).

Although historically low educational attainment decreases the region's economic competitiveness, this long-term trends show signs of reversing. North Carolina's Appalachian high school students continue to outperform their peers, statewide, on the SAT.

The region is served by five state universities — Appalachian State University, the University of North Carolina at Asheville, University of North Carolina School of the Arts, Winston-Salem State University, and Western Carolina University — as well as 14 community colleges and several private liberal arts colleges. The state baccalaureate graduation rate of 26.5 percent was exceeded by 7 of the 29 counties in the region. These counties are; Watauga (39.9%), Buncombe (32.1%), Forsyth (31.3%), Henderson (27.5%), Translyvania (27.3%), Jackson (27.1%), and Polk (26.7%). The counties with the lowest baccalaureate graduation rate include; Alexander (11.3%), Stokes (11.3%), Wilkes (11.9%), and Yadkin (11.9%).



ARC Accomplishments in North Carolina

Each year ARC provides funding ($2.5 million to $3.5 million) for projects throughout the Appalachian Region of North Carolina. These projects must support one of four program goals:

- Increase job opportunities and per capita income in Appalachia to reach parity with the nation.
- Strengthen the capacity of the people of Appalachia to compete in the global economy.
- Develop and improve Appalachia's infrastructure to make the Region economically competitive.
- Build the Appalachian Development Highway System to reduce Appalachia's isolation.

Since 2008, the North Carolina ARC program has awarded over $22 million in ARC funding, which has leveraged over $72 million in other funds. For every ARC dollar spent in western North Carolina, $3.27 in additional non-ARC funds has been spent on projects that support the program goals.

From 2008 through 2012, 134 projects throughout the state's Appalachia Region have assisted in the creation of approximately 1,627 new jobs and the retention of an additional 3,686 jobs.

Projects providing access roads for business and industrial growth has been a vital component of economic development recruitment, retention and expansion, and of job creation and retention within the region.

Some of these projects have added critical water and sewer infrastructure that aided in business and industry expansion, and provided clean potable water to households, schools and commercial buildings.

More than 11,000 Pre-K through 12 students have been served through dropout prevention and early education projects. And over 1,200 workers have received new workforce skill training that helped them get jobs, keep jobs and earn higher wages.

Accomplishments include:

- $1,000,000 to Rutherford County for an access road to the Horsehead Corporation. This project resulted in 250 new jobs.
- $300,000 to the Town of Canton for wastewater infrastructure in a developing business corridor with four businesses. This project resulted in 60 new jobs.
- $100,000 to Wilkes County Schools to purchase 255 laptop computers to be distributed to ninth graders in the school system. The project helped alleviate multiple issues including high drop-out rate and the need for computer skills to succeed in the workforce and post-secondary education.
- $100,000 to Tri-County Community College to renovate 1,900 square feet of the Cherokee County Center for Applied Technology to provide a training facility for students in the Nurse Assistance program. The new classroom space serves 150 students per year and provides the only training of this type in a three county region (Clay, Cherokee and Graham).

ARC Goals and Objectives and NC Strategies

ARC Goal #1: Increase Job Opportunities and Per Capita Income in Appalachia to Reach Parity with the Nation		
Strategic Objective 1.1: Develop Leaders and Strengthen Community Capacity		
NC Strategies	1.1.1	Assist Appalachian communities with the tools they need to strategically chart their future.
	1.1.2	Assist multijurisdictional efforts that provide more effective and efficient delivery of programs and/or services. This is especially important in projects combining public with private and/or non-profit sectors.
	1.1.3	Assist communities in implementing strategic planning efforts.
	1.1.4	Encourage development and implementation of integrated planning efforts needed to secure additional investments in Appalachian communities.
	1.1.5	Support innovative efforts to deliver entrepreneurial skills training to small and medium-sized firms.
	1.1.6	Support programs that ensure the availability of a trained workforce with the skills and abilities required to promote economic retention and growth.
Strategic Objective 1.2: Diversify the Economic Base		
NC Strategies	1.2.1	Focus attention on building businesses and industries to create markets, identifying and aiding supplier chains, supporting base industries, and by increasing and making more effective use of electronic commerce in order to enhance continued growth in targeted sectors.
	1.2.2	Encourage public-private sector partnerships and regional approaches to economic development, marketing, regional competitiveness, and business assistance.
Strategic Objective 1.3: Enhance Entrepreneurial Activity in the Region		
NC Strategies	1.3.1	Create an economic climate conducive to the birth, attraction, and retention of innovative, entrepreneurial firms that create new products and expand into new markets.
	1.3.2	Attract service delivery programs into a seamless system that is responsive to Appalachian North Carolina's business and entrepreneurial needs.
	1.3.3	Aid Appalachian communities in supporting a generation of new enterprises and nurturing their early development.
Strategic Objective 1.4: Develop and Market Strategic Assets for Local Economies		
NC Strategies	1.4.1	Encourage development that maximizes economic potential, while promoting a high quality of life and responsible management of natural resources.
	1.4.2	Aid communities and organizations in targeting development activities that permit individuals and markets to grow, while celebrating the region's natural resources and other assets.
	1.4.3	Provide new opportunities to demonstrate cooperation with the private sector, which have the potential of directly creating new jobs, and are replicable in other areas of the region or the state.
	1.4.4	Encourage efforts that diversify the economic base, including asset-based development and energy–related projects.

ARC Goal #1: Increase Job Opportunities and Per Capita Income in Appalachia to Reach Parity with the Nation (Continued)		
	Strategic Objective 1.5: Increase the Domestic and Global Competitiveness of the Existing Economic Base	
NC Strategies	1.5.1	Assist Appalachian communities in developing and sustaining a favorable business climate that supports domestically and globally competitive enterprises.
	1.5.2	Work through the ARC's Export Trade Advisory Council and with other agencies to develop additional information resources and strategies to assist Appalachian firms.
	Strategic Objective 1.6: Foster the Development and Use of Innovative Technologies	
NC Strategies	1.6.1	Encourage the use of telecommunications technology to improve the participation of Appalachian businesses and agriculture-based businesses in the marketplace.
	1.6.2	Support energy-related projects that improve efficiencies and/or create economic benefit.
	Strategic Objective 1.7: Capitalize on the Economic Potential of the Appalachian Development Highway System	
NC Strategies	1.7.1	Assist Appalachian communities in providing the physical infrastructure necessary for the creation or retention of jobs - especially those improvements linked with transportation corridors.
	1.7.2	Encourage and support opportunities for innovative use of multimodal transportation services and networks to facilitate economic expansion.
	Strategic Objective 1.8: Encourage Sustainable and Effective Economic Use of Natural Resources	
NC Strategies	1.8.1	Support non-profits and small businesses that are creating and retaining jobs through economically sustainable uses of Appalachia's natural and environmental assets, including its forests and wood products, water features and watersheds, agricultural resources and local food systems, and scenic view-sheds.
	1.8.2	Encourage demonstration projects that utilize natural resources to make a vital contribution to the sustainable and effective economic growth of communities in Western North Carolina.
	Strategic Objective 1.9: Encourage Investments in Energy Projects that Create Jobs	
NC Strategies	1.9.1	Promote energy efficiency in Western North Carolina to enhance the Region's economic competitiveness.
	1.9.2	Increase the use of renewable energy resources in Western North Carolina, including wind, solar, geothermal, and biomass, and other technologies to produce alternative transportation fuels, electricity, and heat.

ARC Goal #2: Strengthen the Capacity of the People of Appalachia to Compete in the Global Economy		
	Strategic Objective 2.1: Develop Leaders and Strengthen Community Capacity	
NC Strategies	2.1.1	Ensure Appalachian communities have the tools they need to strategically chart their future.
	2.1.2	Assist multijurisdictional efforts that provide more effective delivery of programs and/or services - especially in projects combining public with private and/or non-profit sectors.
	2.1.3	Assist communities in implementing their strategic planning efforts.
	2.1.4	Encourage the development and implementation of integrated planning efforts needed to secure additional investments in Appalachian communities.

ARC Goal #2: Strengthen the Capacity of the People of Appalachia to Compete in the Global Economy (Continued)		
Strategic Objective 2.2: Enhance Workforce Skills through Training		
NC Strategies	2.2.1	Enhance Western North Carolina's workforce through focused training and lifelong learning, so that education and training programs prepare Appalachia's residents for future employment—not just jobs currently available.
	2.2.2	Assist in bridging gaps between other funding sources to provide training for a specific industrial skill, and that would secure major private investments in new plants, operations, and jobs.
	2.2.3	Assist in skill training operations that include a substantial commitment of private and local resources and have a regional application (regional significance and service area).
	2.2.4	Provide, for students, increased access to technology applications that meet the needs of the state's businesses.
	2.2.5	Implement workforce readiness programs, such as technologically literate workforce training and technological training in math and science, that will ensure students receive the necessary skills to enable them to find and retain jobs.
	2.2.6	Support local and regional efforts to better prepare students, out-of-school youths, and adults for post-secondary level training.
	2.2.7	Strengthen the delivery training programs in order to improve business retention, expansion, and formation efforts.
Strategic Objective 2.3: Increase Access to Quality Child Care and Early Childhood Education		
NC Strategies	2.3.1	Assist efforts to ensure all Appalachian students arrive at school healthy and ready to learn.
	2.3.2	Assist Appalachian communities in activities promoting early childhood education for all children, especially those at risk.
	2.3.3	Work with agencies throughout Western North Carolina in filling service gaps for the children of Appalachia.
	2.3.4	Increase access to preventive health care for children.
Strategic Objective 2.4: Increase Educational Attainment and Achievement		
NC Strategies	2.4.1	Assist Appalachian communities in achieving high education standards, and eliciting parent and community involvement.
	2.4.2	Assist Appalachian communities in activities promoting higher education standards that aid in; retaining students through graduation, increasing post-secondary educational attainment, and/or involving citizens in their education systems.
	2.4.3	Continue to support initiatives that reduce school dropout rates.

ARC Goal #2: Strengthen the Capacity of the People of Appalachia to Compete in the Global Economy (Continued)		
Strategic Objective 2.5: Expand Community-Based Wellness and Disease Prevention Efforts		
NC Strategies	2.5.1	Increase the availability and access to primary care, dental care, substance abuse, mental health and/or obstetric services, especially in Western North Carolina's Health Professionals Shortage Areas (HPSAs).
	2.5.2	Work with the Office of Rural Health and Resource Development in locating health care professionals, with an emphasis on aiding primary care HPSAs, in Western North Carolina (using the J-1 program and other resources).
	2.5.3	Work with the Office of Rural Health and Appalachian communities in filling provider and service gaps that limit access to quality care for the children and elderly in Western North Carolina.
	2.5.4	Encourage the establishment of partnerships and innovative arrangements among health care providers in order to ensure that quality health care resources are available in schools, community organizations, and at worksites.
Strategic Objective 2.6: Increase the Availability of Affordable, High Quality Health Care		
NC Strategies	2.6.1	Increase access to preventive health care for Western North Carolina's residents, especially children and the elderly.
	2.6.2	Promote the testing of new concepts and the replication of models that increase access to affordable wellness and preventative health care.
	2.6.3	Encourage local leaders to develop innovative, cost-effective arrangements for delivery of healthcare services including; regional approaches, privatization, and servicer consolidation.

ARC Goal 3: Develop and Improve Appalachia's Infrastructure to Make the Region Economically Competitive		
Strategic Objective 3.1: Develop Leaders and Strengthen Community Capacity		
NC Strategies	3.1.1	Encourage local governments to demonstrate multi-jurisdictional economies of scale in current and future infrastructure investments.
	3.1.2	Ensure Appalachian communities have the tools they need to strategically chart their future.
	3.1.3	Assist communities in implementing strategic planning efforts - especially in projects combining public with private and/or non-profit sectors, and/or multijurisdictional efforts that provide more effective delivery of programs and/or services.
	3.1.4	Encourage development and implementation of integrated planning efforts that are needed to secure additional investments in Appalachian communities.
	3.1.5	Assist in local efforts that increase the physical and economic revitalization of communities, neighborhoods, and downtowns.
Strategic Objective 3.2: Build and Enhance Basic Infrastructure		
NC Strategies	3.2.1	Assist communities in water and sewer improvements that create and/or retain jobs.
	3.2.2	Assist in efforts to leverage additional funds that support development of needed infrastructure.
	3.2.3	Assist communities in water and sewer improvements that alleviate health or environmental hazards (emphasizing those involving moratoria or special orders by consent), especially where these hazards constitute a barrier to continued economic development.
	3.2.4	Assist communities in meeting federal and state water quality requirements.

ARC Goal 3: Develop and Improve Appalachia's Infrastructure to Make the Region Economically Competitive (Continued)		
	Strategic Objective 3.3: Increase the Accessibility and Use of Telecommunications Technology	
NC Strategies	3.3.1	Assist North Carolina's 29 Appalachian counties in charting a direction for telecommunications and securing assistance in implementing short- and long-term strategies in community and economic development efforts.
	3.3.2	Encourage communities and community leaders to develop the skills and tools necessary to employ existing and innovative telecommunications technology for assisting in community and economic development efforts.
	3.3.3	Make strategic investments that enhance the availability and use of telecommunications technology.
	3.3.4	Support tele-health as a means of universal access to comprehensive health care and as a tool for health education and training.
	Strategic Objective 3.4: Build and Enhance Environmental Assets	
NC Strategies	3.4.1	Encourage development that maximizes economic potential, while promoting a high quality of life and responsible management of natural resources.
	3.4.2	Aid communities and organizations in targeting development activities that permit individuals and markets to thrive, while celebrating Western North Carolina's natural resources.
	Strategic Objective 3.5: Promote the Development of an Intermodal Transportation Network	
NC Strategies	3.5.1	Assist Appalachian communities in filling financing gaps to provide the physical infrastructure necessary for creation or retention of jobs, especially those improvements linked with transportation corridors.
	3.5.2	Support local access road projects which would result in job creation or retention opportunities.
	3.5.2	Encourage and support opportunities for innovative use of multi-modal transportation services and networks, to facilitate economic expansion.

ARC Goal 4: Build the Appalachian Development Highway System (ADHS) to Reduce Appalachia's Isolation		
	Strategic Objective 4.1: Develop Leaders and Strengthen Community Capacity	
NC Strategies	4.1.1	Encourage opportunities for innovative use of multi-modal transportation services and networks to facilitate economic expansion.
	4.1.2	Encourage Appalachian individuals and communities to pursue community capacity building, in conjunction with developing the ADHS.
	4.1.3	Ensure Appalachian communities will have the tools they need to strategically chart their future.
	Strategic Objective 4.2: Promote On-Schedule Completion of the ADHS	
NC Strategies	4.2.1	Work with the NC Department of Transportation to identify and overcome barriers to the development of the ADHS.
	4.2.2	Work with the NC Department of Transportation to review and update the highway corridor system.

ARC Goal 4: Build the Appalachian Development Highway System (ADHS) to Reduce Appalachia's Isolation (Continued)		
	Strategic Objective 4.3: Improve Planning to Enhance Multi-Jurisdictional Coordination and Efficiency	
NC Strategies	4.3.1	Encourage local involvement in rural transportation planning.
	4.3.2	Promote improved coordination of technical information, funding disbursements, and construction scheduling to help facilitate the construction of the ADHS highway system.
	Strategic Objective 4.4: Encourage Intermodal Coordination	
	4.4.1	Work with the NC Department of Transportation to develop the ADHS, as the foundation for a coordinated and balanced intermodal transportation system that maximizes the Region's access to domestic and international markets.
	Strategic Objective 4.5: Enhance the Energy Efficiency of the Transportation System	
NC Strategies	4.5.1	Encourage planning, design, coordination, and construction practices that improve the overall energy efficiency of the movement of travelers and cargo through Western North Carolina.
	4.5.2	Support the development and application of advanced transportation technologies that reduce energy consumption and help ensure the competitiveness of businesses in Western North Carolina.
	Strategic Objective 4.6: Develop a Transportation System that Enhances and Preserves the Region's Environmental Quality	
NC Strategies	4.6.1	Encourage planning, coordination, and cooperation to achieve a reliable, safe, and cost-effective transportation system in Western North Carolina – that both contributes to the economic success and helps protect its environmental quality.
	4.6.2	Promote the use of technologies that reduce the environmental impact of moving Appalachia's Travelers and cargo.

Local Development Districts

Western North Carolina hosts six Local Development Districts (LDDs). The Region includes a series of mountain ranges and boasts the highest peaks east of the Mississippi River. Agriculture remains a vital industry in the region, with a thriving Christmas tree industry and growing interest in locally grown foods, wine, and craft brewing. While health care and social services and manufacturing remain as the dominant industries, jobs related to tourism are a large and growing segment of the economy. The temperate climate and lush landscapes make it ideal for year round sightseeing tours and other outdoor activities. Residents consider the quality of life as one of the region's greatest strengths, making it attractive to business and people of all ages. The Region boasts top rated universities and community colleges that are working hard to keep pace with changing workforce needs.

The LDDs are:

- *Southwestern Commission (Region A):* Cherokee, Clay, Graham, Haywood, Jackson, Macon, and Swain counties;
- *Land-of-Sky Regional Council (Region B):* Buncombe, Henderson, Madison, and Transylvania counties;
- *Isothermal Planning & Development Commission (Region C):* McDowell, Polk, and Rutherford counties;

- *High Country Council of Governments (Region D):* Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, and Yancey counties;
- *Western Piedmont Council of Governments (Region E):* Alexander, Burke, and Caldwell counties; and
- *Piedmont Triad Regional Council (Region G):* Davie, Forsyth, Stokes, Surry, and Yadkin counties.

Challenges are many, as this region continues to struggle with pockets of high unemployment, below average per capita income, and low educational attainment levels. The lack of "last mile" broadband infrastructure also continues to be an impediment. Recognizing their challenges and celebrating their strengths, this region of the state is diversifying its economy and forming partnerships and collaborations that are providing opportunities for growth and success. The LDDs in Western North Carolina serve as strong partners for the ARC by assisting communities in addressing their challenges and promoting their success.

Focus for North Carolina

Governor McCrory is focused on improving North Carolina so that citizens have the opportunity to live, work, and play in vibrant communities, all across the state. The Governor is concentrating his efforts on improving the opportunities that all North Carolinians have and is leading North Carolina to a brighter future by focusing on three goals;

- Improving North Carolina's Economy,
- Strengthening North Carolina's Education System, and
- Increasing the Efficiency of Government.

The Governor is focusing on these goals by implementing effective programs and policies. He is working hard to ensure that manufacturing workers have access to the necessary workforce development training programs in order to be able to transition into the emerging advanced manufacturing sector. He is also diligently working to ensure that the agricultural community has access to the services they need in order to get their goods to market faster. The Governor has a passion for education and is reforming the way the state's education system functions and ensuring students at all levels have access to the technology that will allow them to compete globally. The Governor is also working to make sure citizens have access to the services they need from government by making sure that state government is providing the best customer service to the citizens of North Carolina.

State Economic Development Board

In July of 2013, Governor McCrory made his appointments to North Carolina Economic Development Board. The 39 member board is charged with creating a 10 year economic development plan for the state. The Board is focusing on the following seven areas:

- Targeted Growth Clusters
- Education and Workforce Development
- Business Climate
- Innovation and Entrepreneurship
- Talent and Retirement Attraction
- Rural Prosperity
- Community Development

A completed strategic plan will be implemented in 2014. The NC ARC program will utilize the recommendations from the plan to further enhance the program of services offered in the region.

North Carolina's Focus for ARC Resources

Governor McCrory will utilize the resources provided by the Appalachian Regional Commission to assist him in meeting his goals for the region with an emphasis on the economy, education and efficiency. The Governor is concentrating his efforts on improving the opportunities that all North Carolinians have by focusing on the following three goals;

- Improving North Carolina's Economy,
- Strengthening North Carolina's Education System, and
- Increasing the Efficiency of Government.

Economy

The Governor's economic development principles will guide his investment of ARC resources to help communities in the region jump start a Western North Carolina "comeback". The Governor's economic development principals are;

- Improve the economy with a new vision and state brand,
- Improve government's responsiveness to business,
- Promote and implement tax code changes that will spur job creation, productivity and innovation,
- Capitalize on the state's energy resources to help power the economy,
- Establish and implement a long-term plan for transportation and infrastructure that supports economic growth,
- Transform the education system to create a workforce for the future; and
- Provide additional opportunities for targeted industries to grow and strengthen the economy.

Taking these principles into account, the Governor will support projects in the region that have a focus on improving the economy with an emphasis on job creation and job retention. He will place an emphasis on projects that work to improve citizens' access to workforce development programs, which will enhance their employable skills that will help fill job gaps that exist in the region. The Appalachian Regional Commission program in North Carolina will place a spotlight on continuing to develop and promote the agricultural economy. The program will work with agriculture stakeholders to ensure resources are deployed to assist the increasing agricultural activity in the region. The Governor will utilize the ARC program to continue to provide technical assistance to small businesses and Main Street communities throughout the region. Potential projects include providing infrastructure to an industrial site, assisting in the construction of access roads, purchasing training equipment for a community college, and providing staff resources to support the development of a small business plan.

Education

Governor McCrory is leading his administration toward the improvement of the state's education system by engaging all levels (pre-k through post-secondary). He is focused on ensuring that the citizens of the state have access to quality education programs that will lead to a successful, productive, and well-educated workforce. Under his leadership, students throughout the state will have the opportunity to make more education choices and utilize the newest technologies in the classroom.[i] Governor McCrory is working hard to ensure that, starting in high school and continuing through the state's higher education system, students have the support they need to guide them down an appropriate career path. The Governor recognizes that not every student who earns a high school diploma desires to attend a four year university. He wants all high school students to understand what career training opportunities are available to them, through both the state's community college system and universities. The Governor's education priorities are:

Governor McCrory on Education

"Starting in high school and continuing through our higher education system, we must ensure our students are on the right path to acquiring marketable skills that will lead to a productive and satisfying career. My goal is for every student to get a job after they graduate – not move back in with his or her parents. To do that, we must emphasize skill attainment in our community colleges and universities, use our resources more efficiently and measure success in a comprehensive way."

Governor Pat McCrory on the campaign trail.[1]

- Assisting students in finding the right path to success for them by strengthening the linkage between K-12 education and higher education. Along with providing more career counseling and improving the state's workforce development system to better support career placement.
- Provide greater opportunities for students to learn the skills needed to enter the workforce by creating partnerships between economic development professionals and higher education institutions. Encourage students to enroll in high-demand career fields.
- Aggressively promote degree completion. Provide opportunities for students to complete associate degrees before transferring to a four-year program.
- Expand the use of technology to provide access to greater education opportunities by providing opportunities for distance education and peer-to-peer learning.

The Governor will use ARC resources to support projects in the region that assist in strengthening the kindergarten through college education system. The Governor is focused on improving this system to provide greater opportunities for career exploration and technical skill training. The ARC program in North Carolina will focus on providing assistance and resources to communities to enhance their education system by promoting programs that teach students both knowledge and job skills. The Governor is an advocate for both vocational and higher education. Therefore the ARC program will support projects that provide opportunities for both vocational education and higher education. The ARC program will support opportunities to strengthen the education delivery system so that the citizens of Appalachia have access to the educational tools necessary to succeed in the job market. The program will also support collaborative projects that bring together all levels of the education system - Pre-K, K-12, community college and universities. The Governor will use the ARC program to increase the access to technology in the classroom. Potential projects could include computers for schools, equipment for training

programs, teleconferencing equipment for a community college training program, and funding for dropout prevention programs.

Efficiency of Government

The Governor is focused on improving the efficiency of government in order to provide better customer service to the citizens of the state. The Governor will use the ARC program to ensure that local governments have the capacity to deliver necessary services. ARC resources will be used to assist local governments in accessing state and/or federal resources that can help communities serve their citizens in a more effective manner. Potential projects include the installation of a new waterline to provide water for a new business park, which will increase the tax base of a local government. ARC resources could also be used to help a local government or regional organization through a strategic planning effort to identify their economic drivers.

North Carolina's Focus on Energy

Governor McCrory is supportive of renewable and sustainable energy as an economic development driver. During his first few months in office he has:

- Endorsed the federal Bureau of Ocean Energy Management (BOEM) efforts to develop wind energy resources off North Carolina's coast.[ii]
- Issued a proclamation making June Solar Energy Month in North Carolina and holding an event at a solar energy farm.[iii]
- Applauded action by the UNC Board of Governors in approving groundbreaking lighting and other energy-saving efforts that avoid $25 million in energy costs through a unique system-wide guaranteed energy savings contract involving 13 UNC campuses, the UNC General Administration, and several affiliated organizations.[iv]

North Carolina's Energy Goals

The lead state agency on energy for North Carolina is the State Energy Office, a division of the North Carolina Department of Environment and Natural Resources. The Energy Office is committed to ensuring a sustainable energy future for the citizens of North Carolina. The Office works to increase the use of renewable energy, alternative fuels, and energy efficiency throughout the state, while serving as the principal source of information for these energy areas:

- Support small business and industry through energy savings
- Grow North Carolina's green and clean energy workforce
- Foster renewable and sustainable energy technology and resources innovation
- Improve energy efficiency in local and state government
- Promote residential energy efficiency and renewable energy
- Continue efforts to develop potential offshore energy resources, including wind and fossil fuels
- Expand efforts to develop solar energy
- Expand efforts to develop potential inland fossil fuel resources, particularly natural gas

Putting the Development Plan into Action

North Carolina's Appalachian Program is focused on assisting Governor McCrory in accomplishing the goals he has established for the state. The Governor is committed to improving the economy, transforming education and improving government efficiency.

Additional principles that guide North Carolina's Appalachian Program include;

- The Program's mission of enhancing the economic development potential of the state's twenty-nine Appalachian counties,
- Program parameters established by the ARDA and the ARC Strategic Plan, Code, and guidelines, and
- Directing special attention toward aiding the state's local government partners, in the ARC Program and the six local development districts (LLDs).

Taking into consideration these principles and Governor McCrory's goals for 2013-2016, the NC ARC Program will focus on creating and retaining jobs, assisting in filling job gaps through workforce development, prompting collaborative educational opportunities and improving the efficiency of local governments. The NC ARC Program will work closely with the LDDs to identify opportunities and develop projects aligned with this focus. In addition, the NC ARC Program will continue to hold roundtable discussions with leaders in the region and participate in workshops and forums related to this focus.

State Program Operations

The Governor, as the State's member of the Commission, establishes the program's direction and priorities. North Carolina's ARC priorities track the Governor's agenda for North Carolina and the input received from the region and its leaders. Governor McCrory's Alternate, Dr. Patricia Mitchell, works closely with the Governor's senior staff and oversees the daily operation of the program and coordination of the state's work on behalf of the program. The program administration is housed with the Rural Development Division of the North Carolina Department of Commerce, but takes policy and program direction from the senior staff in the Governor's Office. Fiscal support for the Consolidated Technical Assistance Program and the state's assessment, as well as ARC program-related travel and physical operations, are provided through the NC Commerce Department.

The North Carolina ARC program partners with a number of organizations both at the state and federal level, along with a number of nonprofits. Staff work daily with staff in the Division of Community Assistance, the Main Street Program, the Community Development Block Grant Program, NC Broadband, and staff in the Community Planning Program. ARC Staff also works closely with the newly transitioned programs from the North Carolina Rural Economic Development Center. These programs will provide assistance for building reuse and restoration, water and sewer infrastructure, and economic innovation in rural communities. Other Commerce ties include all elements of business and industry development, tourism, and workforce development. Coordination with other state agencies includes but are not limited too:

- The Department of Environmental and Natural Resources, which currently includes water and wastewater programs and, energy programs, for the state, as well as other environmental programs;
- The Department of Health and Human Services, which provides rural health and child development services;

- The State Treasurer's Office, which oversees and regulates local fiscal affairs;
- The Department of Public Instruction, which governs elementary and secondary education;
- The North Carolina Community College System, which oversees 58 public - two-year institutions; and
- The University of North Carolina System, which oversees 16 institutions.

The program continues to maintain strong relationships with these federal agencies:

- The United States Department of Agriculture state and district offices that serve ARC counties,
- The Economic Development Administration's state representative, as well as the regional office in Atlanta,
- The Tennessee Valley Authority staff, who assist in ARC program administration, and
- The United States Department of Housing and Urban Development area office in Greensboro, North Carolina.

There also is limited contact with the Environmental Protection Agency and staff with the United States Park Service.

Program staff relies extensively on state and federal agencies for technical review and engineering support of proposed project activities and also request their aid in determining project readiness, accessing if a potential project duplicates already existing efforts, and for joint funding of projects and administration of ARC funds, when applicable. Close cooperative relationships also are maintained with several non-profits, to include; the North Carolina Rural Economic Development Center, the Golden Leaf Foundation and Handmade in America. Continuing contact and information sharing among the agencies and partners promotes coordinated development efforts for the state and aids in resolving problems and meeting the needs of its communities, especially in aiding efforts to support or develop local capacity.

North Carolina's six LDDs, as agents of their member governments, maintain constant contact with the state and provide feedback, suggest areas of concentrating efforts, and supply multicounty perspectives on issues. The LDDs also provide most of the direct technical assistance to applicants in the region. Technical assistance runs from the development to packing of projects and in some cases, includes aid in bidding, administering, and closing out projects. The state relies heavily on input from the LDDs in developing new project directions and in soliciting input from other sectors in the region.

Local governments' input comes in many forms. Contacts may be made:

- Through the LDDs,
- Directly with the Governor, his Alternate, or members of the Governor's staff,
- Through local government associations (the NC League of Municipalities and the NC Association of County Commissioner);
- Through referrals from other agencies or
- Through advisory groups used as a source of program development (such as the State Economic Development Board).

State Operating Policies

In North Carolina the level of ARC funds requested may not exceed 50 percent of the total project cost; except: 1) in designated at-risk counties where the state determines the project is not feasible without the injection of a higher percentage of Appalachian dollars; and 2) in multijurisdictional projects that meet requirements set out in the Appalachian Regional Development Reform Act of 1998, which generally involve the participation of distressed counties. The level of ARC funds requested for projects in designated competitive counties may not exceed 30 percent of the total project cost unless the applicant provides adequate justification to meet exceptions in the ARC Code. Projects involving designated attainment counties must be multicounty in scope and meet the stringent criteria defined in the 1998 law.

Proposals for the following activities are not eligible: construction of schools, libraries, government offices, hospitals, community centers, social services facilities, law enforcement facilities, or day-use recreational facilities. However, the ARC program will consider the jobs created by these and other facilities as part of the justification for water and wastewater projects that support these activities. Generally, funding is not available to cultural facilities and related activities; however, activities related to sustainable development initiatives may be considered where the jobs and wealth resulting from those activities can be documented and are equivalent to the performance measures generated by more traditional economic development and entrepreneurial activities.

The state will work with its LDDs, local governments, and basic agencies to continue its intensified efforts to obligate its ARC allocation in a timely manner and to achieve dual objectives of better serving applicants and more efficiently initiating ARC's investments in North Carolina. Application information will be published on-line annually at www.nccommerce.com/arc and detailed in the State's annual Strategy Statement.

General Information

Higher priority is given to projects that are deemed ready to go. To meet this requirement, the applicant should have all other funding for the project committed. Both the worth of the individual project in achieving the state's objectives and the level of assistance are determined on a case-by-case basis.

Initial screening of proposals focuses on the following elements:

- Feasibility of project approach;
- Eligibility under ARC Code and Appalachian Act;
- Consistency with state and Commission goals and strategies;
- Economic impact within the context of the region and the area to be served.

ARC assistance is the source of last resort. As such, projects may only use ARC funds where there is no other source of funding and/or where Commission money will make a project feasible.

Project applications must include measurable outputs and outcomes that are consistent with federal performance measurement requirements.

Individuals and for-profit enterprises are not eligible for direct grant assistance; but may benefit from, and be served by, the investment of ARC funds.

Special provisions related to operating projects include:

ARC funding for operating projects normally will be limited to start-up costs and two years of operation (three years of assistance);

No project will be guaranteed more than one year of support and applicants are advised that projects requesting multiple year funding generally will not be given a high priority;

Any project requesting start-up funds should be prepared to identify the sources that will underwrite the costs after the first year of Appalachian aid;

Generally, continuation projects (those operating in multiple years with no appreciable changes in project design or scope) should reduce the level of ARC support by 10 percent of the amount of their previous grant or show other efforts to enhance the program attaining self-sufficiency;

Operating projects also will be encouraged to propose an 18-month initial project period. Since most projects need this additional time to meet unexpected start up delays, the proposed longer performance period should help avoid the need to extend project periods to meet the first year's objectives;

Any project seeking continuation funding (a second or third application for assistance) will need to initiate discussions with the state's ARC office at least a month in advance of the application submission deadline in order to determine if an application will be considered. Prior to seeking continuation consideration, the project sponsors should compile information documenting satisfactory performance in meeting the accepted output and outcome measures to support the request for continued assistance.

Decisions to consider projects for Appalachian funding are based on summary information that provides enough detail to enable the state ARC office to determine the proposal's eligibility. Construction projects should have preliminary commitment of jobs and a preliminary engineering report prior to requesting consideration. Construction projects also must obtain the review and approval of another federal grant-financing agency, and any ARC funding consideration is contingent upon obtaining the participation of another federal agency.

Funding and Match Guidance

The state has set a general guideline that ARC assistance will not exceed $300,000 for construction projects, $100,000 for non-construction projects and will constitute no more than 50 percent of the total project cost. However; special consideration will be given to infrastructure projects in distressed and at-risk counties. Selected projects may request up to $500,000 in ARC funding. Special consideration may also be given to non-construction projects with an emphasis on workforce development and education with an allowable funding amount up to $300,000.

The level of ARC funds requested for projects in designated competitive counties may not exceed 30 percent of the project cost unless justification is provided to meet exceptions in the ARC Code.

To comply with Congressional instructions, the matching requirements in multicounty projects will vary, depending on the designated economic status of the counties involved. Multicounty projects serving fewer than the 29 counties will be computed based on the average of the eligible financing level for the counties involved.

Cost overruns and significant changes of project scope on previously approved ARC projects generally will not be considered for funding. Changes required by design modifications or changes that will generate additional jobs will constitute rationales for consideration of overrun requests.

ARC funds cannot supplant or diminish the level of other funds (federal, state, or local) going into the Appalachian region or the project area. ARC funds cannot replace other funds in order to continue a project, nor may ARC funds be used to allow the diversion of existing resources to other purposes or to reduce the amount of bonds to be sold to finance local improvements.

Timing Considerations

The ARC Program will publish application forms on the Program's website (www.nccommerce.com/arc). This application process will allow the Program to continue to be responsive to local needs while ensuring timely obligation of ARC funds. Applicants are encouraged to work closely with other agencies involved in their project in order to meet the cut-off dates. Proposals involving construction should be especially aware of the time constraints and applicants should alert their engineers of the requirement to strictly observe these time deadline.

Endnotes

[i] http://www.patmccrory.com/issue/k12-education/

[ii] Governor McCrory Letter to the Bureau of Ocean Energy Management, Jan. 22, 2013.
http://energync.org/assets/files/PLM%20to%20Bureau%20of%20Ocean%20Energy%20Management%2023Jan2013.pdf

[iii] Governor McCrory Proclaims June Solar Energy Month in North Carolina". News Release. June 4, 2013.
.http://www.governor.state.nc.us/newsroom/press-releases/20130604/governor-mccrory-proclaims-june-solar-energy-month-north-carolina)

[iv] "Tearing Down Silos With Unc-Wide Cooperation Making Universities More Energy Efficient And Cost Effective". News Release. June 14, 2013.
http://www.governor.state.nc.us/newsroom/press-releases/20130614/tearing-down-silos-unc-wide-cooperation-making-universities-more

Acknowledgements

The staff of the North Carolina Department of Commerce, Appalachian Regional Commission Program, under the direction of Assistant Secretary Patricia Mitchell, prepared this 2013-2016 Appalachian Development Plan. Olivia Collier, ARC Program Manager, provided staff direction for this project. Libby Smith, Assistant ARC Program Manager, and Kristy Carter, ARC Community Planner, contributed extensively in the preparation of this document.

Cover Photo

Photo by Kristy Carter. Cataloochee Valley Flowers, Great Smoky Mountains National Park.