

Appalachia

THEN AND NOW

Examining Changes to the Appalachian Region Since 1965

STATE MEETINGS REPORT

FEBRUARY 2015



Prepared by the Center for Regional Economic Competitiveness
and West Virginia University for the Appalachian Regional Commission

It is impossible to drink water, flush a toilet, or drive down a highway in Appalachia without seeing first-hand the result of an ARC investment.

- Common sentiment expressed at Stakeholder Meetings

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About the ARC Focus Groups

Stakeholder meetings were held in all 13 ARC states to afford key stakeholders the opportunity to provide insights about their region’s ARC-related activities (see Figure 1). Participants were asked to provide feedback on several issues including:

- The ARC-sponsored programs and other initiatives that made significant differences in their community,
- The community’s changing involvement with ARC over time,
- How ARC can strengthen their programs and initiatives, and
- Current and emerging issues that might motivate additional, future investments to alleviate economic distress in Appalachia.

Each facilitated session lasted roughly two hours and involved roughly 10 to 20 participants. Combined, over 220 people participated in these stakeholder meetings. This document contains reports describing the substance of these conversations and the participants who attended.

Figure 1: ARC 50th Anniversary State Focus Groups		
State	Location	Date
Tennessee	Alcoa, TN	May 16, 2014
North Carolina	Boone, NC	July 11, 2014
Development Districts Association of Appalachia	Marietta, OH	July 28, 2014
West Virginia	Charleston, WV	August 8, 2014
Virginia	Roanoke, VA	September 18, 2014
Mississippi	Tupelo, MS	October 15, 2014
Kentucky	Slade, KY	October 21, 2014
Georgia	Atlanta, GA	October 22, 2014
Maryland	Cumberland, MD	October 28, 2014
Ohio	Zanesville, OH	November 14, 2014
New York	Binghamton, NY	December 8, 2014
Pennsylvania	Lewisburg, PA	December 9, 2014
Alabama	Decatur, AL	December 15, 2014
South Carolina	Greenville, SC	December 17, 2014

Several common themes emerged from these meetings. Overall, participants noted that ARC investments have made a significant impact on the Region over the past half century. Several factors contributed to this impact including the federal-state-regional partnerships, the flexibility of ARC funding, and the ability for ARC investments to complement other projects. While much

has been accomplished over the past half century, challenges remain for the Appalachian Region as it faces new and emerging issues. Below are the common themes that arose during the course of the focus groups.

The ARC Model

- Stakeholders were quick to mention ARC’s catalyzing role in spurring regional development. Regional stakeholders shared many examples of relatively small ARC investments that planted the seed for significantly more investment and growth. In many of these examples, later investments would not have occurred without the initial ARC investment. This was especially true for many investments in the Region’s most distressed communities, which have few accessible funding sources because of the difficulty they have in raising even a modest amount of local matching funds.
- ARC does more than fund projects—it also provides leadership, advocacy, planning, research, and timely seed investments to advance these efforts, and has done so with countless federal, state, non-profit, and private partners. This model has proven effective over the past 50 years and may become even more important for achieving the Region’s development goals in the future.
- Stakeholders noted that over the past 50 years, ARC’s federal-state-local partnership model has proven effective in helping Appalachian communities advance efforts with great local support and impact.
- ARC allows states and regions to set their own priorities and make their own decisions about how ARC funding is used. This model has allowed states to shift their focus in response to changing economic, political, or fiscal conditions. Diminished funds have led a number of states to refocus their ARC investments from relatively expensive physical infrastructure projects to business enterprise and tourism development, workforce training, and health promotion activities. Many stakeholders see this new generation of investments as having greater regional impact with the available funds.

Flexibility of ARC Funding

- Local and regional stakeholders universally praise ARC's flexibility. Unlike other funding programs, ARC funding allows regions to think creatively about how best to address pressing regional challenges.
- Many stakeholders spoke of ARC's role in supporting the expansion of health-care and education facilities and the importance of those investments to the well-being of the Region's population. In many ways, these efforts helped address serious market failures that would have significantly diminished the health and welfare of the Region's residents.
- Several focus groups participants said that economic transformation in Appalachia is less about diversification, and more about forging entirely new economies. To help facilitate this process, ARC has made investments that support these transformations. This includes investing in the preparation of industrial sites, but also providing support for entrepreneurship, tourism destination development and promotion, export expansion, and business development programs, helping companies access programs that support technology acceleration or advanced manufacturing processes.

State and Local Partnerships

- ARC's approach to development prioritizes partnerships with other federal, state, private, and nonprofit partners. Therefore ARC funding aligns with and complements state development initiatives, such as New York State's Regional Economic Development Councils and Kentucky's Shaping Our Appalachian Region (SOAR) initiative.
- Stakeholders from every state noted the importance of ARC support for the Region's 73 local development districts (LDDs). Several focus group participants cited the critical ability of LDDs to serve as an interagency connection between different service providers and local jurisdictions within the Region; and to connect local residents and businesses with resources at the state, regional, and federal levels, as well as with private resources. ARC funding also allows the LDDs to assist communities with project development, including assistance in grant writing for common funding sources. Without this support, stakeholders maintained, many of the most successful ARC projects would never have started.

ARC Investments Complement One Another

- While the challenges facing Appalachia shift over time, ARC continues to lay the groundwork for future development by making investments that are designed to advance the Commission's strategic goals. Few investments embody this more than those that improve the Region's broadband infrastructure. Efforts to increase broadband access and speed have proven to be a vital foundation in addressing many other issues, including entrepreneurship development, tourism, telemedicine, distance learning, and even in-person education. Stakeholders throughout the Region noted that this was one of the most prominent issues that required ARC attention and investment.
- ARC investments in basic physical infrastructure, such as highways; water and wastewater; and, more recently, broadband, have allowed Appalachian communities to lay the basic foundation for additional development. Without this assistance, these communities would be at a significant disadvantage in taking advantage of future economic development opportunities.
- ARC has made investments to advance education and training programs to prepare the Region's workers for the jobs of tomorrow. These investments are not only for curricula and educational programs, but also for the construction of new facilities and the purchase of training equipment, with an emphasis on assisting the Region's most economically distressed or underserved communities.
- Place-making projects are another area where ARC investments not only create new economic activity, but also preserve Appalachian culture and improve the Region's overall quality of life. Focus group participants noted several ARC-supported projects that helped to preserve historic buildings or revitalize downtowns. Similarly, efforts to develop local food systems are beneficial in that they can serve as an attraction to visitors while creating new economic opportunities and healthier food options for residents. Focus group participants noted that these kinds of ARC-supported projects contribute to the Region's tourism infrastructure.
- ARC has invested in efforts to link individual projects, such as Virginia's Crooked Road, which connects heritage music venues and events; and the Great Allegheny Passage trail, which provides bike access from Pittsburgh to Cumberland, Maryland. These projects leverage many individual attractions to make the Region a more compelling destination for visitors since they can take advantage of many attractions rather than just one.

Accomplishments and Challenges

- Many communities said they are continuously trying to do more with less. In order to do this, they must find ways to partner and leverage other public and private funding opportunities. For example, ARC launched multi-year Global Appalachia grants to foster member states' rural trade development efforts, building on the State Trade and Export Promotion Program of the U.S. Small Business Administration. Another example is ARC's participation in the Rural Jobs and Innovation Accelerator Challenge, in partnership with the U.S. Economic Development Administration and the U.S. Department of Agriculture.
- Communities can find projects that fit into other ARC or regional investments. Tourism and cultural projects provide a structure that allows regions to connect individual attractions into a bigger idea that makes the region itself a more attractive destination for visitors. By leveraging other investments, the sum of the parts becomes greater than the whole and is an effective way of doing more with less.
- Stakeholders recognize the importance of prioritizing ARC funding based on need. This does not mean, however, that the classification of counties by distress levels is free from challenges. For instance, persistent pockets of poverty can remain even in counties that overall are performing well relative to other counties. Additionally, while not a common occurrence, fluctuations in county economic status from year to year can also pose challenges for communities. Given that a change in status results in a change in matching funds requirements, this can introduce some long-term planning difficulties for some counties.
- Finally, stakeholders also suggested that ARC recognize that its impact has been well beyond what might be easily measured. As noted in several states and in similar ways, it is impossible to drink water, flush a toilet, or drive down a highway without seeing first-hand the result of an ARC investment. Given this significant impact on the Region, many stakeholders thought that ARC should more actively promote its accomplishments in ways similar to what other agencies do (e.g., signs that read "This road was paid for in part through ARC Funds").

Figure 2: The Appalachian Region



Source: Appalachian Regional Commission

Alabama ARC Focus Group Report

On December 15th, 2014 key ARC stakeholders in the state of Alabama met to discuss the impact of ARC investments in their communities. The Alabama Department of Economic and Community Affairs (ADECA) helped to organize the meeting that was hosted by the North Central Alabama Regional Council of Governments in Decatur, Alabama. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs use in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall there was enthusiastic support for ARC programs and investments. ARC remains vitally important to the communities it serves, and this is especially true for its most rural communities. Additionally, the consistency and predictability of ARC funding and services was cited as being critical to assisting rural and distressed communities. Participants also noted that among the reasons ARC investments have been impactful to the state are its ability to let investment priorities be “locally-driven” and the Commission staff really “cares” about Appalachia Alabama and the Region’s ability to improve the economy and quality of life for residents, communities, and businesses throughout the area.

Current role of ARC funding

Participants noted that ARC funding plays a critical role in getting projects off the ground and as a tool for addressing core economic development challenges that provide the foundation for later development. Among the range of projects that ARC investments continue to help fund include water and sewer, education, healthcare, business access to capital via revolving loan funds, workforce training and community development. These investments make securing additional investment and activity easier for distressed communities with minimal access to resources.

Not all impactful investments require large outlays of funds, noted participants. A fruitful effort underway in the state includes ARC projects in Madison and Jefferson counties on integrating local food systems by partnering with local industries, schools, food banks and other community based organizations. This is a part of the Appalachian Regional Commission’s larger effort of “Growing the Appalachian Food Economy,” which is meant to foster economic diversification and revitalization by promoting local food systems and sustainable agriculture. In Alabama, participants discussed how this effort held enormous promise matching local growers with local buyers and that the project needed the boost provided through ARC to get it connected. An effort like this creates jobs and also helps with health, as the Region has a high incidence of obesity.

The collaboration model established by ARC for its investments is also bearing fruit in high-tech business development. For example, the Economic Development Partnership of Alabama Foundation, an ARC partner, collaborates with seven research universities in Alabama to promote high-growth and innovative start-up companies. Collectively they have established Alabama “Launchpad”, which provides startup capital and expert guidance to budding companies. Alabama ARC supports such efforts through its participation in Revolving Loan funds and Angel funds in Appalachian Alabama.

Additionally, ARC investments have complemented many important state initiatives to develop communities and grow the economy. For instance, ARC has been heavily involved with supporting the work of the Alabama State Energy Office, which is working on a State Energy Program to increase the use of renewable energy and promote energy efficiency in Alabama. State officials also noted how the Alabama ARC program is making an important contribution to the successful execution of the Alabama State Department of Education’s Plan 2020 to improve student growth and achievement, increase the graduation rate, close the achievement gap and increase the number of high school graduates that are college and/or career-ready and compete in the global economy. The state’s international trade and export development efforts in Appalachia Alabama are also being supported by ARC. The flexibility of ARC funding made these types of investments possible.

ARC funding also continues to play a crucial role for many rural and/or distressed counties because there remains tremendous pockets of need, which are often isolated. Several participants described ARC as being the champion in the rural development world. Helping to form this perspective were not just singular projects but the continuing commitment to fund the local planning councils, which are on the front lines to make things happen in Alabama. The funds provided to the Local Development Districts are important because rural areas often lack the staff capacity and resources to meet all their planning needs. The LDD funding provided by ARC allows for consistent and reliable planning and government service to these rural counties.

Impacts of past ARC investments

At the time of its launch, ARC sought to bring the Appalachian Region to parity with the rest of the country. While the work is far from finished, the focus group participants thought that Alabama’s Appalachian communities had made meaningful progress toward fulfilling that goal. ARC investments allowed many rural residents access to clean water and sewer, and helped to put in place an infrastructure to support industry that created local employment opportunities. ARC has also played a leadership role in Alabama in bridging non-traditional economic development issues such as local food, healthcare, and alternative energy with traditional economic development activities.

Past ARC investments in Alabama have worked in building the foundation and capacity to provide needed services to residents. Among the most basic, water and sewer investments have

been an important part of ARC investments over the years, which participants agreed “have come a long way over the past 30-40 years due to ARC.” But ARC has done much more than this. For instance, ARC funds were used to purchase cargo cranes at the International Intermodal Center (IIC) at Huntsville International Airport and also helped to establish the Jetplex Industrial Park. Participants discussed how these investments helped open things up economically at the Huntsville International Airport to the benefit of the entire region. At this global logistics park, rail, air, and highway all come together which attracts major companies. The Jetplex Industrial Park, which opened in 1974, currently has more than 60 tenants, 24-hour U.S. Customs services, USDA inspectors, freight forwarders and a Foreign Trade Zone. The IIC, Jetplex and airport occupy more than 6,000 acres of the 10,000-acre master plan.

Perhaps the biggest economic development advancement for the Region in the past 50 years has been the growth of the state’s automotive industry. Participants noted ARC’s role in this as well, such as funding a water line from Tuscaloosa to the Mercedes-Benz plant. Alabama now has three major international auto manufacturers: Mercedes-Benz, Hyundai and Honda. Mercedes-Benz is located in Vance, which is in two ARC counties, Tuscaloosa and Bibb, while Honda Manufacturing of Alabama is in Lincoln, which is in the ARC county of Talladega. Other ARC counties in Alabama also benefit from these automotive manufacturers through the Tier 1, Tier 2 and Tier 3 supplier businesses serving them.

While never a large component of the total funding package, ARC funding—both in the past and present—has served as important seed funding to get larger projects started. Several participants offered examples demonstrating the importance of early ARC investments. For instance, ARC funded the purchase of diagnostic equipment for the area’s one stop center for justice. This center started as a unique concept, and is one of only two in Alabama – for those who are victims of abuse, instead of going to hospital or police, have all of their care and needs met in one location. Others have leveraged ARC investments to create revolving loan funds to offer area businesses access to needed capital. Several of these loan funds have turned small initial ARC investments into multi-million dollar capital funds for the ongoing benefit of the local economy. One example was given of funds going to a business filling a vital need for physician assistants in the Region and that business grew quickly to 15 jobs from 4, and they were able to pay back a three year loan in a year and a half.

ARC investments in highway infrastructure are also seen as crucial past investments as they provide important connections. This is particularly true for rural, mountainous counties where roads are limited in number, difficult to build, and expensive to maintain. This can make rural living even more expensive and difficult. ARC Highway funds are therefore seen as important to expanding and strengthening the Region’s highway infrastructure. Participants noted past road improvements as critical for the area but also looked forward to the final completion and opening of the Appalachian Development Highway System (ADHS) Corridors X and V which will offer an important contribution to continued economic growth in Appalachian Alabama. ADHS

Corridors X (future Interstate 22) and V will provide major new connections to Memphis, Tennessee in the west and Atlanta, Georgia to the east.

Moving forward

Participants were all adamant about the continued importance of ARC funding to the state. As a result, they would like to see current investments continued, particularly as they relate to infrastructure-related investments such as water, sewer and highways. Although participants noted here that more requests are now for industrial access roads and maintenance; while water/sewer is usually for capacity increase or new projects, not maintenance. However with ARC funds, participants noted that in some places infrastructure projects are stalled due to trouble with meeting matching fund requirements.

In addition to these ongoing investments, the participants expressed general consensus about expanding investments in several other emerging areas. For instance, developing the Appalachian Region's human capital and health and wellness efforts was viewed as increasingly crucial. Expanded broadband access was mentioned by several participants as a particular area of investment that needs continuous attention from ARC. Broadband potentially supports many other priority areas including entrepreneurship, home-based businesses, and the overall ability to compete in the global economy.

Continuing to invest in education funding, including technology and workforce programs for schools was another important potential focus area for ARC investments. State officials noted how workforce development and training efforts will focus on high growth and high demand occupations, including green and renewable energy related occupations and industrial technology and maintenance specialties related to Alabama's specific industrial sectors, including auto manufacturing. Workforce development was seen by participants as helping with the problem of youth brain drain by keeping talented people in the Region rather than leaving to find jobs elsewhere.

The discussion often noted the need to generally improve the quality of life within the region in order to retain and assist current residents, as well as attract new residents, especially young workers. Connected to this, creating places where people want to live and spend time was seen as a vital condition for success in other strategies related to tourism and entrepreneurship and others. A participant noted how important it was to maintain a group of 20-50 year old residents in your community to develop future leaders and support services like volunteer fire departments. Other participants also noted the need to work on job access by getting workers out of impoverished communities and getting them to job opportunities in the surrounding communities. Many residents need viable transportation options – having no money for vehicles and poorly developed public transit systems. Also prevalent was the need to train the workforce to have soft skills (e.g., timeliness, drug- free).

Going forward, health care is a growing concern for the citizens of Appalachian Alabama. Challenges included low levels of dentists per capita; a lack of hospital-affiliated substance abuse treatment services; a lack of hospital-affiliated psychiatric services; and a lack of obstetric care, particularly in economically distressed counties. On the business development side, finding suitable land is a big issue for industrial expansion as landowners want to keep land. In other areas, it's topographic. However, throughout the conversation on future investments, participants noted how difficult it is to predict, and that a great benefit is the flexibility of ARC funding, as that flexibility (unlike many other funding sources) allowed them to effectively respond to their region's many critical development challenges and to future challenges as they arise. They also encouraged ARC to keep fostering a climate for creative ideas to take hold, especially if they can create change in the way things are done, and maintaining the wide range of projects that can be funded.

Meeting Attendees

- Lucas Blankenship, Top of Alabama Regional Council of Governments
- Joey Hester, North Central Alabama Regional Council of Governments
- Brenda Jones, Alabama Department of Economic and Community Affairs
- Keith Jones, Northwest Alabama Council of Local Governments
- Jimmy Lester, Alabama Department of Economic and Community Affairs
- Michael Mills, North Central Alabama Regional Council of Governments
- Yvonne Murray, Regional Planning Commission of Greater Birmingham
- Jeffrey Pruitt, North Central Alabama Regional Council of Governments
- Nancy Robertson, Top of Alabama Regional Council of Governments
- Jeff Schwartz, Appalachian Regional Commission
- Marilyn Smith, Northwest Alabama Council of Local Governments
- Max Snyder, West Alabama Regional Commission

Georgia ARC Focus Group Report

On October 22nd, 2014 key ARC stakeholders in the state of Georgia met to discuss the impact of ARC investments in their communities. The Georgia Department of Community Affairs helped to organize and host the meeting in Atlanta, Georgia. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall, focus group participants expressed enthusiastic support for ARC programs and investments. Participants regularly noted the importance of the program's flexibility and how that flexibility allowed them to find creative solutions for projects with no obvious funding stream. They also noted the importance of the support provided by the state's Local Development Districts (LDDs), the State and ARC's Washington office, and how that expertise was vital to ensuring that projects not only got off the ground, but were also completed.

Current role of ARC funding

Georgia has historically used its ARC funding to make investments to address key development challenges, often related to basic economic development infrastructure. Through the Appalachian Highway Development System, ARC has helped to fund the development of Corridor A (GA 400, US 19, GA 515, US 76) and A1 (GA 400, US 19) that have improved the connection between Atlanta and North Georgia.

Many participants cited examples of ARC-supported water, sewer and access road projects that were instrumental in creating sites for new businesses or ensuring that existing employers can remain competitive in their existing locations. In partnership with other funders, ARC investments in access road construction paved the way for an expansion of the King's Hawaiian Bakery in Hall County and subsequent expansion. Similarly, ARC investments in upgrades to the sewer system in Barrow County allowed the Atlantic Engineering Group to retain 60 jobs and create 50 new jobs in Braselton.

Participants all noted that ARC investments were unique because they provided important seed money for projects with no guaranteed return. Relative to many other funding sources, ARC funds allow communities to take some risks and be occasionally speculative with their economic development projects. Few projects are as illustrative of this as ARC's involvement with the Chateau Elan Winery. In 1982, ARC partnered with the Town of Braselton to expand the town's existing water and sewer system to accommodate what at the time was a two person winery. This initial seed money, as well as subsequent investments, laid the foundation for what has become a

3,500 acre world class resort, conference center and leisure destination. None of this was guaranteed in 1982, but these early somewhat speculative investments in Chateau Elan led to over 300 jobs and significant local, state and Federal tax revenues.

In addition to providing key seed money, ARC funding has also filled important holes in the current funding landscape. For instance, participants noted the growing need to preserve historic landmarks within their communities, and the importance of these vestiges in defining the community's cultural identity and contribution. Given the flexibility of ARC funding, communities can develop projects that can address some of these issues and ARC funds have been used for a number of tourism projects throughout Appalachian Georgia. The purchase of four-acres of land in Gainesville, Georgia for the development of Paradise Gardens in 2011 has been important for that area as it has allowed it to emerge as a leading folk artist site. Other tourism-related projects include restoring three barns in Blairsville, Georgia on the property formerly owned by Georgia poet, Byron Herbert Reece in 2005; the creation of a phone-guided tour and related signage of the Shields-Etheridge Farm in Jefferson, Georgia in 2010; and preserving two slave cabins in Snellville, Georgia in 2010. Developing these attractions strengthens the ability of these communities to grow their revenues from tourism.

A number of Georgia communities have used ARC funding as part of their efforts to revitalize their downtown. For instance, ARC investments helped to renovate Jackson County's historic courthouse which has been a key element in revitalizing Jefferson's downtown. ARC investments in the renovation of the Somerville theater has also had an impact on that community as that facility is now capable of hosting conferences and other events. These projects are important to their communities because they make them more attractive places to live and therefore serve the dual purpose of attracting new residents and retaining existing residents.

ARC investments have also made a difference beyond just economic and business development. ARC investments have also helped to strengthen the Region's education and health infrastructure. Construction of Lanier Technical College's Manufacturing Development Center (MDC) in Gainesville, Georgia was in part made possible by an ARC grant towards sewer construction. Similarly, ARC was one of the investors in the construction of Northeast Georgia Health System's Gainesville Campus. This project not only increased the Region's access to healthcare services, but it also created 450 jobs in the process. ARC funds, in conjunction with USDA Rural Development funds, were also utilized to improve sewer improvements for Cedartown's new hospital in Polk County.

ARC has also invested in non-infrastructure efforts such as programs that address the Region's substance abuse problems. Developing the Region's local food system is another way in which ARC funds have been leveraged to improve the Region's overall wellbeing. ARC helped to fund the Northwest Georgia Regional Commission's North Georgia Local Food Assessment Guide.

This guide allowed the Commission to identify and assemble the right partners to move their local foods efforts forward. It gave the Region a roadmap from which to begin, for instance, farm to school programs by working with Georgia Organics.

Pulling these kinds of projects together often requires a level of capacity greater than what many smaller communities (particularly those with fewer than 5,000 residents) are capable. Participants noted that ARC investments in the Region's Local Development Districts have been vital to ensuring that these small, rural communities received consistent service in areas such as grant writing, project development and basic community planning. ARC has also helped to expand the GIS capacity within the LDDs, which better enables them to undertake master planning throughout the Region. In addition to the support within the Region, participants were grateful for the assistance that they receive from ARC representatives both in Georgia and in Washington, DC. Assistance related, for instance, to the sharing of best practice or for preparing successful grants and applications is greatly appreciated.

Moving forward

Diminished resources have led to a shift in focus. While infrastructure projects remain an important element in Georgia's ARC program, growing costs and fewer resources have led communities to look more to other funding sources like the Georgia Environmental Finance Agency to fund traditional water and sewer projects. Consequently, Georgia's communities are now looking at other types of projects for which to invest their ARC resources. These projects have been related to downtown revitalization, historic preservation, tourism, or local foods. What many of these projects have in common is that they do not have obvious funders for which to turn. As a result, the flexibility of ARC's funding allows local communities the opportunity to find locally-driven solutions to their challenges, rather than trying to shoehorn their efforts into a more rigid state or federal funding program.

Moving forward, participants expressed great interest in expanding and strengthening the Region's broadband capacity. This is not only needed to support economic and entrepreneurial development, but also to improve the Region's quality of life both in rural locations and revitalized downtowns. Aside from broadband, workforce training and retention are ongoing challenges, and participants were particularly concerned about youth leaving the Region if they cannot find the right opportunities.

Participants noted several ways in which Georgia might refine its ARC program. Participants expressed a desire for more flexible timing for applications, possibly two or more application dates as the need for assistance can occur at any time throughout the year. Several communities also noted that they had communities in their county that did not reflect the attainment status of their counties. These persistent pockets of poverty are therefore more difficult to serve using ARC funds. Finally, several participants noted that ARC needs more visibility for its efforts not

only for what ARC resources and programs can be used for, but also to draw attention to what they have already accomplished.

Meeting Attendees

- J.R. Charles, Hambersham County Economic Development Department
- Gretchen Corbin, Georgia Department of Community Affairs
- Jennifer Dees, Town of Braselton
- Jim Dove, Northeast Georgia Regional Commission
- Beth Eavenson, Elbert County, Joint Development Authority of Northeast Georgia
- Jeff Ellis, City of Rockmart (Written Input)
- Bill Fann, Cedartown, GA (Written Input)
- Heather Feldman, Georgia Mountains Regional Commission
- Pat Graham, Barrow County Chairperson
- Jon Herschell, City of Cornelia
- Guy Herring, Barrow County Economic and Community Development
- Jim Henry, Northwest Georgia Regional Commission (Written Input)
- Jerry Hood, Town of Braselton
- David Howerin, Northwest Georgia Regional Commission (Written Input)
- Julie Meadows, Northwest Georgia Regional Commission (Written Input)
- Kostas Skordas, Appalachian Regional Commission
- Phil Smith, Georgia Department of Community Affairs
- Saralyn Stafford, Georgia Department of Community Affairs
- Bob Thomas, Elbert County Manager
- Burke Walker, Northeast Georgia Regional Commission
- Mayor John Weaver, City of Jasper (Written Input)
- Dan Wright, City of Ringgold (Written Input)

Kentucky ARC Focus Group Report

On October 21st, 2014 key ARC stakeholders in the state of Kentucky met to discuss the impact of ARC investments in their communities. The Kentucky Department for Local Government (DLG) helped organize the meeting which was hosted by Natural Bridge State Resort Park in Slade, Kentucky. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community.
- Changes in ARC-sponsored programs and funding over time.
- Notable and important ARC investment, and
- Current and emerging issues that might motivate additional, future investments.

Overall, participants were in agreement that ARC has played a central role in addressing many of Eastern Kentucky's development challenges. The impacts of ARC investments are visible throughout Appalachian Kentucky, as they have helped strengthen the Region's connectivity, improve the health of its citizens, create economic opportunities, and bring its infrastructure closer to parity with the rest of the country. In spite of this progress, focus group participants noted that much work remained and that ARC remains relevant and vital in moving forward.

Impacts of past ARC investments

Over the past half century, few places have been as impacted by ARC and ARC investments than Appalachian Kentucky. Focus group participants all recognized this legacy, and its transformative impact on the Region. To paraphrase one participant, you cannot drive down a highway, drink a glass of water or flush a toilet in Eastern Kentucky without seeing the impact of ARC investments. These investments in the Region's basic infrastructure have been striking. While investments in water and sewer systems are now typified by their influence on industrial development, in Eastern Kentucky these early ARC investments brought clean drinking water and indoor plumbing to people who previously lacked even these basic services. It was noted that in some communities, ARC investments helped facilitate basic garbage disposal as well.

ARC investments have also reduced the Region's overall isolation. A quick scan of an interstate map shows that the Region lacks any real interstate access, and this minimal access severely limits its economic development potential. Roads constructed in part with ARC funding like the Bert T. Combs Mountain Parkway (Corridor I) or the Country Music Parkway (US 23-Corridor B) near Pikeville have created real development opportunities for previously disconnected, isolated regions of Appalachia.

ARC investments have also improved the overall wellness of the Region's population by improving access to healthcare. The Region struggles with higher than average rates of diabetes, obesity and cancer. ARC investments are evident by the construction of health clinics and by funding programs that address core healthcare challenges. For instance, ARC has invested in

Morehead State's Center for Health Education and Research which has increased the number of nurses and radiographic technicians in the Region. In partnership with the University of Kentucky, Morehead State has also been actively involved in the Appalachian Rural Dental Education Partnership Program. Oral healthcare is an often overlooked issue, but can have an important influence on people's wellbeing. This program not only provides people access to oral health screening by dental students from the University of Kentucky, but it also supports awareness programs for parents and children about the importance of oral health. Several participants also noted that in addition to improving the overall wellbeing of the Region's population, healthcare also provided an important source of jobs and regional employment.

Overall regional wellbeing requires economic opportunities for its citizens. Participants noted that ARC had also been instrumental in the development of industrial sites that have laid the foundation for job opportunities in the Region in areas such as advanced manufacturing and distribution. For workers to take advantage of these job opportunities they must have the proper skills, and as a result participants did praise ARC investments that helped build a campus of Ashland Community and Technical College on the grounds of EastPark industrial site. This campus will provide easier access to training for companies and workers at EastPark.

Participants noted a number of workforce and training programs where ARC investments made a significant difference. For instance, they noted ARC's involvement in the expansion of the University of Pikeville or the creation of the University Center of the Mountains in Hazard. The latter of which provides residents access to programs available through eight different institutions of higher education. Participants also noted the importance of ARC investments in youth programs like Roger's Scholars or Morehead State's efforts to promote Science, Technology, Engineering and Math (STEM) education.

For all of these efforts, ARC funding has rarely been the sole source of funding. However, participants noted that ARC funding often served as important seed funding that got a project off the ground or allowed communities to leverage other funds. In other instances, it may have served as closing funds that ensured that a project was completed. They also noted how the flexibility of funding allowed them to address challenges in a way not possible through other funding sources. Participants appreciate this flexibility as it enables communities to create locally driven solutions to regional challenges.

In addition, financial support for Kentucky's Area Development Districts was also appreciated. This support allows the ADDs to provide consistent and reliable support to communities that generally lack any real capacity to write grants or develop projects. It also allows them to provide basic GIS or planning services to these communities who are often unable to afford them. At a broader level, focus group participants also praised ARC staff in Washington for providing them with additional expertise or being able to connect them to other experts

elsewhere in the Appalachian region or beyond. This expertise can help strengthen the design of different projects and improve the likelihood that they will be successful and impactful.

Moving forward

While much progress has been made toward achieving ARC's mission over the past 50 years, the focus group participants were in general consensus that much work remains. By way of illustration, one participant noted that Kentucky now has three times as many distressed counties as West Virginia, yet in 1990 it was the same. Therefore there is a need to complete the job that was started, be it in the highway infrastructure or achieving greater parity in health outcomes. This will require continuing ongoing infrastructure investments, but also finding creative approaches to addressing other ongoing regional challenges like public or workforce transportation, meeting the care needs of an aging population, improving the Region's affordable housing stock, or battling health issues such as obesity or substance abuse.

The work remains, but participants were aware and realistic about the challenges that lie ahead. Most notably, the resources are not available in the way they once were. As a result, it is important for the Region to leverage as many different opportunities as possible. This will require regional stakeholders to forge new partnerships and effectively communicate in order to avoid duplication. This will involve effectively leveraging the opportunities provided through Community Development Block Grants (CDBG) investments or Kentucky's Promise Zone. It will also require finding ways to activate private investors or local foundations. Participants noted that the state's Shaping Our Appalachian Region (SOAR) effort provided an effective venue to not only develop these partnerships, but also to have a larger discussion about the future of the Region. Participants expressed gratitude for the Federal Co-Chair contributing an additional \$750,000 to support the SOAR initiative.

One of the clear benefits of the SOAR initiative has been a larger discussion about the Region's future. The Region's economy is undergoing significant transformation at the moment as the accelerating decline of the coal industry has removed one of its major economic drivers. While some participants noted that Appalachian Kentucky needed a more diversified economy, others responded by saying that the Region needed to create an entirely new economy. In either case, ARC can play an important role in this transformation through its support for entrepreneurial support efforts or tourism development initiatives. It can also promote economic growth through continued investments in industrial site development and workforce training. Moreover, future investments must continue to address issues of connectivity and isolation. As a result, expanding and strengthening the Region's broadband infrastructure will be vital for the future.

The Region must also continue to build capacity and develop regional leaders and continued support for the ADDs remains one important element of this effort. However, participants also noted for ARC to continue to play an important role in the Region's future there needs to be more new leaders from the Appalachian region stepping forward to advocate on the Region's

behalf. Congressman Hal Rogers has been a great advocate for the Region, but participants noted that more leaders will be required to promote these efforts over the next fifty years.

Meeting Attendees

- Rocky Adkins, Majority Leader of Kentucky House of Representatives
- Wayne Andrews, Morehead State University (Phone interview)
- David Barber, Kentucky Speaker's Office
- Amy Barnes, Kentucky Department for Local Government
- Al Cross, Institution for Rural Journalism at University of Kentucky
- Ron Daley, Hazard Community and Technical College
- Scott Hamilton, Appalachian Regional Commission
- Peter Hillie, Mountain Association for Community Economic Development
- Jerry Johnson, University of Louisville
- Lonnie Lawson, The Center for Rural Development
- Lynn Latrell, Kentucky Department for Local Government
- Hilda Legg, Legg Strategies
- Paul Patton, Former Governor of Kentucky (Phone Interview)
- Vonda Poynter, Federation of Appalachian Housing Enterprises
- Roger Recktenwald, Kentucky Association of Counties
- Jerry Rickett, Kentucky Highlands Investment Corporation
- Sandra Runyon, Big Sandy Area Redevelopment District
- Peggy Satterly, Kentucky Department for Local Government
- Kostas Skordas, Appalachian Regional Commission
- Al Smith, Former Appalachian Regional Commission Federal Co-Chair
- Greg Stumbo, Speaker of the Kentucky House of Representatives
- Jim Ward, Letcher County Judge/Executive
- Tony Wilder, Kentucky Department for Local Government
- Gail Wright, Gateway Area Development District

Maryland ARC Focus Group Report

On October 28th, 2014 key ARC stakeholders in the state of Maryland met to discuss the impact of ARC investments in their communities. Maryland Department of Planning's Al Feldstein helped to organize the meeting that was held at the Allegheny Arts Council in Cumberland, Maryland. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall ARC investments are valued by members of the local community and are seen as an important resource for the community moving forward. Participants were especially appreciative of ARC's ability to catalyze regional collaboration and by the service and leadership provided by ARC federal and state representatives.

Current role of ARC funding

Focus group members recognize the interrelatedness of ARC investments and appreciate ARC's wide-ranging mission. Focus group participants highlighted the flexibility of investments and ability to make small, focused investments. ARC funds also frequently provide the leverage necessary to complete key projects. Many local leaders note that ARC's requirement to leverage multiple resources has helped them accomplish their mission – and ARC's matching investments often facilitated this leverage.

The ARC mission of “expanding the capacity of the people” gives room for a wide range of investment opportunities. Furthermore, local leaders noted that the Maryland's ARC Program Manager played an important role in educating new partners (especially those not located within the Region) about the issues and challenges facing Maryland's Appalachian communities. Focus group participants also praised federal and state ARC staff. Furthermore, their institutional knowledge made the grant process work very smoothly.

ARC investments have also played an important role in the Region's development. It offers the flexibility of funding that allows local partners to develop creative solutions to local problems. The Region's economic development leaders play a particularly important role in Maryland in managing the process of determining whether an ARC investment makes sense for a project. These three organizations serve as the go-between for marketing the project and helping organizations with the application process. These organizations know that the ARC cannot fund every project that comes along, so the economic development organizations help to identify which investments are likely to have the largest impact. State and local leaders consider

themselves stewards of the ARC funds and take great pride in the fact that their investments are effective and efficient.

Another way that ARC makes an impact on the community is through the connections that it facilitates. ARC's model for leveraged investment has spurred stronger collaboration amongst federal, state, local and private sector partners who have been forced to work together in order to secure these investments. For example, the Region's approach to supporting entrepreneurship came about through ARC facilitated collaboration among area colleges. Local leaders noted that this was less about the financial resources and more about the leadership and connections that ARC resources helped to facilitate.

The Allegheny County Human Resources Development Commission provides another compelling example of how a local organization can benefit from ARC's leverage and networking capabilities. HRDC staff described how the agency was asked to organize a thirteen-day medical clinic, with over a thousand people receiving medical services. A five-figure ARC grant helped to leverage more than \$1 million in local investment. Numerous people at the focus group session participated in a collaborative eight month planning process.

Impacts of past ARC investments

Initially, ARC investments in Maryland focused on housing and traditional infrastructure such as water, sewers, and access roads. More recently, ARC has shifted to a greater share of its Maryland investment to supporting the provision of high speed broadband designed to better connect the Region to the wider world, much in the same way that highway investments once did. Maryland's greatest legacy includes the construction of I-68, which has been instrumental in connecting the Regions east and west of the Appalachians through the Cumberland Gap as well as connecting communities across a once isolated region. For large infrastructure projects like this, small investments from ARC may not seem significant at first, but they can be a key factor in catalyzing a larger investment or accomplishing regional goals. For smaller projects, the investments in access roads and related infrastructure have helped to open up key sites to development along the Region's interstate corridor.

The Region's educational institutions have also seen substantial expansions due to ARC investment. For instance, Frostburg State University expanded its nursing program from four to over 300 students with some assistance from ARC. Local public schools expanded their broadband infrastructure with help from ARC grants. In addition, local community colleges and technical schools have used ARC to develop new training programs and purchase equipment.

Local leaders also cited a number of "legacy" investments made by ARC that have helped to redefine the Region. For instance, the bike trail from Pittsburgh to Washington and the related Trail Town Program have been a boon for local business. The trail brings in people from all over the world to spend money at local businesses. It also has helped to attract major events,

including local cancer walks and kidney rides. Those events have helped to raise awareness about the Region and bring the community together. One example cited of this impact involved a tourist on the trail was so impressed by the Town of Hancock that he bought and rehabbed a building there.

Moving forward

While ARC has significantly impacted Maryland's Appalachian communities, the organizations delivering services to local residents see a variety of future investment opportunities. ARC has long helped smaller communities meet basic water, wastewater and storm water infrastructure needs. These issues remain important, but participants also believe that ARC funds could better be used to leverage more private investment. This will be important in the area of telecommunications where rapidly changing technology will require continued investment. An expanded broadband infrastructure will be required to support greater tele-medicine, or distance learning. In addition, the leaders noted the need for programs aimed at attracting and retaining quality healthcare professionals.

Many participants also described the importance of broadband and related infrastructure improvements to support post-secondary education in the Region. In fact, continued investment in education was a recurring theme during the meeting. There was an agreement that the Region's sparse and declining population affects the area's ability to make a case for greater public investments. Consequently, the state's school funding formula does not favor local schoolchildren because the area's declining population has led to budget cutting for schools and limiting opportunities for the educational system to invest as a way to remain competitive.

Related to this last point, local leaders believe that it is vital that the Region attract and retain young people, and suggested a number of ways to provide education, public transportation, arts and culture, and other amenities. Broadband infrastructure was mentioned by multiple parties as a particularly important tool for both homes and businesses. This would be beneficial for education, healthcare and other vital areas. In addition, participants recognize the hidden costs for area residents to live, especially for those who cannot afford a car, because the area's underfunded public transit system limits route options, leading to fewer riders and less funding.

Participants mentioned a number of areas in which ARC can improve or make the application process easier. Most of these concerns related to the application process, where ARC's basic agency requirement tied to federal procurement regulations can present challenges. At times, grantees have a difficult time finding a logical agency to serve as their basic agency.

Understaffed state agencies have a hard time helping due to paperwork and other issues tied to the combination of federal and state procurement rules. That being said, ARC received positive reviews for the new online application system, quick turnaround, flexibility, and customer service. With Al Feldstein's retirement, participants are greatly concerned about ensuring that the

state can hire a new program manager. They hoped that she or he will bring a strong local knowledge and will proactively work to develop a strong relationship with regional stakeholders.

Meeting Attendees

- Bill Atkinson, Maryland Department of Planning
- Matt Diaz, Allegany County Economic and Community Development
- State Senator George Edwards, District 1, Garrett, Allegany, and Washington Counties
- Paul Edwards, Mayor of Garrett County
- Al Feldstein, ARC/ Maryland Department of Planning
- Nil Grove, Allegany County Public Schools
- Scott Hamilton, Appalachian Region Commission
- Shawn Hershberger, City of Cumberland Development Office
- Joe Hoffman, Frostburg State University
- Sonny Holding, Congressman John Delaney's Office
- Ann Jacobs, Senator Ben Cardin's Office
- Linda Janey, Maryland Department of Planning
- David Jones, Allegany College of Maryland
- Janice Keene, Evergreen Heritage Center Foundation
- Rick MacLennan, Garrett College
- Jay Oliver, City of Cumberland
- Vic Rezendes, Allegany Arts Council
- Cindy Sharon, Garrett County Economic Development
- Anne Shepard, Hagerstown Community College
- Kostas Skordas, Appalachian Region Commission
- Chris Sloan, Allegany Arts Council
- Elizabeth Stahlman, City of Frostburg
- Robin Summerfield, Senator Ben Cardin's Office
- Courtney Thomas, Allegany County HR Development Commission
- Guy Winterberg, Tri-County Council for Western Maryland

Mississippi ARC Focus Group Report

On October 15th, 2014 key ARC stakeholders in the state of Mississippi met to discuss the impact of ARC investments in their communities. The Mississippi Development Authority helped to organize the meeting that was hosted by the Community Development Foundation in Tupelo, Mississippi. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall ARC investments, particularly related to support for the Planning and Development Districts (PDDs), are seen as vitally important to the communities they serve, and this is especially true for the most rural communities. Additionally, the flexibility and consistency of ARC funding as making an important contribution to Appalachian Mississippi's rural and distressed communities.

Current role of ARC funding

Mississippi has focused much of its past and current ARC funding on infrastructure development programs. Participants value the flexibility and broad parameters of ARC funding that allow local stakeholders to use their local knowledge to structure their efforts so that they best meet their unique challenges. ARC funding for the state's PDDs is particularly important to these efforts, as it allows the PDDs to provide services to communities in a consistent, reliable, and integrated fashion. Participants praised the responsiveness of their ARC representatives, especially during emergency situations. For example, ARC funding supported one PDD's GIS staff, which in turn allowed them to provide a detailed assessment of the areas affected by devastating tornadoes. One participant suggested that the ARC acronym should stand for "active, reliable, and caring."

Participants noted the value of being able to learn about ARC investments and strategies in other regions, and this knowledge allowed them to better craft their own strategies and metrics for success. They also stated that the ARC requirement to create community wide action plans helps them to prioritize and plan for future regional investments. Planning and technical assistance is particularly important for many small and rural communities that lack resources and capacity. ARC funding in Mississippi helped create the Appalachian Community Learning project—a self-help, results-based approach to community and economic development. This popular program has helped provide seed money for various community projects, including after school programs, farmers' markets and high school student career recruitment.

Small ARC investments can prove vital for moving larger projects forward, as they can provide gap financing, seed funding for pilot projects, or contributions to larger projects. ARC funding often provides the initial infrastructure or business assistance investment in an area, which can lead to securing larger private investments in the future. For instance, ARC invested in industrial pads as part of an industrial land development project in Panola County. These investments contributed to a company deciding to build in the Region soon afterwards because the county had a site readily available. As another example, ARC funding for water tank projects in Yalobusha County have recently led to three major company expansions in that area.

Impacts of past ARC investments

Several participants offered examples demonstrating the importance of early ARC investments. During the early 1980's, the Mississippi Forestry Commission was able to use ARC funding to participate in the federal Forest Legacy Program. This ongoing ARC funding investment has returned millions of dollars to both the private and public sectors. Other notable early ARC investments contributed to the Red Hills/Mississippi Lignite Mining project in Choctaw County, which has been one of that region's major economic drivers. Similarly, ARC investments contributed to the National Hills Heritage Area, an important regional cultural resource.

The state has used ARC funding for a wide range of infrastructure projects related to transportation, water and sewage, civic/community centers, communications, natural resource conservation, and health care. Participants emphasized the major impact ARC investments, such as local access roads and water and sewage lines, have had in drawing businesses to the Region. In addition to these kinds of infrastructure projects, ARC has funded a large number of smaller industrial infrastructure projects contributing to industrial parks, incubators, and spec and industrial buildings that have collectively had an outsized impact on the Regional economy.

ARC funding for infrastructure improvements has been especially vital for rural and distressed counties that do not receive enough tax revenue for funding even minor infrastructure upgrades. Funding from the program has gone toward not only building infrastructure, but also consolidating and coordinating regional infrastructure systems, like different water systems. Funding has also been used for some major infrastructure projects, including the highway Interstate-22 in northern Mississippi. Many of the infrastructure investments such as sewer and water line and access road have led to many small investments, rather than large investments by major businesses. Participants noted that infrastructure investments through programs like Main Street Batesville in Batesville, MS can help municipalities quickly increase their tax revenue due to the influx of several new small businesses in an area newly served by infrastructure.

Participants noted the great value of ARC funding for technology infrastructure projects, including telecommunications infrastructure and Enhanced 911. The latter is especially important due to the Region's frequency of tornados. ARC also helped fund MEGAPOP (Mississippi Economic Growth Alliance and Point of Presence), a partnership between the

Mississippi Economic Growth Alliance and Telepak Networks to deliver advanced broadband telecommunications services. ARC funding also helped the Northeast Mississippi Planning and Development District partner with Blue Mountain Community College and Northeast Community College to further advance the Region's broadband capacity.

ARC funding has been particularly important for initiating workforce development programs. ARC provided gap funding so the state could match a grant from the Carl D. Perkins Vocational and Technical Education Act, which the state has used to create several workforce development programs and educational institutions. In 2006, Mississippi received an ARC construction grant related to Hurricane Katrina, which helped them serve about 1,900 people and leverage close to \$1 million in addition to ARC funding over three years. Noxubee and Clay Counties then started a construction skills program, which proved vital for retraining workers after a major plant closing in 2007 in West Point. The program has also been used for retraining ex-offenders from Noxubee County Correctional Facilities, which has been "life changing" for graduates. ARC investments also supported an industry partnership between Itawamba Community College and various industry representatives to establish a mobile welding lab and other training programs to help meet their manufacturing training needs.

Participants noted the major return on investment they have experienced from using ARC technology grants for small workforce training related projects, such as mobile science labs, software equipment purchases and community college training programs. ARC funding has also helped them create a mobile career aspiration lab to inform high school students about careers in manufacturing, and an interactive conference system to support their training activities.

Moving forward

ARC investments have helped to spur investment and address many development challenges in Mississippi's Appalachian communities. In spite of this, there remain many enduring pockets of poverty through the Region and there are challenges yet to be addressed. A few participants stated that it was difficult to meet ARC funding job creation requirements for projects intended more for quality of life improvements. Participants also noted the need to maintain the flexibility of ARC funding, as that flexibility (unlike many other funding sources) allowed them to effectively respond to their region's many critical development challenges.

In addition to maintaining many of the current ARC investments, participants noted several other ongoing and emerging priority areas. Because much of the infrastructure in the Region was put in place during the 1960's and 70's, participants asked for support in funding physical infrastructure replacement projects. Participants also asked for increased funding for road, water and sewer infrastructure projects, especially highway building. Additionally, there was particular interest in expanding and strengthening the broadband infrastructure. All of these emerging areas point to the oft noted need to generally improve the Region's quality of life to retain existing residents and attract new ones. This is especially true for young workers that have left

the Region. In addition, participants noted the importance of bridging the gap in employment for workers who are between projects, so that the Region can retain highly skilled workers.

Meeting Attendees

- Mike Armour, MDA/ARC Regional Office, Tupelo, MS
- Phylis Benson, Golden Triangle Planning and Development District, Starkville, MS
- Robert (Bob) E. Borton, Mayor – City of Macon, Macon, MS
- Spencer Brooks, Golden Triangle Planning and Development District, Starkville, MS
- John Byers, Three Rivers Planning and Development District, Pontotoc, MS
- George Crawford, Golden Triangle Planning and Development District, Starkville, MS
- Joseph P. Dodson, Golden Triangle Development LINK, Starkville, MS
- Steve Hardin, Mississippi Development Authority, Jackson, MS
- Larry Hart, Mayor – City of Water Valley, Tupelo, MS
- Kyle L. Jordan, Office of Congressman Harper, Starkville, MS
- Nancy Knight, Former ARC Director, Tupelo, MS
- Mindy Maxwell, Office of Senator Cochran, Columbus, MS
- Kawana McCary, East Central Planning and Development District, Kemper County
- Jamie McCoy, Northeast Mississippi Planning and Development District, Booneville, MS
- Sue Moreland, Appalachian Regional Commission
- Hank Moseley, Office of Congressman Harper, Starkville, MS
- Dr. Mabel Murphree, Office of Congressman Nunnelee, Former ARC Director, Tupelo, MS
- William (Boo) Oliver, Noxubee County – Board of Supervisor, Macon, MS
- Larry Otis, Former ARC Director, Starkville, MS
- Sandra Perkins, MDA/ARC Regional Office, Tupelo, MS
- Drew Robertson, Office of Senator Wicker, Tupelo, MS
- David P. Rumbarger, Community Development Foundation, Tupelo, MS
- Dr. Raj Shaunak, East Mississippi Community College, Starkville, MS
- Susan Shedd, Mississippi Development Authority, Jackson, MS
- Sonny Simmons, Panola Partnership, Batesville, MS
- James Williams, Itawamba Community College, Tupelo, MS

New York ARC Focus Group Report

On December 8th, 2014 key ARC stakeholders in New York State met to discuss the impact of ARC investments in their communities. The New York Department of State helped to organize the meeting that was hosted by the Southern Tier East Regional Planning and Development Commission at the Doubletree by Hilton Hotel Binghamton. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall, there was great enthusiasm for ARC investments, as it is one of the few programs that afforded them the ability to address their unique regional and local needs. Participants noted that ARC funding was vital for providing seed funding to move bigger projects or funding pilot projects that allowed communities to test innovative new ideas. Importantly ARC has also been instrumental in helping communities—in part through its support of the Region’s Local Development Districts (LDDs)—build their capacity to respond to both new and persistent challenges. They also appreciated the stability of the program over the past several decades and particularly how the federal-state-local collaboration allowed them the flexibility to address challenges that required creative responses.

Impacts of past ARC investments

In many places throughout Appalachia, the impact of ARC funding can be found in the hard infrastructure projects pertaining to water, sewer and roads. While similar investments have been made in New York State, the state has never been one of the largest recipients of ARC funding. As a result, ARC investments in the state have often focused on a different set of issues but ARC’s impact on the Region remains evident. For instance, past ARC investments supported the creation of social welfare and child development programs that are still in operation today.

ARC has also been a leader in supporting new development ideas. For example, ARC funded many of the early planning grants related to broadband deployment and those plans allowed the Region to get a jump on installing what has become a vital piece of infrastructure. The range of ARC-supported projects underway in New York State demonstrates how this flexible funding source can be used to address a wide array of regional challenges. New York State uses its ARC funding for several purposes including seed funding, to pilot innovative projects, to help build community capacity, and to promote regionalism.

ARC investments have allowed New York State to seed programs that seek to address key regional challenges. Within the area of healthcare, for instance, ARC investments seeded social

service and child development programs that are still in operation today. It has been used to fund healthcare-related programs such as a mobile cancer screening unit that since 2009 has screened 12,000 people. ARC funds have also seeded the establishment of an accelerated nursing curriculum at Hartwick College that will allow graduates to complete their program earlier and more quickly to begin to meet the Region's need for nurses.

ARC investments have also allowed New York State to pursue innovative pilot projects in emerging areas of economic development. For instance, ARC investments have supported Finger Lakes ReUse's deconstruction program, which is a one-of-a-kind program in upstate New York. This program helps deconstruct homes and buildings, or refurbish computers, so that many of the materials are reused rather than creating additional waste for landfills. These deconstruction projects also provide workforce development opportunities for workers, as they gain practical experience in the construction and other technical trades.

New York State is also attempting to leverage its significant agricultural assets for economic development. ARC has assisted this effort through several pilot projects. For instance, ARC has helped to support the Groundswell Center for Local Food and Farming. Working with partners like the Cornell Cooperative Extension and the New York Department of State Office of New Americans, Groundswell is a 10 Acre Farm Incubator that provides support, resources, and training for new farmers. These services may range anywhere from basic farming techniques to English as a Second Language for farmers. In doing so, it hopes to contribute to a more sustainable food system.

ARC investments have also been used to create support for producers of craft food and beverages through funding creating the Hartwick Center for Craft Food and Beverage. In partnership with Hartwick College and Brewery Ommegang, ARC funding will contribute to staff support and equipment that will provide testing, business development and education for small breweries, wineries, distilleries, and other craft food producers. These activities have grown in upstate NY, and these services will make it easier for these enterprises to retain and grow their employment.

In addition to these pilot projects, ARC investments have been instrumental in promoting regional efforts. For instance, ARC funding in conjunction with a New York State Local Government efficiency grant helped underwrite a planning project that examined the water systems in northwest Chautauqua County and see how eight different local governments could work together to create a more efficient and integrated water system. ARC investments have also supported less traditional economic development efforts like the Career Opportunities in Rural Education (CORE) program in Otsego County. This program has helped to promote career awareness among students in multiple school districts and start a conversation between schools and businesses about what students need to succeed. ARC funding allowed the Milford School District to hire a coordinator that helps to facilitate and sustain the conversation and activities

that occur between the various regional partners. Programs like this have helped to give a new regional vision for school districts that do not always think regionally.

ARC investments have also been critical in building the capacity of communities throughout New York State's Appalachian counties. This is most evident through its support of the New York State's Regional Planning and Development Boards. This funding allows the RPDBs to better assist their communities by underwriting some of the costs involved in grant writing, project development or complying with state and Federal guidelines. Similarly, ARC funding offsets some of the costs they incur to provide planning and support services like the use of Geographic Information Systems (GIS). This GIS capacity has allowed the RPDBs to map water and sewer systems or the Region's broadband network. This information is a vital input to crafting more regional solutions to these challenges. ARC involvement has also allowed New York State communities to both access and share best practices not only throughout Appalachian New York (e.g., the planner's roundtables), but throughout the entire region as well. This planning support has also been vital for the Regions because it has allowed them to strengthen their proposals to their respective regional economic development councils, which in turn has made them more competitive for state economic development funding.

Moving forward

Looking to the future, the participants were in general consensus that ARC investments in the Region were an important source of funding and should continue. As noted above, ARC investments help spur innovative approaches to solving regional development challenges. Participants did note that there were several areas where ARC might want to consider placing its attention in the future.

Issues pertaining to sustainability and addressing information related to climate change were noted as an area that requires creative thinking for addressing a multi-faceted problem. This not only means funding innovative programs like Finger Lakes ReUse, but also looking for other ways in which to reduce the environmental impact of economic development activities. In a somewhat related manner, participants also noted the need to find better local and regional approaches to storm water run-off and resiliency planning. Like many other parts of the ARC region, this region has been severely impacted by flooding and preparing for and responding to these events may be another area meriting greater ARC attention.

Another challenge facing rural regions is public transportation. New York State's rural areas make people car dependent. While mobility services are available in places for the aged and elderly, this is less the case for workers. As a result, workers lacking reliable personal transportation are at a real disadvantage in finding work opportunities. ARC funding might be used to better understand this issue and fund practical solutions.

For all the reasons mentioned above (seed funding, pilot project opportunities, capacity building, region building) participants remain enthusiastically supportive of ARC funding and the program's structure. Even though the funding is less than it has been in the past, it remains a vital tool for addressing the Region's challenges. The flexibility of ARC funding allows New York State's Appalachian communities to do more with less, and it is an important tool for leveraging additional funding opportunities. It not only helps fund innovative pilot projects, but its contributions to the Region's planning capacity makes the communities in New York State's Appalachian communities better able to respond when new opportunities present themselves.

Meeting Attendees

- Maggie Arthurs, Hartwick College
- Diane Cohen, Finger Lakes ReUse
- Frank Evangelisti, Broome County Planning
- Carlana Ficano, Hartwick College
- Joanna Green, Groundswell Center
- Jen Gregory, Southern Tier East Regional Planning and Development Board
- Erik Miller, Southern Tier East Regional Planning and Development Board
- Dan Neff, Appalachian Regional Commission
- Mark Pattison, New York State Department of State
- Carolyn Price, Town of Windsor
- Liz Rickard, Milford Central School
- Jack Salo, Rural Health Network SCNY
- Kevin Stevens, Milford Central School
- Joanne Tobey, Bassett Healthcare Network
- Marcia Weber, Southern Tier Central Regional Planning and Development Board

North Carolina ARC Focus Group Report

On July 11th, 2014 key ARC stakeholders in the state of North Carolina met to discuss the impact of ARC investments in their communities. The North Carolina Department of Commerce helped to organize the meeting that was hosted by the High Country Council of Governments in Boone, North Carolina. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investment.

Overall ARC investments, particularly related to support for the Local Development Districts (LDDs) and water and sewer projects and local food systems, are seen as vitally important to the communities they serve, and this is especially true for the most rural communities. Additionally, the flexibility and consistency of ARC funding and services were cited as being critical to meeting the needs of rural and distressed communities. The participants also noted the ARC programs will have more significant impacts in their communities in the future with a more explicit focus on the return of investment.

Current role of ARC funding

Participants noted ARC funding has played a crucial role in North Carolina's Appalachian region. Support for the Local Development Districts (LDDs) was seen as one of the most important elements of ARC's efforts in North Carolina. Relative to many other states, North Carolina devotes more of their ARC funds to their LDDs. This funding allows the LDDs to provide planning services and assistance with grant writing and project development for many of their more rural communities. Several participants mentioned ARC investments in the community planning has increased local jurisdiction's capacity in project management and fund raising. In addition, ARC projects are seen the catalyst for communities to work together. Without this funding, the LDDs would be less able to provide consistent and reliable service to their smaller and more distressed communities. Due to this funding, it was noted that the LDDs in the western part of the state were in many instances, like writing CDBG grants, able to provide a greater level of service than their rural counterparts in eastern North Carolina.

Relative to many other forms of federal funding, North Carolina's ARC funding is relatively small. However, ARC funding can provide a critical gap funding for a number of regionally important projects. This funding ensures that projects get completed, or enables communities to leverage other forms of needed funding. These investments have shifted over time, and while North Carolina continues to use ARC funds for water, sewer and other large infrastructure projects these investments are increasingly being used to support efforts related to local food systems, education and workforce development, and entrepreneurial development among others.

ARC investments often provide important early funding which can have important ancillary benefits. One good example is the Home of the Perfect Christmas Tree in Mitchell County. ARC provided resources that helped to modernize a sewer line in Spruce Pine. This project laid the foundation for the establishment of the Home of the Perfect Christmas Tree, which provides a facility for local crafts people and small businesses to sell their handmade products. Since the project was started in 2003, 60 individual small businesses – many are owned by crafts people who lost their jobs in the furniture and manufacturing industries due to outsourcing in the past decades – have been created. Proceeds and a portion of the royalties from the product sales are used to fund scholarships at the local high school. ARC investments have also been used to support other entrepreneurial support efforts. For instance, ARC investments contributed to the Piedmont Angel Network that ARC has helped fund. The Piedmont Angel Network has invested in 23 companies since 2002 with a primary focus on the life sciences, technology, software, and advanced materials fields.

North Carolina has also used ARC funding to grow the local food systems in its Appalachian region. ARC's support has been particularly vital for small and independent farms to grow and expand. For instance, ARC, along with other North Carolina organizations such as North Carolina Golden LEAF Foundation and North Carolina Rural Economic Development Center, funded the Foothills Pilot Plant, a small scale slaughtering and processing facility serving independent growers of poultry and rabbits. Foothills Pilot Plant is the only USDA inspected small-animal slaughter facility in North Carolina.

North Carolina's ARC investments have also been utilized to retain some of the Region's larger businesses as well. For example, ARC funding supported renovating a major water pipe line in Wilkesboro, NC to meet increased demand in water from a large food company (Tyson Foods). With this ARC funding, the community was able to leverage more financial resources for this project. These investments were an important reason the community was able to retain over 200 jobs.

Impact of Past ARC Investments

North Carolina's ARC investments have shifted over time. Past ARC investments were focused on a wide range of traditional economic development projects related to water and sewage, transportation, and community facilities. These investments were helpful in filling critical gaps, often to support the Region's manufacturing sector which has historically driven the Region's economy. Given the sharp declines in the textiles and furniture industries and the lack of large new manufacturing projects, the focus of North Carolina's ARC investments has somewhat shifted.

While ARC investments continue to go into infrastructure projects (e.g. water, sewer, access roads), these investments have become more diverse over time. North Carolina's ARC investments now are directed toward projects that address issues related to entrepreneurship,

local food systems, and community planning. This transition of ARC investments in North Carolina from traditional economic development projects to less tangible projects is largely due to declines in traditionally competitive industries such as furniture and manufacturing and more limited resources. As a result, there are fewer opportunities to develop these kinds of projects.

Participants provided examples of several past ARC projects that were critical to the development of their communities. For instance, combined with investments from other sources such as the U.S. Economic Development Administration and North Carolina Rural Center, ARC funding supported building the Granite Falls water tower in Caldwell County. This water tower was a critical element of much subsequent commercial and residential development. The Hot Springs Health Center in Madison County is another ARC supported effort that has had lasting impact. This health center was initially built in the early 1970s and since then has served as one of the primary medical and healthcare providers for Madison County and its surrounding counties.

Moving forward

ARC investments have played a critical role in major economic development efforts in North Carolina's Appalachian region. All participants noted ARC's continued support was important to their communities. They also wished to see ARC funding and services remain flexible, consistent, and predictable going forward. This was especially important for the support for the LDDs. As participants noted, ARC's future investment in community planning is critical for LDDs to improve their staff capacity and build sustainable models for project management in longer term. In addition, many participants emphasized ARC should expand its investments to help LDDs implementing their plans and fulfill the entire planning process.

In addition to maintaining many of the current ARC investments, participants noted several other ongoing and emerging priority areas, most of which are related to improving the Region's quality of life and competitiveness. Almost all participants agree ARC expanding the reach of the Region's broadband infrastructure was an increasing priority moving forward. Last mile broadband is particularly challenging for many of the Region's more isolated areas. Broadband infrastructure was viewed as foundational for other initiatives related to local food systems, entrepreneurship, or the delivery of rural healthcare. Healthcare-related issues were another identified issue requiring greater attention. This effort will not only improve access to basic healthcare such as proximity to urgent care centers and general practitioners but also stimulate economic growth in distressed region.

There was also a consensus among the participants that ARC should increase its investments in local food systems, particularly in North Carolina's rural communities. For instance, the Foothills small animal pilot plant has proven successful and more help would be needed to allow it to serve more small animal producers. ARC investments might also be used to support the

Regional livestock market, or craft food and beverage producers in order to create more opportunities for local growers and producers.

The participants also noted the future ARC investment should place priority on supporting education and workforce development in distressed regions. Future ARC investments might help fund projects like the Spring Creek Literacy Project. This is an ongoing effort to help girls and young women from rural communities of Hot Springs, Laurel, and Spring Creek gain the skills they need for success in high school and beyond. As in other states, participants appreciated how ARC investments allow local communities to address this diversity of challenges and think it is important that these programs continue in a manner consistent with the past.

Meeting Attendees:

- Dee Blackwell, Western Piedmont Council of Governments
- Richard Canipe, High Country Council of Governments
- Kristy Carter, ARC Regional Planner, NC Department of Commerce
- Kelly Coffey, High Country Council of Governments
- Olivia Collier, ARC State Program Manager, NC Department of Commerce
- Matthew Dolge, Piedmont Triad Regional Council
- Mickey Duvall, High Country Council of Governments
- Jim Edwards, Isothermal Planning and Development Commission
- Sarah Graham, Southwestern Commission
- Sherry Long, Western Piedmont Council of Governments
- Ken Noland, High Country Council of Governments
- Ryan Sherby, Southwestern Commission
- Danna Stansbury, Land of Sky Regional Council
- Gary Steely, Piedmont Triad Regional Council
- Phil Trew, High Country Council of Governments

Ohio ARC Focus Group Report

On November 14th, 2014 key ARC stakeholders in the state of Ohio met to discuss the impact of ARC investments in their communities. The Governor's Office of Appalachia helped to organize the meeting that was hosted by Zanesville Community College in Cambridge, Ohio. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall ARC investments are valued by members of the local community and are seen as an important resource for the community moving forward. Meeting participants noted the importance of Local Development District funding to building community capacity throughout the Region. Additionally, it was noted that the ARC federal-state-local model allowed Ohio's Appalachian communities not only respond to traditional economic development challenges, but also to ongoing and emerging development challenges in areas such as healthcare and workforce development.

Current role of ARC funding

As in many states, investments in the Local Development Districts were cited as one of the important uses of ARC funds. With diminishing budgets for local governments, these investments allow LDDs to provide consistent services for local governments that lack capacity. As a result, LDDs can assist local governments with activities such as grant writing and project development. This administrative funding also allows Ohio's Appalachian LDDs to provide other services like GIS, community planning, and data analysis for their communities. Providing and building this kind of community capacity ensures that small, rural communities have better access to resources, and can at least keep pace with other communities. Extending these kinds of basic services to underserved areas was a common theme repeated by the participants.

ARC funding also plays several important pieces of the funding puzzle. Communities have used ARC funding to fill funding gaps in projects to ensure that they are completed. More often, however, ARC funds are used to leverage additional funding and resources. One participant noted that ARC investments often gain up to 10:1 leverage. In an era of scarce resources, the ability to pull together a variety of funding sources is crucial to completing most projects.

A keyword for ARC impacts in Ohio is diversity. ARC funding has been used toward a variety of efforts ranging from workforce development to water and sewer expansion to growing broadband access. All of these efforts are intended to improve quality of life, economic development efforts, and job retention. This diversity of issues reflects the flexibility afforded by

the ARC federal-state-local partnership model that allows communities to create unique solutions to local problems. For instance, health and wellness issues related to substance abuse, obesity and other issues related to poverty present critical challenges to the Region's development. ARC funds allowed the Lawrence Economic Development Corporation to conduct a feasibility study for a medical wellness center in Lawrence County. Raising funds had been a challenge because the facility does not qualify as either a hospital or educational institution.

Impacts of past ARC investments

Similar to many other ARC states, basic infrastructure investments typified early ARC investments. Water lines, sewage systems, and highway systems have been typical projects undertaken in the Region. These basic infrastructure investments can make a large impact on a community. For example, ARC helped fund a new wastewater treatment plant in a town that had lost an existing employer and needed assistance to maintain existing businesses. Basic infrastructure has been vital for key economic development and business retention projects – FedEx brought over 750 jobs to Lawrence County partially due to the development of an industrial park that was funded in part by ARC investments.

These kinds of infrastructure and construction projects were aided by the state's ability to serve as the basic agency for these efforts. When these projects had to rely on large Federal agencies to administer these grants, the process may have moved at too inefficient a pace. Companies were ready to create jobs in the area, but they were on a faster schedule than the local organizations' federal partners, and these delays might cause them to move forward with their efforts in the Region. As the state assumed this basic agency role, these projects were able to move at a somewhat quicker pace and ensure that projects were completed more efficient manner.

These investments in the Region's economic development infrastructure made a significant difference in its development trajectory. However, due to more limited resources it is increasingly difficult to provide these services and undertake these projects in communities that are more remote and have smaller populations. As a result, ARC investments in Ohio have shifted to fund a wider array of projects related to healthcare, workforce development/education, and business assistance. Healthcare projects may, for instance, involve increasing access to healthcare services by investing in telemedicine or equipping clinics.

Similarly, ARC investments have strengthened the Region's education and workforce infrastructure. For example, Zanesville Community College was once just a business and industry training center, but it has now been transformed into a more comprehensive campus. A critical link in the transformation was an ARC grant that helped build a state of the art science lab. This development paved the way for a fundraising campaign and building expansion. ARC funding also helped the college expand its welding program in support of the Region's manufacturing sector. Other efforts have been made to support entrepreneurial and business development opportunities. For instance, ARC funding has helped to leverage local private and

foundation money for export promotion programs for family-owned businesses and youth development programs. All of these programs are important for changing the culture of the Region from one often typified by dependency and instead create one based on self-sufficiency.

Potential future investments

Moving forward, the ARC Ohio focus group attendees expressed an interest to expand workforce and entrepreneurial development efforts in their communities. The community college system was mentioned as a possible source for new leadership training opportunities and workforce development. Focus group participants were also uniformly interested in changing the culture of the Region by improving education, health outcomes, and self-sufficiency/entrepreneurship.

Workforce development was a recurring theme among participants, in both specific industries and general issues related to culture and basic education. Medical wellness will continue to be an issue in the area, and investments in drug prevention, nutrition, and more will help both quality of life and business retention and expansion, as this is a workforce development issue.

Participants were also concerned about youth retention and attraction. They believe that quality of life and amenities are vital to convincing young people with potential to stay in the area. The area's relative isolation is a recurring theme and traditional remedies for addressing this isolation (e.g., highways) needs to be mixed more with newer solutions (e.g., broadband).

Participants also sought to find ways to further growth the Region's local craft industries, such as those producing locally made furniture. Focus group participants believe that entrepreneurship and small firms are important, as they would change the character of the Region from relying on company relocation to the Region for employment to self-sufficiency. Participants also sought greater investment in business incubators and other investments in entrepreneurship that might help revitalize downtown areas, diversify the economy, and expand businesses. In addition, participants would like to see a greater focus on the logistics needs for cooperative multi-county businesses (e.g., supply chain networks for furniture makers). Entrepreneurship will be a focus moving forward, as participants recognize that small communities have a difficult time attracting large businesses.

Participants note that money continues to be tight, and that the needs that they are currently meeting will continue to be issues. Some participants would like to see more small capacity-building projects in communities, which was something ARC had funded in the past. A number of participants also mentioned the need for flexibility in their revolving loan fund requirements. One organization's fund has essentially turned into a grant program due to program limitations, and they would find it helpful, for example, to be able to change interest rates. In addition, some believe that equity is more of a need for businesses than loans, and they are interested creating more connections for equity investors.

Meeting Attendees

- Bret Allphin, Buckeye Hills-Hocking Valley Regional Development District
- Cara Brook, Foundation for Appalachian Ohio
- Paul Brown, Zane State College
- Peggy Carlo, County Commissioner Ashtabula County
- Misty Casto, Buckeye Hills-Hocking Valley Regional Development District
- Greg DiDonato, Ohio Mid-Eastern Governments Association
- Bill Dingus, Lawrence Economic Development Corporation
- Ray Eyler, Holmes County
- Karen Fabiano, ODSA Community Services Division
- Senator Lou Gentile, Ohio Senate
- John Hemmings, Ohio Valley Regional Development Commission
- Ralph Kline, Lawrence County Community Action
- John Molinaro, Appalachian Partnership for Economic Growth
- Mary Oakley, Ohio Development Services Agency
- Joy Padgett, Governor's Office of Appalachia
- Ron Rees, Corporation for Ohio Appalachian Development
- Molly Theobald, Appalachian Regional Commission
- Viviane Vallance, Lawrence Economic Development Corporation
- Perry Varnadoe, Meigs County
- Jeannette Wierzbicki, Ohio Mid-Eastern Governments Association
- Jason Wilson, Governor's Office of Appalachia
- Mike Workman, Contraxx Furniture
- Kathy Zook, Eastgate Regional Council of Governments

Pennsylvania ARC Focus Group Report

On July 9th, 2014 key ARC stakeholders in the state of Pennsylvania met to discuss the impact of ARC investments in their communities. The Pennsylvania Department of Community and Economic Development helped to organize the meeting that was hosted by SEDA-COG in Lewisburg, Pennsylvania. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall, ARC investments, particularly related to support for the Local Development Districts (LDDs) and enterprise development programs, are seen as vitally important to the communities they serve, and this is especially true for the most rural communities. Additionally, the flexibility, consistency and predictability of ARC funding and services was cited as being critical to meeting the needs of rural and distressed communities.

Current role of ARC funding

In the past, Pennsylvania's ARC funding focused on infrastructure projects, but over the past few decades has transitioned to more of a service delivery role, especially through the Local Development Districts (LDDs). Participants noted that moving from narrowly-focused infrastructure projects to more service delivery has allowed the program to have a broader impact throughout the Region. Consequently, Pennsylvania's current ARC funding supports several broad issues including funding for LDDs, Enterprise Development, supplementing and complementing larger projects with targeted investments, and providing seed funding for small, often pilot projects.

Most participants identified support for the LDDs as the most valuable role that ARC plays in the state's Appalachian region. ARC funding allows the LDDs to provide consistent and reliable service to the communities that they serve. LDDs can provide local communities with a range of planning services related to numerous disciplines (e.g., economic development, workforce development, transportation, tourism, environmental, etc.). ARC funding allows LDDs to do this in a consistent, reliable, and integrated fashion. This technical assistance is particularly important for many small and rural communities that lack resources and capacity. Several participants cited the critical ability of LDDs to serve as an interagency connection between different service providers and local jurisdictions within the Region. LDDs also connect local residents and businesses with resources at the state, regional and federal levels, as well as private resources.

Pennsylvania has also focused much of its ARC funding on enterprise development programs. Specifically these funds complement other funding sources in support of three primary areas—government procurement, export financing and business financing. The increased usage of ARC funding for enterprise development has led to small seed financing packages and assistance that help businesses expand their markets and internal capacity, which in turn advances the Region’s business retention and job creation efforts. Participants value the flexibility and broad parameters of ARC funding that allow the structure of projects to be formed by the local stakeholders that have a stronger understanding of the issues facing the Region.

Small amounts of ARC funding can also prove vital for moving larger projects forward. ARC funding for local access roads has been especially important. For instance, an access road project has supported the creation of a new Life Science industrial park in Mifflin County that will include a health center and create more than 100 jobs. Similarly, funding for an access road has furthered the development of the recently opened Anthracite Outdoor Adventure Area in Northumberland County. Built on abandoned coal mining land, this park provides opportunities for hiking, camping, horseback riding and other recreational activities. Additionally, ARC has supported a technology project at the park that tests new ways of using cell phone coverage to increase safety and security for visitors.

ARC funding has also been used to seed smaller, often pilot projects. Participants mentioned several examples of these smaller projects including the New Berlin Energy Independence Project. This 3-year project, funded by ARC and other partners (including PPL Electric Utilities, Bucknell University, and the Pennsylvania Department of Community and Economic Development among others) sought to achieve greater energy independence in the small rural community of New Berlin, PA (pop. 900). This project allowed the community numerous ways to conserve energy, and these measures have gone on to save New Berlin \$200,000 in energy costs annually. The project resulted in the publication “Energizing Small Communities” which serves as a guide for other communities. The ability to pursue this kind of project speaks to the overall flexibility of ARC funding.

Impacts of past ARC investments

Pennsylvania’s current usage of ARC funding with its emphasis on supporting the LDDs and enterprise development funding differs from its usage during the 1970s and early 1980s. This is due in part to a relatively smaller amount of available funding. In the past, Pennsylvania used ARC funding for a wide range of infrastructure projects related to transportation, water and sewage, communication, recreation, business assistance, community facilities, and healthcare.

Several participants offered examples demonstrating the importance of early ARC investments. In Lackawanna County, ARC provided the first funding in 1978 for an access road to the Montage Mountain ski resort, which was completed and opened in 1984. Participants appreciated not only this initial project investment, but also ARC’s unwavering commitment throughout the

long public hearing process. Combined with four or five later investments, ARC eventually invested about \$3 million into the project. Opening up this land for development eventually led to more than \$500 million in private investment and four to five thousand jobs, as well as spin-off development in the area, such as golf courses, retail, housing, hotels, a stadium and service businesses.

In 1983, ARC provided a grant for a feasibility study on whether a public-private initiative could sustain rail in the Region, which led to the formation of the SEDA-COG Joint Rail Authority, an 8-county rail organization. The SEDA-COG Joint Rail Authority has invested over \$100 million in the Region for providing rail service, including refurbishment and capital upgrades, and extending new service to industrial parks. This investment has “created a whole different outlook in some of those towns” because of the current increase in the use of freight rail traffic over trucking. The World Bank recently used the SEDA-COG Joint Rail Authority as an example of successful regional rail model in a manual (prepared by Cambridge Systematic) for developing countries on models transportation initiatives.

In addition to these kinds of infrastructure projects, ARC has funded a large number of small infrastructure projects throughout the Region, such as Brownfield redevelopments and health centers, which have collectively had an outsized impact on the Regional economy. Participants noted that ARC’s early funding for rural healthcare facilities and career and technical education facilities have made a lasting impact and contributed to the overall health and capacity of the Region’s people.

Moving forward

ARC investments have helped to spur investment and address many development challenges in Pennsylvania’s Appalachian communities. In spite of this, there remain enduring pockets of poverty through the Region and there are challenges yet to be addressed. To this end, there was a consensus among the participants that the most vital future ARC investments should place priority on maintaining the support for the LDDs. LDD support was seen as providing one of the greatest returns on ARC-related investments. Increasing investments in broadband access was seen as another critical investment area that fits well within ARC’s overall mission. Participants also noted the need to maintain the flexibility of ARC funding, as that flexibility (unlike many other funding sources) allowed them to effectively respond to their region’s many critical development challenges.

In addition to maintaining many of the current ARC investments, participants noted several other ongoing and emerging priority areas. Toward the top of this list was the need for increased support for expanding and strengthening the broadband infrastructure. Broadband infrastructure was viewed as foundational for other initiatives related to local food systems, entrepreneurship, or the delivery of rural healthcare. Healthcare-related issues were another identified issue requiring greater attention. This ranged from ensuring adequate access to basic healthcare such

as proximity to urgent care centers and general practitioners to reducing the incidence of obesity, diabetes and substance abuse among the Region's population.

Participants also noted the importance of supporting projects that address issues related to quality of life or quality of place. These types of projects may take on several forms. For instance, they may address water resources or sustainable development issues. They may incorporate projects like the Susquehanna Greenway Partnership and the multi-county Pennsylvania Wilds project that build on the Region's natural assets for recreation, tourism and other local business opportunities. All of these emerging areas point to the oft noted need to generally improve quality of life within the Region in order to retain and assist current residents, as well as attract new residents, especially young workers that have left the Region.

Meeting Attendees

- Kevin D. Abrams, Northern Tier Regional Planning & Development Commission
- Kim D. Barnes, Northern Tier Regional Planning & Development Commission
- Jeffrey K. Box, Northeastern Pennsylvania Alliance
- Eric M. Bridges, North Central Pennsylvania Regional Planning & Development Commission
- Lisa Davis, Pennsylvania Office of Rural Health
- Neil Fowler, Pennsylvania Department of Community & Economic Development
- Jill Foys, Northwest Pennsylvania Regional Planning & Development Commission
- Ned Goucher, Northwest Pennsylvania Regional Planning & Development Commission
- Jim Hassinger, Southwestern Pennsylvania Commission
- Yvonne Lemel, Pennsylvania Department of Community & Economic Development
- Elizabeth Lockwood, SEDA-Council of Governments
- Teri MacBride, PPL Electric Utilities
- Julie Marshall, Appalachian Regional Commission
- Robert Postal, Mifflin County Industrial Development Corporation
- Tom Pellegrini, Northeastern Pennsylvania Alliance
- Deborah L. Prosser, Southern Alleghenies Planning & Development Commission
- Dennis E. Robinson, SEDA-Council of Governments
- Lorri Shaver, Pennsylvania Department of Community & Economic Development
- Lew Villotti, Southwestern Pennsylvania Commission
- Jerry S. Walls, SEDA-COG Joint Rail Authority Board

South Carolina ARC Focus Group Report

On December 17th, 2014 key ARC stakeholders in the state of South Carolina met to discuss the impact of ARC investments in their communities. The South Carolina Department of Commerce helped to organize the meeting that was hosted by the South Carolina Appalachian Council of Governments (ACOG) in Greenville, South Carolina. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall, ARC investments have been important in spurring economic development throughout the upstate South Carolina region. ARC has been an important source of funding for rural projects that do not always have a guaranteed return on investment. Participants were also especially grateful for the assistance that they receive from their local development district, the state department of commerce and ARC's Washington-based staff.

Current role of ARC funding

South Carolina has focused much of its ARC funding on infrastructure development programs. Participants value the flexibility and broad parameters of ARC funding that allow the structure of projects to be formed by local stakeholders. They highly valued the open communication channel and technical assistance provided by ACOG, especially for learning about public and private grant opportunities, and assistance with grant writing.

ARC funding is often used as simultaneous match funding for grants from other federal agencies, such as the U.S. Economic Development Administration or the USDA Rural Development agency. Participants noted that the largest challenges for accessing ARC funding are lining up partners, getting match funding, and understanding the complex regulations that accompany applying for and administering federal grants. ACOG brings invaluable expertise for helping applicants navigate these challenges and forging partnerships between different economic development stakeholders in the Region. ACOG's provision of grant information has created a "true support system for smaller communities" in the Region.

Participants appreciated the helpfulness of ARC staff in Washington, as well as the ARC program manager with the South Carolina Department of Commerce. This assistance was especially appreciated during the application process, where participants noted their appreciation for the willingness to provide feedback on how to improve their applications and projects. This type of communication helps create an "open forum for South Carolina". By serving as the basic agency for construction projects that are partially funded by ARC, the state has also helped to

make the administration of these projects relatively easier and more efficient. Participants also noted the value of being able to learn about ARC investments and strategies in other regions, especially through peer-to-peer networking at ARC workshops. For instance, one participant mentioned that attending an ARC-sponsored workshop on local foods in West Virginia proved very helpful to their efforts locally. This kind of information sharing allows stakeholders to see what types of projects work in other regions and provides them with ideas for additional ways they can use ARC funding in South Carolina. However, some noted that they would like to see additional opportunities to share best practices between different regions.

Impacts of past ARC investments

Since the start of the ARC program in South Carolina, the state has used ARC funding for a wide range of projects related to workforce training, economic and industrial development, food systems, education, healthcare, water and sewer systems, and transportation. ARC funding for infrastructure improvements has been especially vital for rural and distressed counties. One participant noted that ARC funding was integral to the upstate South Carolina region.

Several participants offered examples demonstrating the importance of early ARC investments. In addition to basic infrastructure, ARC provided funding support for many economic and workforce development projects in the Region. Greenville Technical College received construction and equipment funding for multiple workforce training related projects, including the Quick Jobs with a Future, allied health, dental worker, and truck driver training programs, as well as campus expansion projects. Tri-County Technical College has received funding from ARC for welding laboratories. Participants noted that the Quick Jobs with a Future proved especially beneficial for training dislocated workers during the recent downturn. One participant stated that without ARC funding for workforce training programs at the Region's technical colleges, large manufacturing plants like BMW would not have chosen to locate in the Region.

ARC funding for infrastructure in underserved communities has led to economic and industrial development in areas that otherwise would not have received that investment. Participants were particularly appreciative of being able to use ARC funds for these kinds of rural projects, as other federal grant programs generally do not invest in areas not already served by infrastructure. Moreover, few funding sources are able to be relatively speculative in nature, but ARC is one of them. Specific examples in the Region include road improvements to a publicly funded industrial park in Pickens County that have resulted in thousands of jobs. Other examples are water lines along Highway 5 and providing infrastructure that supported the creation of a regional outlet mall on Highway I-85.

Education grants from ARC and others helped ACOG develop various technology driven business development tools for regional businesses. These include business planning technical assistance and InfoMentum, a GIS-based data and mapping service that allows investors to generate maps and reports on demographic and market conditions, as well as access a database of

industrial sites and buildings for the ACOG region. ACOG is also developing a new technology-driven project to support entrepreneurship in the Region, and a website for taking counties through steps to become more business friendly, which is currently being piloted by three rural communities in the Region.

ARC funding in South Carolina has evolved from mainly meeting the basic needs of rural communities to funding more of a mix of projects, such as tourism and other quality of life improvements. Multiple recent ARC projects in the Region have focused on food systems planning, including a small animal facility program in Greenville, a planning technology project at Tri-County Technical College, and business plan development assistance for communities looking to become “farm-to-table” enterprises. ARC has also provided assistance with identifying gaps in their regional food system infrastructure.

Moving forward

Participants also noted that continued ARC investments will play an important role in diversifying the Region’s economy. Its flexibility can fund projects related to quality of life and tourism that often do not have any obvious sources of funding. These projects are not only important for creating jobs and attracting visitors and residents to the Region, but they also help establish a new regional identity. ARC investments can be helpful in developing the Region’s local food system or promoting attractions related to the Region’s Revolutionary War history.

Several participants noted the success of the Greenville Health System Swamp Rabbit Trail, a Rails-to-Trails, multi-use trail system in Greenville County, South Carolina. Not only has this trail drawn tourists to the Region, but it has provided a framework that has allowed communities throughout the Region to connect their attractions and make the Region a more attractive destination. Other communities in the Region are following the Swamp Rabbit Trail model. For instance the “Blueways” (i.e., Water Trails) river recreation initiative in Spartanburg and Upstate Forever connects water attractions with tourism and environmental efforts.

Participants also noted that ARC investments might be useful for downtown redevelopment initiatives. Communities like Gaffney hoping to replicate the downtown revitalization success of Greenville through investing in streetscape improvements and taking part in the National Main Street Center redevelopment process. Like many ARC investments, these initiatives touch upon many development challenges. A collection of nice downtowns can make the Region a tourist destination. They also provide an attractive environment for new residents or entrepreneurs, and denser development can improve the public transportation infrastructure, which is relatively underdeveloped in the Region.

Participants are also looking for further economic and workforce development assistance through entrepreneurship training and after school education, especially for building the Region’s Information Technology (IT) workforce. ARC could also help expand the Region’s IT capacity

through broadband infrastructure development projects, as there remain many gaps in broadband coverage.

In order to market the Region globally, South Carolina is looking to attract more foreign direct investment and developing export plans through public-private partnerships like the Upstate South Carolina Alliance. Although participants were very interested in exploring opportunities for ARC investment needs, they also suggested increased ARC support for increasing collaboration between economic development partners on new regional initiatives. This was especially true for smaller, rural communities.

Meeting Attendees

- Jill Francisco, South Carolina Department of Commerce
- Jane Hall, South Carolina Appalachian Council of Governments
- Tracy U. Martin, Town of Blacksburg
- Michael McInerney, South Carolina Department of Commerce
- Scott Park, Greenville County
- Dirk Reis, South Carolina Appalachian Council of Governments
- David Shellhorse, South Carolina Appalachian Council of Governments
- Kostas Skordas, Appalachian Regional Commission
- Brian Swords, Tri-county Technical College
- James R. Taylor, City of Gaffney
- Elizabeth Varga, Greenville Technical College
- Caroline Wilson, South Carolina Appalachian Council of Governments

Tennessee ARC Focus Group Report

On May 16th, 2014 key ARC stakeholders in the state of Tennessee met to discuss the impact of ARC investments in their communities. The Tennessee Department of Community and Economic Development helped to organize the meeting that was hosted by the East Tennessee Development District in Alcoa, Tennessee. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall there was enthusiastic support for ARC programs and investments. ARC is seen as vitally important to the communities it serves, and this is especially true for the most rural communities. Additionally, the consistency and predictability of ARC funding and services was cited as being critical to meeting the needs of rural and distressed communities. Participants also noted that they appreciated that the majority of ARC funding ends up “in the ground” in the form of, for instance, actual water and sewer lines, and not lost to substantial administrative costs.

Current role of ARC funding

Participants noted that ARC funding remains a relatively small part of their region’s overall funding portfolio, but they all noted that it nevertheless plays a critical role in getting projects off the ground. For the participants, ARC funding was a tool for addressing core economic development challenges that require medium and long-term thinking. This funding often plays an important seed role—like installing water and sewer lines—that provide the foundation for later development. Without these initial investments, communities would find it more difficult to secure additional investment and activity.

ARC funding also continues to play a crucial role for many rural and/or distressed counties because there remains tremendous pockets of need, which are often isolated pockets of need. As one participant noted, “ARC means more for rural counties than you can imagine.” Meeting the match requirements for many potential funding sources can often prove challenging for the most distressed counties. ARC’s favorable match requirements therefore make it a crucial funding source for many smaller communities.

For instance, Pickett County is Tennessee’s least populous county with just over 5,000 residents. One participant noted that ARC was one of that county’s only hopes to fund infrastructure projects because they lack the resources to meet the match requirements needed to access other forms of infrastructure funding. Another participant noted that there would be no public water

system in rural Cocke County if not for ARC. Similarly, ARC funding has been important to Hancock County which has the lowest percentage of public water access in Tennessee.

Participants also view the relatively small amount of funding provided to the Local Development Districts as important for rural communities. Rural counties often lack the staff capacity and resources to meet all of their planning needs. The LDD funding provided by ARC allows the Local Development Districts to provide consistent and reliable planning and government services to their rural counties. In doing so, rural counties can access these services without having to potentially rely on more expensive consultants.

Impacts of past ARC investments

At the time of its launch, ARC sought to bring the Appalachian Region to parity with the rest of the country. While the work is far from finished, the focus group participants thought that Tennessee's Appalachian communities had made meaningful progress toward fulfilling that goal. ARC investments allowed many rural Tennessee residents access to clean water and sewer, renovated schools in order to keep them open, and helped to put in place an infrastructure to support industry that created local employment opportunities.

While never a large component of the total funding package, this funding—both in the past and present—has served as important seed funding to get larger projects started. Several participants offered examples demonstrating the importance of early ARC investments. For instance, in 1986 ARC investments helped to fund the installation of a new sewer line that helped to prepare the current site for Pellissippi State Community College in Knox County. At the time, that \$500,000 investment looked small, but Pellissippi State now serves over 11,000 students and is a core component of the Region's higher education and workforce development systems. More recently, ARC investments were instrumental in getting the Kingsport Center for Higher Education facility off the ground. Kingsport has traditionally been underserved by higher education institutions, and this facility made it possible for Kingsport residents to access higher education from six different institutions in one location.

Several other residents noted that ARC investments in water and sewer lines allowed for the establishment of industrial corridors that have made economic development possible. This was certainly the case in Meigs County—a rural county without interstate access. ARC funding allowed for the creation—and over time expansion—of water and sewer lines to industrial sites. Without this infrastructure, the county would have limited opportunities to build its industrial base. Similar stories were shared by representatives from other rural locations like Polk County. The initial ARC investments made later investments possible.

ARC investments in highway infrastructure are also viewed as crucial as they provide important connections. This is particularly true for rural, mountainous counties where roads are limited in number, difficult to build, and expensive to maintain. In Polk County, several rock slides along

US 64 caused travelers to face an 80 mile detour. This can make rural living even more expensive and difficult. ARC Highway funds are therefore seen as important to expanding and strengthening the Region's highway infrastructure.

Moving forward

Participants were all adamant about the importance of ARC funding. As a result, they would like to see current investments continued, particularly as they relate to infrastructure-related investments such as water, sewer and highways. In addition to these ongoing investments, the participants had general consensus about expanding investments in several other emerging areas. For instance, developing the ARC Region's human capital was viewed as increasingly important. These kinds of investments may take several forms. It may involve supporting efforts to provide workers with in-demand skills such as ARC's support for Motlow State's new Mechatronics program. These investments may also speak to general health and wellness efforts, such as increased support for substance abuse programs.

Investing in downtown redevelopment was another potential emerging focus area. Creating places where people want to live and spend time was seen as a vital condition for success in other strategies related to tourism, entrepreneurship and others. Increasing investments in broadband access was another critical investment area that fits well within ARC's overall mission. Broadband supports many other priority areas whether it related to local foods and agri-tourism or support for entrepreneurship and home-based businesses.

Meeting Attendees

- Morris Baker, City of Kingsport
- Terry Bobrowski, East Tennessee Development District
- Brooxie Carlton, Tennessee Department of Community and Economic Development
- Hoyt Firestone, Polk County Executive
- Lorie Fisher, South Central Tennessee Development District
- Donald Hurst, Cocke County Partnership
- Garland Lankford, Meigs County Mayor
- Paula Lovett, Tennessee Department of Community and Economic Development
- Leigh McClure, Southeast Tennessee Development District
- Michelle Price, Upper Cumberland Development District
- Ken Rea, First Tennessee Development District

Virginia ARC Focus Group Report

On September 18th, 2014 key ARC stakeholders in the state of Virginia met to discuss the impact of ARC investments in their communities. The Virginia Department of Housing and Community Development helped to organize the meeting that was hosted by the Roanoke Valley-Alleghany Regional Commission in Roanoke, Virginia. Participants were asked to give their input on several broad issues including:

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- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall ARC investments are seen as vital to the Region's Appalachian communities, particularly those in the Virginia coal fields. ARC funds have been vital to laying the foundation for future development, leveraging key regional assets to spur new economic activities and ongoing health and workforce development challenges. In addition, investments in the Local Development Districts (LDDs) affords these communities access to the planning and support services they need to take advantage of opportunities as they arise. The flexibility, consistency and predictability of ARC funding and services was cited as being critical to meeting the needs of rural and distressed communities.

Current role of ARC funding

Virginia uses its ARC funding to spur investments in building community capacity and in both traditional and non-traditional economic development activities. As in many states, the participants agreed that ARC's support of the local development districts was a vitally important element of the program. This funding—which for some of the more rural LDDs is an important source of non-local funding—allows LDDs to provide consistent planning services to rural communities throughout western and southwestern Virginia. These services might take the form of grant writing or more time consuming activities like project development. Without these services, many rural communities would be at an even greater disadvantage when it comes to leveraging additional funding.

ARC investments are rarely the sole source of funding. They can either serve as seed funding for an innovative project or it may represent the closing money needed to ensure that a project moves forward. The participants noted that ARC funding often can be used to attract other funders, such as the Economic Development Administration, Virginia Tobacco Commission, Foundations or private funds. ARC interest in a project can provide a signal to these other funders that the project is a 'real' project that is viable and has the ability to provide regional impact. For instance, in Danville, ARC funding helped bring foundation and private funds to the table for several projects.

The flexibility of ARC funding has allowed Virginia communities to undertake this wide range of projects that do not neatly fit into typical funding programs (e.g., USDA Rural Development, U.S. Economic Development Administration). This has been particularly true for efforts pertaining to cultural and heritage-related tourism. The Region's culture represents one of its great place-based assets. To better leverage these assets, ARC has invested in programs like the Crooked Road. The Crooked Road connects 19 counties, 4 cities and dozens of smaller communities in a regional effort to make southwest Virginia a destination for heritage music enthusiasts. ARC provided the 'glue' money that binds regional actors (including the 5 LDDs) around these efforts and it also helped to complement other funding sources like the Virginia Tourism Commission, The Virginia Department of Housing and Community Development, the National Endowment of the Arts, and several foundations, among others. In doing so, Virginia has used its ARC funding to create a structure around which other funders can invest, and communities can turn their individual attractions into a larger regional destination. The Crooked Road is therefore emblematic of how the larger federal-state-local ARC model can work in an era of scarce resources.

Infrastructure projects related to water and sewer and roads remain important, and the impacts of past ARC investments in these areas are wide-ranging. One participant noted that it is difficult to travel far within southwest Virginia and not see a project that had been supported by ARC. The ARC impact on the Region is everywhere, and this is particularly true in the western Virginia coalfields. Participants noted several highway projects that have created opportunities in western Virginia. For instance, when completed the Corridor Q project (US Route 460) will connect Pikeville, KY to Interstate 81 in Christiansburg, VA. The improvements on this route have already facilitated better access to the interstate for many rural communities. Similarly, creation of four lanes on U.S. Routes 23 and 58 (which intersect in Duffield, VA) has allowed these roads to become more significant arteries that can create greater development opportunities. Similar investments in water and sewer systems have also created development opportunities for Appalachian Virginia.

The administration of these large infrastructure projects can be costly and inefficient. Virginia has been a leader amongst Appalachian states by assuming the role of the basic agency for its construction projects. In doing so, the state manages the construction contracts rather than larger Federal agency like the Department of Housing and Urban Development or the Department of Transportation. This often makes the contract administration more efficient and projects are completed earlier thereby reducing the risk of costly delays. A number of other states are now following Virginia's lead in adopting the basic agency role.

Moving forward

Meeting participants confirmed the federal-state-local model used by ARC has worked well for Virginia's Appalachian region. They found the feedback that they received from both ARC and

the Virginia Department of Housing and Community Development to be very beneficial in terms of developing projects and making sure they were structured in a way that would enable a successful outcome. Moreover, they mentioned that Virginia assessed projects not just on a year to year basis, but with a somewhat longer time horizon. A project may not fit with Virginia's current ARC funding program, but that project may be revisited in subsequent years.

Moving forward, Virginia will continue to use its ARC funding to support key infrastructure projects related to water and sewer or road access. However, the state is also making investments that will help lay the foundation for a new economy that is less dependent on traditional manufacturing and natural resource extraction. Doing so requires addressing a variety of current and emerging challenges facing Virginia's Appalachian region.

The diversity of these responses can be illustrated by several projects undertaken by the West Piedmont Planning District Commission's service area (Patrick and Henry counties, and the city of Martinsville). This region, which joined the ARC region in 2009, has used ARC funding to address a variety of development challenges. For instance, ARC investments contributed to the completion of the New College Institute which is a center for higher education that provides the Region's citizens easier access to college and university education. In partnership with the GENEDGE Alliance (Virginia's Manufacturing Extension Partnership affiliate), ARC investments have supported the delivery of E3 (Energy, Environment, Economy), a program that helps the Region's manufacturers adopt more sustainable and efficient manufacturing processes.

In the future, Virginia will continue to use ARC investments to support many other efforts to create a new economy. For instance, investments designed to expand the Region's broadband infrastructure have contributed to this goal in several ways. Expanded broadband access has allowed the Region to attract more retirees to the Region because it is one of several basic amenities required for those retirees who have many options for their retirement destination. It is also vital to the Region's entrepreneurial ecosystem as it creates more small business opportunities. This is best illustrated in Galax, VA where investments in efforts like the Crossroads Institute have helped the Region overcome the loss of 2,000 furniture jobs by assisting in the creation of 1,200 new small businesses.

ARC funding has also been used to support the provision of healthcare throughout the Region and this is another area where the expansion of the Region's telecommunications infrastructure can have wide ranging impact. For instance, Virginia was one of the first states to fund broadband when it funded the installation of fiber for the Haysi Clinic. This kind of connectivity is particularly important for delivering health services in rural areas. Virginia's ARC funds have also been used to fund the St. Mary's Health Wagon that brings basic health care services to rural, under-served, high poverty areas in southwest Virginia.

Meeting participants were overwhelmingly positive about ARC programs, but there were a couple of issues that they thought required some additional consideration. While not a widespread issue, several participants did note that the change in county economic status from year to year can cause some issues in project development and planning. For some smaller, distressed counties raising matching funds is an ongoing challenge, so a change in economic status that requires them to raise more can pose challenges. This is particularly true for counties looking to develop more long-term projects.

Moreover, the change in economic status may not reflect actual progress in the Region. For instance, a decrease in unemployment may mask underemployment and people falling out of the labor force altogether. In addition, participants noted that within Virginia's Appalachian counties—even the more prosperous counties like Botetourt County—there remain a number of persistent pockets of poverty. Given that funding is often prioritized by county economic status, using ARC funding to address these pockets of poverty remains incredibly difficult.

Meeting Attendees

- Jim Baldwin, Cumberland Plateau Planning District Commission
- Patrick Burton, New River Valley Planning District Commission
- Leah Manning, West Piedmont Planning District Commission
- Duane Miller, LENOWISCO Planning District Commission
- William Shelton, Virginia Department of Housing and Community Development
- Wayne Strickland, Roanoke Valley-Alleghany Regional Commission
- Matt Weaver, Virginia Department of Housing and Community Development
- Ed Wells, Roanoke Valley-Alleghany Regional Commission

West Virginia ARC Focus Group Report

On August 7th, 2014 key ARC stakeholders in the state of West Virginia met to discuss the impact of ARC investments in their communities. The West Virginia Development Office helped to organize the meeting that was hosted by the West Virginia Economic Development Authority in Charleston, West Virginia. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs use in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

Overall there was enthusiastic support for ARC programs and investments. ARC is seen as vitally important to the communities it serves, and this is especially true for the most rural communities. Additionally, the consistency and predictability of ARC funding and services was cited as being critical to meeting the needs of rural and distressed communities. Participants also noted that while ARC investments have been enormously impactful to the state, the most significant legacy of ARC was not necessarily financial related. “It changes the culture,” participants agreed. ARC helped create a culture of collaboration across agencies and levels of government, between the private, public and non-profit sectors, and in communities throughout West Virginia.

Current role of ARC funding

Participants noted that ARC funding plays a critical role in getting projects off the ground and as a tool for addressing core economic development challenges that provide the foundation for later development. ARC investments continue to help fund a wide array of projects across West Virginia including water and sewer, education, healthcare, business access to capital via revolving loan funds, workforce training and community development. Without these investments, communities would be unable to get these projects started or completed.

Several participants noted the importance of small-scale investments. For instance, one program underway includes the state’s Flex-E-Grant program. This program provides small grants, up to \$10,000, that may be used to support local leadership, civic engagement and capacity building efforts. These grants foster civic entrepreneurship with leadership training for residents of West Virginia's ARC-designated distressed counties so they become more effective participants in the civic life and leadership of their communities. This approach contributes to the development of the community and the community members. Flex-E-Grant is a joint effort of the West Virginia Development Office (WVDO), the Appalachian Regional Commission (ARC) and the Claude W. Benedum Foundation. The collaboration of WVDO, ARC, and the Benedum Foundation is helping to address some of the state’s healthcare needs.

ARC funds contribute to this effort through investments that focus on improving access to oral healthcare. The number of days missing work because of bad oral health is actually a workforce issue, and West Virginia falls below the national standard for oral health. The Benedum Foundation representatives indicated that the ARC investment has been crucial to this effort to improve oral health across the state.

Additionally, ARC investments have supported many important state initiatives to develop communities and grow the economy. For instance, ARC has been heavily involved with the state's Main Street Program as one of the main funders since the creation of the program. ARC also helped fund a new and incumbent worker training program for existing manufacturers. This program provides cross training for manufacturing workers. West Virginia has an aging workforce and is looking to work on replacing retirees in manufacturing with younger workers. ARC hired the trainers to teach managers how to write job descriptions, standardize the production process, and also reimburse companies with costs related to new equipment training. The state's international trade office was also initially started and supported by ARC. The flexibility of ARC funding made these types of investments possible.

ARC funding also continues to play a crucial role for many rural and/or distressed counties because there remains tremendous pockets of need, that are often quite isolated. Helping to form this perspective were not just singular projects but the continuing commitment to fund the local planning councils, which are on the front lines to make things happen in West Virginia. The funds provided to the Local Development Districts are important because rural areas often lack the staff capacity and resources to meet all their planning needs. The LDD funding provided by ARC allows for consistent and reliable planning and government service to these rural counties.

Impacts of past ARC investments

At the time of its launch, ARC sought to bring the Appalachian region to parity with the rest of the country. While the work is far from finished, the focus group participants thought that West Virginia's Appalachian communities had made meaningful progress toward fulfilling that goal. ARC investments allowed many rural residents access to clean water and sewer, and helped to put in place an infrastructure to support industry that created local employment opportunities. ARC has also played a leadership role in West Virginia in bridging non-traditional economic development issues such as local food, healthcare, and alternative energy with traditional economic development activities.

Past ARC investments in West Virginia have worked in building the foundation and capacity to provide needed services to residents. Among the most basic, water and sewer investments have been an important part of ARC investments over the years in West Virginia, necessitated in many instances by the impact of the state's mining industry on water quality. But ARC has done much more; for instance, Appalachian ambulance service was supported by ARC back in the 1970s. ARC also invested significantly in building career centers in West Virginia, while many

community health clinics would not exist today if not for ARC funding. As one participant summarized, ARC has been involved with all the major impactful projects in West Virginia in the past few decades.

While never a large component of the total funding package, ARC funding—both in the past and present—has served as important seed funding to get larger projects started. Several participants offered examples demonstrating the importance of early ARC investments. For instance, ARC funded the planning for the Bakers Island community park project. The community got in total a half million dollar investment for that project to build a parking lot and other facilities for that park. This park is now the key community recreational facility and amenity. Leveraged ARC investments have also been used to create revolving loan funds to offer area businesses access to needed capital. Several of these loan funds have turned small initial ARC investments into multi-million dollar capital funds for the ongoing benefit of the local economy.

ARC investments in highway infrastructure are also seen as crucial past investments as they provide important connections. This is particularly true for rural, mountainous counties where roads are limited in number, difficult to build, and expensive to maintain. This can make rural living even more expensive and difficult. ARC Highway funds are therefore seen as important to expanding and strengthening the Region’s highway infrastructure.

Moving forward

Participants would like to see current investments continued, particularly as they relate to infrastructure-related investments such as water, sewer and highways. In addition to these ongoing investments, the participants had general consensus about expanding investments in several other emerging areas. For instance, developing the ARC Region’s human capital and health and wellness efforts, was viewed as increasingly crucial. Expanded broadband access was mentioned by several participants as a particular area of investment that needs continuous attention from ARC. Broadband potentially supports many other priority areas whether it related to local foods and agri-tourism or support for entrepreneurship and home-based businesses.

Continuing to invest in downtown redevelopment was another important focus area for ARC investments. Creating places where people want to live and spend time was seen as a vital condition for success in other strategies related to tourism and entrepreneurship and others. Participants also encouraged ARC to continue to take leadership in helping the state move new initiatives forward such as small business incubators. ARC brought this topic to the table. It helped to find mentors and innovation ideas for small businesses. The use of Flex-E-grant funding to help develop the local food system was given as another example of ARC bringing new ideas to the table. The local food projects happened because of a handful of grants and leadership from ARC.

All of these emerging areas point to the oft noted need to generally improve quality of life within the Region in order to retain and assist current residents, as well as attract new residents, especially young workers that have left the Region. One participant mentioned the findings from a study on household wealth and financial security in Appalachia which ARC helped fund. In the coming years, an estimated \$45 trillion is transferring from the older generation to younger generation. How can we prepare to make sure the money stays and benefits West Virginia communities? Participants also noted the need to maintain the flexibility of ARC funding, as that flexibility (unlike many other funding sources) allowed them to effectively respond to their region's many critical development challenges. They also encouraged ARC to remain the "Voice of Rural" going forward.

Meeting Attendees

- Sharon Adams, West Virginia Development Office
- James Bush, West Virginia Development Office
- Becky Ceperley, Greater Kanawha Valley Foundation
- David Cole, Region 1-Planning and Development Council
- Michele Craig, Region 2-Planning and Development Council
- Ralph Goolsby, RHGoolsby Consulting
- Jeff Herholdt, West Virginia Division of Energy
- Mary Hunt, Benedum Foundation
- Monica Miller, West Virginia Development Office
- WD Smith, Region 4-Planning and Development Council (retired)
- Kim Tieman, Benedum Foundation
- Geary Weir, Webster County Economic Development Authority

Development Districts Association of Appalachia (DDAA)

ARC Focus Group Report

On July 28th, 2014 the Board of the Development District Association of Appalachia (DDAA) met to discuss the impact of ARC investments in their communities. This meeting was held at the Lafayette Hotel in Marietta, Ohio. Participants were asked to give their input on several broad issues including:

- ARC-sponsored programs used in their region and community,
- Changes in ARC-sponsored programs and funding over time,
- Notable and important ARC investments, and
- Current and emerging issues that might motivate additional, future investments.

The discussion focused both on the impact of ARC investments in the participant's region, but also on its importance to their organizations. ARC funding allows Local Development Districts (LDDs) to provide a wider array of services, but also provide more reliable and consistent service to their more rural and disadvantaged communities. ARC investments have also been important in creating a community of stakeholders in their region and play a role in building consensus about regional economic and community development. The flexibility afforded by ARC funding allows local stakeholders the ability to implement programs that therefore align to regional and state priorities.

Current role of ARC funding

Although a relatively small portion of overall ARC funding, support to the Region's Local Development Districts is a vital element of ARC's overall investment portfolio. The participants all spoke of ways in which ARC funding advances their organizations' economic and community development goals. LDD support allows these organizations to better serve local governments by providing important technical assistance such as grant writing, project development and grant administration. Without these services, many local governments would be unable to undertake these activities in an effective or affordable manner. Several participants from states that do not provide extensive resources to LDDs noted that the ARC funds were instrumental for them to provide a basic level of services given their current staffing levels.

The funding that ARC provides to LDDs also allows them to strengthen their internal capacity. Participants from numerous states noted that their organizations' ability to provide regional GIS (Geographic Information Systems) support was a direct consequence of their ARC funding. In addition, ARC-sponsored events provide opportunities for LDD staff to obtain the professional development and training necessary to do their jobs. This training may include guidance on how to develop competitive federal grant proposals or how to undertake data-driven economic development planning. ARC also provides LDD staff members the opportunity to learn more about emerging issues such as building local food systems or engaging local youth.

In addition to strengthening internal organization, the LDD directors also noted that ARC plays a vital role in building the capacity of the broader communities that they serve. This additional support allows LDDs to provide education and training to their region's local governments to improve their ability to address critical local issues. It also enables them to educate and prepare their local elected officials, so that they can make more informed decisions. These issues have been particularly important in rural localities, where local government and elected officials are stymied by loss of young people that has hurt the region's capacity to transition toward a new generation of leaders.

ARC funding also allows the LDDs to play an important role in promoting regional approaches to development challenges. Its ability to leverage other sources of public, private and philanthropic resources allows LDDs to assemble coalitions that can address broader regional challenges. One participant noted that these coalitions are built not just by bringing partners together for one project, but through hundreds of various ARC-sponsored projects over many decades. As a result, these ongoing investments have created a community of ARC stakeholders. This cumulative effect creates a platform for more easily achieving regional consensus on the nature and direction of regional economic and community development. ARC investments and projects can therefore provide important 'glue' money for promoting regional efforts. One participant noted that in his state there was a trend toward the 'deregionalizing' of economic development efforts in the areas outside of the ARC region, while in the ARC region it was just the opposite.

Impacts of past ARC investments

Participants generally agreed that many of the issues that in the past drove their region and state's ARC investments remained just as important today. For instance, connectivity and road access are critical prerequisites for development, so completing the Appalachian Development Highway System (ADHS) remains an important priority. Similarly, it has been important for financing much of the regional economic development infrastructure such as water, wastewater, industrial parks and access roads.

However, ARC funding has been reduced significantly from what it was in ARC's early history and these relatively more limited resources change the nature of ARC-funded projects. While infrastructure projects remain important, ARC investments have shifted away from large physical infrastructure projects toward a more diversified array of development efforts. For instance, one participant noted that their state used ARC funds to invest in the region's health infrastructure. In the past, this meant large-scale investments in hospitals and health clinics. Investments in strengthening regional health systems continue, but with more limited funding those investments now go into activities related to telemedicine or programs that expand access to basic health services.

The changing nature of ARC investments was not just the result of diminished resources. In some instances, the changing economic environment and a diminished need for newer, greenfield industrial sites led to fewer investments in physical infrastructure and a greater focus placed on expanding planning and technical assistance, enterprise and business development, and workforce training. In other instances, the shifting focus reflects the priorities of the states' governors. One participant indicated that their state had used its ARC funding to support programs related to microenterprise development, but a change in the Governor's office shifted focus toward water and wastewater projects. The ability for ARC funds to reflect evolving state priorities is important to its overall success with state and regional partners.

These shifting priorities can also impact the composition of a region or state's ARC stakeholder group. As one participant explained, the shift away from physical infrastructure projects meant less involvement from local developers, but increased investments related to education and workforce development brought more educators into the coalition. Bringing these entirely new sets of stakeholders into the coalition ultimately broadens the wider ARC stakeholder community. This ever-changing stakeholder group is one of the lasting elements of ARC's legacy in the Region.

Moving forward

Overall the participants noted that the consistency and reliability of ARC funding was important to their ability to serve their region's communities. It allows them to maintain this service and it affords them the ability to find creative ways to successfully address local development challenges.

There was a general consensus among participants that ARC should continue to emphasize ongoing efforts related to infrastructure development and poverty reduction. At the same time there remains a need to balance these efforts with emerging issues that are arising throughout the region. For instance, representatives from Pennsylvania and West Virginia were keenly interested in learning more about unconventional natural gas development (i.e., hydraulic fracturing). Since these types of energy projects are significantly reshaping regional economies in these states, there was interest in learning how to better pursue this development in a way that avoids some of the mistakes or unintended consequences experienced by other extractive industries.

Representatives from states such as New York and Alabama reinforced healthcare and workforce issues as growing in importance and were looking to utilize ARC investments to expand their efforts in those areas. Other participants were also interesting in placing greater emphasis on other non-infrastructure issues related to workforce development, tourism development, and growing local foods systems.

Meeting Attendees

- Eric Bridges, North Central Pennsylvania Regional Planning and Development Commission
- Misty Casto, Buckeye Hills–Hocking Valley Regional Development District
- Michele Craig, Region 2–Planning and Development Council
- Jim Dove, Northeast Georgia Regional Commission
- John Hemmings, Ohio Valley Regional Development Commission
- Rudy Johnson, Golden Triangle Planning and Development District
- Keith Jones, Northwest Alabama Council of Local Governments
- Danny Lewis, Georgia Mountains Regional Commission
- Leanne Mazer, Tri-County Council for Western Maryland, Inc.
- Sherry McDavid, FIVCO Area Development District
- Joe McKinney, National Association of Development Organizations
- Erik Miller, Southern Tier East Regional Planning Development Board
- Dan Neff, Appalachian Regional Commission
- Steve Pelissier, South Carolina Appalachian Council of Governments
- Susan Reid, First Tennessee Development District
- Kostas Skordas, Appalachian Regional Commission
- Richard Zink, Southern Tier West Regional Planning & Development Board

Acknowledgements

The completion of this research project to examine the significant structural and socioeconomic changes to the Appalachian Region since 1965 and to determine to what extent the ARC's economic development investments have contributed to these changes could not have been accomplished without the assistance of many talented individuals working in concert.

The project team included: from the Center for Regional Economic Competitiveness in Arlington, Virginia: Ken Poole, Marty Romitti, Mark White, William Cook, Sarah Gutschow, Brendan Buff, Randall Arthur, and Wen Sun; from the Regional Research Institute at West Virginia University in Morgantown, West Virginia: Randy Jackson, Don Lacombe, Gianfranco Piras, Juan Tomas Sayago Gomez, and Caleb Stair; from the Bureau of Business and Economic Research at West Virginia University: John Deskins, Jane Ruseski, Christiadi, Eric Bowen, Brian Lego, and Patrick Manzi.

We would also like to thank the Appalachian Regional Commission, and particularly Earl Gohl, Kostas Skordas, Julie Marshall, and Keith Witt, for their support, valuable insights and assistance provided over the course of this project. A special thanks as well to Ed Feser, University of Illinois; Henry Renski, University of Massachusetts; and Troy Mix, University of Delaware for their insights, contributions to, and review of various parts of this report.

We also very much appreciated the comments we received and the guidance provided by our research advisory team, including: Ed Feser, Roger Stough, Amy Glasmeier, Elizabeth Mack, Terry Clower, Nichola Lowe, Dave Peters, Matt Murray, Henry Renski, Geoff Hewings, Jim Futrell, Jennifer Zeller, and Jim Held.

Finally, our sincere thanks to those who participated in the state meetings held throughout the Region. Your willingness to share your experiences on the dynamics of change in Appalachia breathed life into the data points and provided invaluable context for our analysis and findings.