2012 Georgia
State Development Plan
Appalachian Regional Commission

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Georgia Department of Community Affairs
Georgia Appalachian Regional Commission Office
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Introduction

The 2012 Edition of the Appalachian Regional Commission (ARC) State Development Plan for the State of Georgia is uniquely designed to confront the most severe "pockets" of poverty in the state's Appalachian region, while simultaneously ensuring that ARC funds are expended in a manner consistent with local and regional plans and service delivery strategies. The ARC plan continues to help manage the impacts of growth and development, while addressing the effects of the economic downturn and continuing to achieve the ARC mission of poverty elimination in the Appalachian region. The Georgia Appalachian Region continues to face unique issues and problems that must be addressed in all new planning efforts. This plan is an attempt to localize the ongoing mission of the ARC to these conditions in the State of Georgia.

This document begins with a brief overview of the Appalachian Regional Commission program and the role this program has in Georgia. Following this introduction is a statistical description of the Appalachian region in Georgia. Using four major categories of descriptive statistics (physical, economic, demographic, and social), a generalized characterization of the region will be devised. Wherever possible, this section will include maps that illustrate key indicators within the four categories of statistics. This section concludes with a brief analysis of the statistics in totality. This will assist in "looking beyond the numbers" when identifying projects to promote economic development in Georgia's ARC region.

After describing the region, this document will present the key challenges and opportunities that have guided this current planning effort. Included in this section are six guiding principles that give focus to the current ARC goals, objectives, and strategies. The plan concludes with a description of the process for implementing the current State Development Plan. This final section will provide a guide for local, regional, and state decision-makers to use as each begins to identify possible ARC projects and investments.

Background Conditions

The Appalachian Regional Commission was created in 1965 in response to a regional economic crisis in the primarily rural region running along the Appalachian mountain range from southern New York State to Mississippi. According to statistics from the ARC, the per capita income for residents in this area during the mid-1960s was 23% lower than the national average. Poverty was a pervasive problem, with one in three Appalachian residents living below the national poverty line. In the 1950s, a mass migration of Appalachian residents began, resulting in two million residents of the area leaving to find work elsewhere. The ensuing crisis indicated by the previously cited factors led to the creation of the Appalachian Regional Commission to address the poverty (and the repercussions of this poverty) that widely afflicted the region. With the enactment of the Appalachian Regional Development Act of 1965, 410 counties, covering areas in thirteen states, now receive annual appropriations of federal dollars to use in economic and social development initiatives. In Georgia, 37 counties became eligible to receive ARC funds through the Georgia Appalachian Commission (See map, page four).

ARC standards classify distressed areas as those that fall in the bottom ten percent on a national index of three economic indicators: three-year average unemployment rate, per capita market income, and poverty rate. This classification system was introduced in the last decade. Previously, counties were classified by absolute factors, rather than relative factors, allowing the total number of distressed counties nationally to fluctuate. In the years leading to 1980, the ARC successfully reduced the number of counties that it classifies as distressed. This was due to a number of factors, including improved educational attainment rates and an economic shift away from agriculture towards manufacturing and service industry. As poverty alleviation and economic development programs increased in size and number throughout the 1960s and 70s, the energy crisis increased the demand for coal mined in the Appalachian region. This led to high employment growth, another factor that accounts for the decrease in distress in Appalachian counties.

In the years following the end of the 1980s, there was a rise in the number of distressed counties due to the impact of declining coal prices, the impact of the Clean Air Act on industry throughout the region, the North American Free Trade Agreement, the lack of real wage growth since 1976, and a reduction, beginning in the 1980s, in poverty and economic development programs. In this same time period, the number of manufacturing and mining jobs in the region declined. The trend in distressed levels in Appalachia is paralleled in the national trends. In 1960, there were 676 distressed counties nationally. This number dropped to 286 by 1980, but was back up to 325 by 1990. The ARC's new county classification system eliminates this volatility in the number of distressed counties nationally. Since the new system designates the bottom ten percent of counties as distressed, there will always be 301 distressed counties nationwide. The dramatic shifts in the U.S. distressed county list affected progress in Appalachia. The factors that drive the changes in national economic trends also affect the Appalachian region. In fact, the economy in this area can be more sensitive to change than the economy as a whole, due to the relative infancy of economic gains in the area. National growth and policy can strongly influence the regional Appalachian economy, forcing local Appalachian empowerment efforts to take constructive advantage of the opportunities afforded them by economic trends.

The ARC Planning Process

A hallmark of the ARC program is its emphasis on intergovernmental cooperation and planning. The ARC is composed of the governors of the thirteen states in the Appalachian region and one federal appointee. This is the group that establishes federal policy goals for the region. At the local level, there are Local Development Districts (LDD), which are the entities that are charged with establishing local priorities and implementing funded projects. In Georgia, the functions of the LDDs are carried out by five multi-jurisdictional planning organizations known as Regional Commissions (RCs).

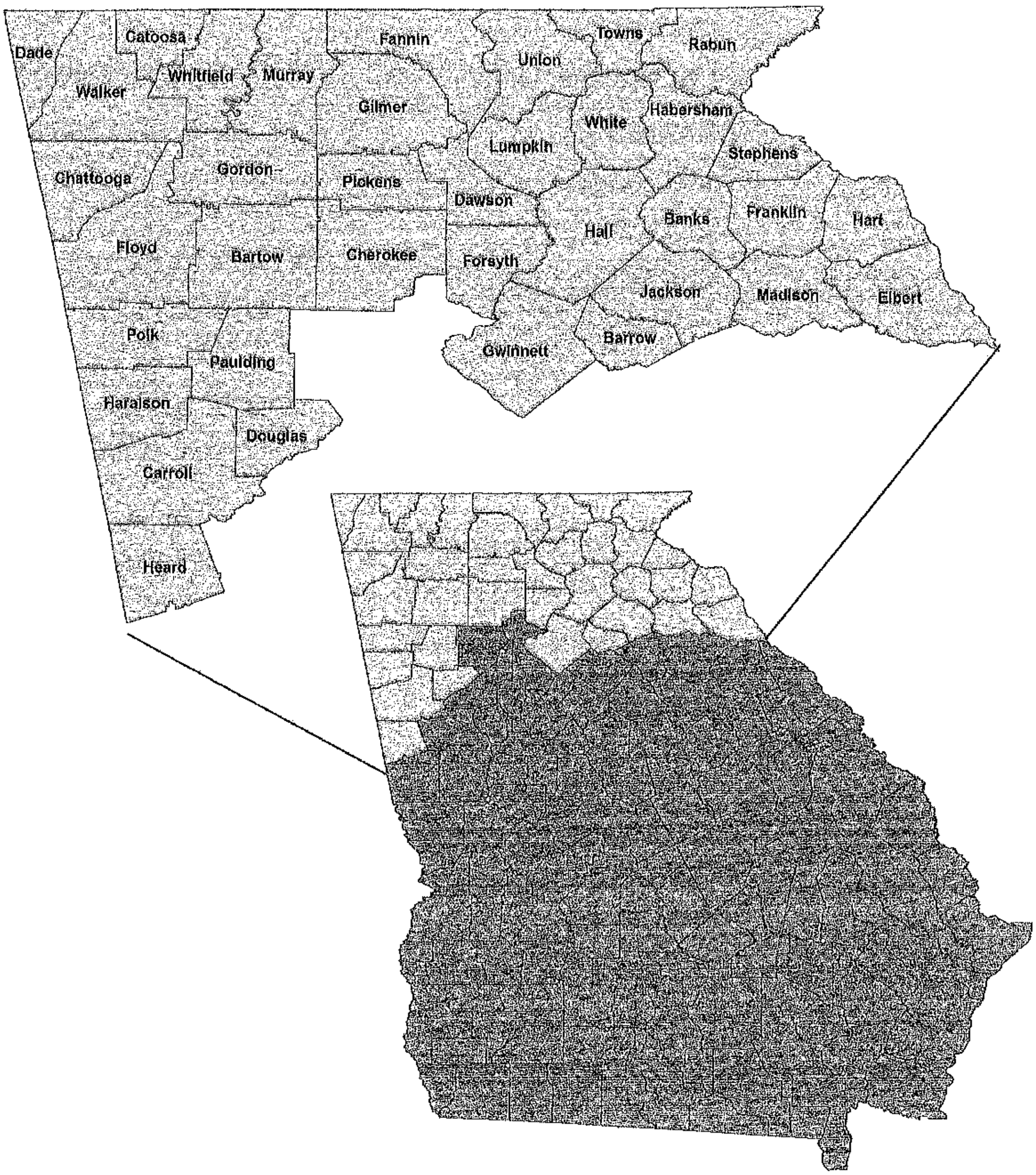
There are twelve RCs in Georgia, consolidated from sixteen former Regional Development Centers (RDCs) in July of 2009. Georgia state agencies use these Regional Commissions for sub-state planning and, in some cases, service delivery. The boundaries of five (formerly six) of these regions are in the ARC region of north Georgia.

Region I is the Northwest Georgia Regional Commission; Region II is the Georgia Mountains Regional Commission; Region III is the Atlanta Regional Commission; Region IV is the Three Rivers Regional Commission; and Region V is the Northeast Georgia Regional Commission. Regions III, IV and V are only partly in the ARC region.

Leadership from the Appalachian governors provides the crucial link between the LDDs and the federal ARC organization. When a new governor is elected within the Appalachian region, the state is required to prepare and adopt a State Development Plan that details the state's specific goals and objectives in the Appalachian region for the tenure of the new governor's administration. This plan details the goals and objectives for ARC projects to be funded during the administration of Governor Nathan Deal.

To implement this State Development Plan, the Governor's Office, in conjunction with the Georgia Department of Community Affairs (DCA), will work to develop an annual strategy statement, a document that details the specific investment priorities for the upcoming fiscal year. DCA will also provide administrative and technical support to the RCs (acting as LDDs) and local governments that wish to develop and implement ARC projects.

Georgia's ARC Counties



Trends in Georgia's Appalachian Region

Considerable growth and economic progress have taken place in the 37 Appalachian counties of Georgia since the ARC program began in 1965. At that time, Appalachian Georgia was primarily a rural agrarian area, perceived as having limited potential for development. This has changed, however, due in part to the investments made in the area by the ARC. Much remains to be accomplished, of course. Because of the enormous amount of diversity that exists in the region, there are great discrepancies in the level of progress that has been achieved across the region. This has led to pockets of poverty in which major and, for the most part, unique problems exist that must be addressed and resolved.

The 37 counties of the Appalachian region, while having a great deal in common, also exhibit a great deal of diversity. Several counties in the region experienced significant economic growth from 1990 – 2007, but have recently suffered dramatic losses due to the recession. Whitfield County, with its county seat, Dalton, is known as the carpet capital of the world. More than 80 percent of the U.S. carpet and rug market is produced by mills located within a 65-mile radius of Dalton, Georgia, which amounts to an estimated $8 billion in business activity. However, the carpet industry has undergone a dramatic restructuring as a result of the 2007 recession, resulting in increased unemployment in the area. In response, Whitfield County is seeking to attract and retain advanced carpet manufacturers and diversified industry. Recent ARC and EDA investments in Whitfield County will bring access roads as well as water and sewer infrastructure to the new Carbondale Business Park, and improvements to roadways serving a major industrial area and a new advanced carpet manufacturing facility. In Hall County (considered the poultry capital of the world), poultry production has been elevated to the level of big business. In addition to poultry production, Hall, along with Dawson and Forsyth Counties, borders Lake Sidney Lanier, a reservoir for water supply, flood control, and power generation, which is also a major tourism and recreational attraction. Cherokee County contains Interstate 575 and has experienced burgeoning residential growth in its southern region, although this has slowed due to the recession. Such growth and development can be seen all along the I-575 corridor and around cities such as Woodstock and Canton. Large residential and commercial developments to the east and west of 575 will certainly have an impact on the future growth patterns of Cherokee County. Dawson and Forsyth Counties have, in recent years, developed as booming bedroom communities for the Atlanta metropolitan area. As a result, speculative development has taken place with construction of massive office parks and light industrial parks along the Georgia 400 corridor north of Atlanta and the I-85 corridor through Gwinnett, Jackson, Banks, Franklin, and Hart Counties. In Jackson County, construction of a local access road along I-85 will result in a $30 million private investment from new businesses. Economic growth is also occurring in areas in proximity to the I-85 corridor in the City of Jefferson where a new retail and distribution business invested $14 million in a new facility at this location. Douglas County, with Interstate 20 running through its east to west width, has seen strong growth as well. Although Douglas County has traditionally been seen as another bedroom community to Atlanta, the rapid growth has also brought a substantial number of jobs, which has led to a significant percent of the county's residential population working within the county. Gwinnett County, containing Interstate 85, has been experiencing exponential growth over the past 25 years, so much that the county is looking for ways to better use current infrastructure and land development patterns. Much of the county's effort has centered on the redevelopment of areas that are starting to see decline in both residential and commercial development, primarily found in the southwest portion of the county.

On the converse side of this economic boom are areas of the region that have not been fortunate enough to have economic growth. Local and regional governments have been working to respond to job losses and create more opportunities for their citizens. In early 2006, Fruit of the Loom decided to close its factory in Rabun County, leaving 930 people without jobs. In response to the loss of its largest employer, with assistance from ARC, Rabun County began an aggressive strategy to acquire, refurbish, and convert the entire facility into a first-class manufacturing, distribution, and office park. The new Rabun County Business Park includes the adaptive reuse of this 950,000 square foot manufacturing facility, along with over 20,000 square feet of office space and 96 acres of additional property for new build-to-suit facilities. Similarly, Fannin County lost three of its top five non-governmental employers in the first half of the last decade and, due to the recession, saw a dramatic decrease in the market for vacation and weekend homes, previously a large source of revenue. The county has responded by conducting an economic development feasibility study and by creating an ARC-funded Workforce Development and Business Resource Center.

Several of the region's other counties are emerging as economic centers and have experienced significant development activity. On the western portion of Georgia's Appalachian region are Bartow, Catoosa, Gordon, and Paulding Counties. Interstate 75 passes through Bartow, Catoosa and Gordon Counties and is a contributing factor to economic development activities within the three counties. Paulding County owes its recent increased economic activity to its proximity to the growing Atlanta metropolitan area, especially the non-ARC member Cobb County. Dawson, Lumpkin, White, Habersham, Stephens, Franklin, Banks, Jackson, and Barrow Counties, located in the eastern portion of the region, have all shown significant increases in economic activity. Georgia Route 400, the original Appalachian corridor constructed in Georgia, passes through a number of these eastern counties and has been an essential factor in the emerging economic development activity. Jackson County recently announced a new Toyota parts factory that will employ 320 people in Pendergrass beginning in 2013. The plant will be located near a related Toyota plant that opened in 2004.

Recent years have brought an increase in educational opportunities in Appalachian Georgia. The North Georgia College Appalachian Technology Center was established in Lumpkin County, and a branch campus of North Georgia Technical College was built in Stephens County. In addition to any economic and employment potential these two institutes may have brought, there are enormous educational benefits and potential for the established residents of these counties. The Georgia Appalachian Center for Higher Education was established in 2006 to encourage at-risk students to graduate and continue their education beyond high school. High school graduation rates have improved dramatically since then. As a part of a statewide restructuring of the University System of Georgia, a planned consolidation of Gainesville State College and North Georgia College & State University will affect campuses in four Appalachian Counties: Lumpkin, Hall, Forsyth, and Barrow. It is not yet clear what effect this consolidation will have on educational opportunities in the region.

Multiple efforts are underway to establish and expand broadband internet connection throughout the region. The North Georgia Network (NGN) serves an eight-county area of more than 334,000 people in Dawson, Forsyth, Habersham, Lumpkin, Rabun, Towns, Union, and White Counties. The NGN is a redundant, open-access fiber-optic broadband network that will provide robust and reliable broadband resources for community anchor institutions including schools, universities, hospitals, government agencies and for expanded economic development. The North East Georgia Network, which serves Hart, Franklin, Stephens, Banks, Habersham, and Rabun counties is developing plans to interconnect with the North Georgia Network. The Appalachian Valley Fiber Network (AVFN) is a public-private partnership designed to bring a middle-mile fiber network to 12 counties across the lower Appalachian Valley in northwestern Georgia and eastern Alabama. Most of the community anchor institutions located in the area report either inadequate access to broadband or a lack of affordable, high-capacity service from existing providers. The project will also connect schools, hospitals, and public safety providers, as well as technical colleges. The project will allow 144,000 households and 8,300 businesses to connect to high-speed internet.

Many of Georgia's Appalachian counties have significant scenic or historic venues and have experienced an influx of tourism or tourism potential. Camping, hiking, and biking attract new visitors each year. Other attractions include the arts, crafts, and cultural history of the Appalachian communities. Fannin County contains Lake Blue Ridge and several other designated recreational areas. Also, most of the Cohutta Wilderness area is located within the county. Union County is known as a mountainous area and contains significant scenic attractions, including Neels Gap, Lake Winfield Scott, Vogel State Park, and Lake Nottely. All of these sites have attracted both tourists and second home development. Portions of the Appalachian Trail pass through Towns County, which is home to the highest point in Georgia, Brasstown Bald Mountain. The cities of Young Harris and Hiawassee and the surrounding area have experienced unprecedented second home development, particularly in the area that overlooks Lake Chatuge. Private second home developments, lodges, motels, convention centers, and other overnight facilities have only added to the tourism boom in the region. In order to protect these scenic attractions, a number of counties are implementing development regulations. For example, in 2002, Fannin and Gilmer County implemented Mountain Protection Regulations. White County joined them in 2005. These types of regulations are intended to protect these areas for their sheer beauty and for the potential economic development they may bring through tourism.

Tourism, enhanced by scenic mountains, beautiful rivers, unique downtowns, and agritourism, especially apple orchards, is an increasing component of economic development along the Hwy 515 corridor. Ellijay in Gilmer County and Blue Ridge in

Fannin County both offer inviting downtowns, and are currently boosting area tourism, which provides opportunities for unique restaurants and shops, as an economic development draw.

In addition, the last several years have seen an increased consumer and producer interest in locally grown foods in Northwest Georgia. A 2011 ARC grant is funding a partnership between the Appalachian Sustainable Agriculture Program (www.buyappalachian.org) and the Regional Commissions in North Georgia to assist local growers to list their produce on a Georgia portal of ASAP's online local food guide.

The region contains numerous other examples of tourist destinations. Chateau Elan, a large vineyard producing quality wines, is located in Jackson county (a portion of the winery is located in Barrow County). The winery is a major tourist attraction and has the potential of becoming even more attractive to tourists. Nestled in the heart of the Blue Ridge Mountains is a rapidly emerging wine growing industry. The red clay soil in North Georgia is similar to the "terra rosa" soil in Italy's wine country and provides good oxidation. Good soils, combined with the region's topography and elevation make North Georgia an ideal place for growing wine grapes. The wine industry has now spread to west Georgia and the newly formed Vineyard and Winery Association of West Georgia has over 140 members. Winery development is being combined with other tourism activities such as dining, lodging, and outdoor events. Rabun County was one of the first Appalachian counties to develop its tourism potential. Sky Valley, once a ski resort, is now a chartered municipality. Lake Burton, Rabun Beach, Tallulah Falls, and Tallulah Gorge all provide excellent tourism opportunities. The City of Helen in White County, which attracts over two million visitors per year, in addition to being a year-round mountain retreat, hosts an Oktoberfest each year. This festival capitalizes on both the city's alpine village theme and the natural beauty of the area. Habersham County has experienced increased tourism and development activity. The City of Clarkesville has made its appearance more attractive through a downtown development/revitalization project that aims to add charm to the center of town and attract additional tourists. The downtown square is now used for arts and crafts shows on a regular basis. Many retirees have moved into the county establishing permanent residency. Similar downtown revitalization projects have been implemented or completed in several other Appalachian municipalities: Blue Ridge (Fannin County), Jasper (Pickens County), Ellijay (Gilmer County), Buchanan (Haralson County), Summerville (Chattooga County), and Dahlonega (Lumpkin County). In Lumpkin County, the city of Dahlonega was the site of the first gold rush in the United States. Each fall, Dahlonega holds "Gold Rush Days," which attracts tens of thousands of visitors from all over Georgia and surrounding areas. Significant commercial development has also occurred in the area. The county also contains DeSoto Falls, which attracts hikers and overnight campers. The North Georgia region has similar tourism potential that remains largely untapped, with a vast amount of forest area, including Fort Mountain, the Cohutta Wilderness area (largest designated Wilderness Area east of the Mississippi), and Lake Blue Ridge. There have been recent discussions of possible resort construction or conference centers on Lake Blue Ridge, as well as in Pickens and Gilmer Counties.

A drive to preserve the historical heritage of the region has been recently initiated. One example of this is seen in Whitfield County. Although the county is noted for its carpet production, it is the site of a Civil War battlefield. The county, in conjunction with the Northwest Georgia Regional Commission, has begun a program to restore the site and make it open to the public as a historical site. Another example is the ARC supported Chickamauga Campaign Heritage Trail Driving Tour, which is expected to draw a significant number of tourists from the ½ million annual visitors to the Chickamauga National Military Park. Efforts also are underway to redevelop the underutilized historic corridor of US Highway 27 through historic Fort Oglethorpe, north of the Chickamauga Battlefield, to attract Park visitors and highlight both Park and Fort history.

In northern Carroll County, the City of Villa Rica has purchased the 1826 Stockmar Gold Mine, and is slowly developing this site for mine tours and panning. The Pine Mountain Gold Museum at Stockmar Park is open to the public for tours. Also in Villa Rica, an annual Thomas Dorsey Festival honors the "Father of Gospel Music." This festival is part of a larger effort to promote the region's African American resources. The Thomas Dorsey Choir performed at the dedication of the freedom riders memorial in downtown Villa Rica. Also in Carroll County, the new Banning Mills executive retreat opened a Tree Canopy Tour over and through Snake River Gorge, as one of the longest and highest canopy lines in the world. The property is 45 miles west of Atlanta and is one of two such developments underway at the ruins of historic Banning Mills. The Zip Line Tree Canopy tour at Historic Banning Mills has been open for a few years and is very popular both locally and regionally. They also recently added the world's tallest free standing climbing wall. Both Carroll County and Heard County are part of the Southern Quilt Trail with plans to build the Southeastern Quilt Museum in Carrollton.

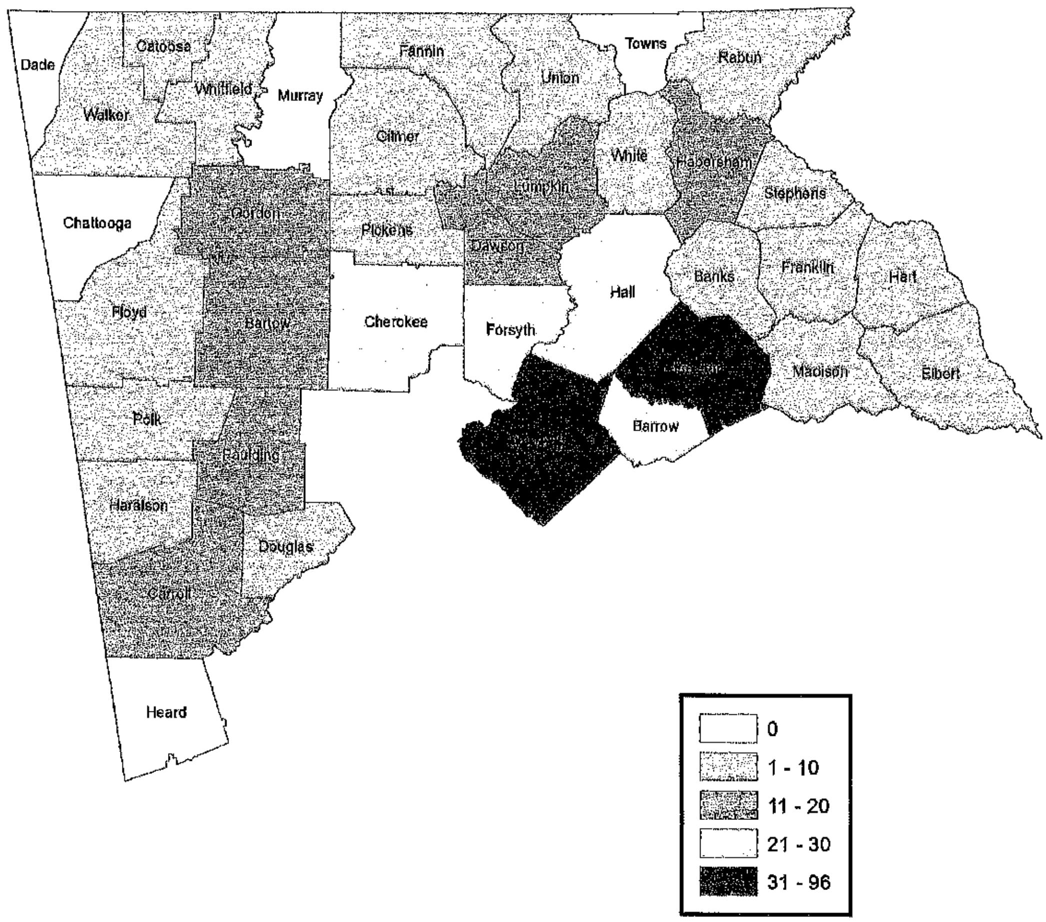
In conjunction with the Georgia Mountains Regional Commission (LDD), Union County has established a Byron Herbert Reece Society to preserve the Farm where Georgia's Poet Laureate wrote most of his work. White County is preserving the 100 year-old Hardman Farm as a working farm for tourists to visit, along with the African American Heritage Site which preserves a slave cabin built in the early 1800s. Rabun County established the Georgia Heritage Center for the Arts near Tallulah Gorge. The center benefits the entire region by providing a gateway into Appalachia and directing visitors to identified cultural sites. All of these sites have benefited from ARC funding under the ARC Asset-Based Development Initiative.

Many of the cities in this region are working toward (or already are) a Main Street designation through the Department of Community Affairs (DCA), and many programs deal with preserving historic structures. According to the Georgia Trust for Historic Preservation, preservation efforts have increased throughout the region. This regional effort is also drawing tourists to the original downtowns in the more metropolitan counties of Cherokee, Douglas and Gwinnett.

To better illustrate development across Georgia's Appalachian region, Development of Regional Impact (DRI) activity should be explained and examined. DRIs are defined as large-scale developments that are likely to have effects outside of the local government jurisdiction in which the development is located. The Georgia Planning Act of 1989 authorized the Department of Community Affairs to establish procedures for intergovernmental review of these large projects. These review procedures seek to improve communication between affected local governments to provide a means to reveal and assess potential impacts of these developments before conflicts relating to them arise. The process permits comment from other jurisdictions, but maintains local government autonomy since the host government makes the final decision. Certain types of development in designated areas of the state have different thresholds above which the development is subject to DRI review (as it will impact a region beyond the borders of the host jurisdiction). On page eleven is a map of the DRIs in the ARC region. Clearly, the focus of development in the region is related to what occurs in the Atlanta metropolitan area, which has a major impact on the entire Appalachian region in Georgia. The largest single Development of Regional Impact submitted to the State of Georgia was planned for southeast Carroll County. The proposed Wolf Creek development was projected to add 20,000 new housing units and 6 million square feet of offices, businesses and industry by the end of the development's 30-year build out, essentially creating a new city in the Appalachian region. However, due to the recession and other factors, the project has not moved forward.

In an effort to encourage local planning in Georgia, the Georgia Planning Act was adopted in 1989. Growth strategies were structured to begin with local government plan preparation, proceed to regional plans (developed and implemented by RDCs, now RCs) and then proceed to the state level plan. Each plan level is designed to build on the previous level. The Department of Community Affairs certifies these plans, which allows certified local governments to participate in several grant programs administered by DCA. Participation for local governments is 98 percent. As these local plans are aggregated into regional plans and then into the State strategy, the impact of the Georgia Planning Act of 1989 and the growth strategies it employs will be fully realized.

Developments of Regional Impact in Georgia's Appalachian Region



Source: Georgia Department of Community Affairs
Map prepared by: Georgia Department of Community Affairs, 2012

Physical Influences

Georgia's entire Appalachian region is within a day's drive of the Atlanta metropolitan area. This close proximity to the metro area (large sections of Gwinnett, Forsyth, Cherokee, and Douglas counties actually are considered part of the "built-up" Atlanta area) is probably the single most influential factor causing growth and the repercussions of this growth. Over the previous decade, this unprecedented growth has affected the Appalachian region of Georgia in significant ways and will undoubtedly continue to affect the region well into the future.

The Atlanta metropolitan region and specifically the counties of Cherokee, Douglas and Gwinnett are working to address the negative impacts of growth through a number of initiatives that include encouraging traditional neighborhood development and conservation subdivisions, linking school siting to land use and creating mixed income and mixed use communities. In the past twelve years, these counties have increased planning efforts so that communities begin to provide a better link between transportation improvements and land use development through the Livable Centers Initiative. This program promotes quality growth by encouraging greater mobility and livability within existing centers and corridors.

Major transportation corridors provide fast and easy access between the various parts of the region and the Atlanta area. With such transportation routes available, many Appalachian counties, such as Hall, Forsyth, Cherokee, Bartow, Gwinnett, Paulding and counties further north have become desirable places for those who work in Atlanta to reside. This has led both to the expansion of the Atlanta metro area to include the major employment centers north of Interstate 285 and to a population boom in the area. In fact, Cherokee County has been transformed from a rural agrarian community to a booming suburb of Atlanta. Also, Gwinnett County continues to be one of the metro area's leaders in major new developments and redevelopment of existing commercial centers. This significant growth in employment and population slowed in the recession, but is expected to resume and continue well into this decade and beyond, spreading further north as it grows, directly affecting both neighboring and nearby Appalachian counties. The small City of Villa Rica, 30 miles west of Atlanta on I-20, is expected to nearly triple in population by year 2025, from around 12,700 to nearly 35,000 persons.

Both Georgia 400 and Interstate 575 have permitted the Atlanta metropolitan area to expand into the central portion of the Appalachian region of Georgia. Additionally, the expansion of the Appalachian Highway (U.S. 76) to four lanes has stimulated development in Fannin, Pickens, and Gilmer Counties. Other major transportation growth corridors in the Appalachian region are Interstates 75, 85, and 985, along with U.S. 441 and GA 316, all of which have helped to stimulate growth and development to varying degrees in adjacent municipalities and counties. Additionally, Georgia has designated US 441 and US 27 as the first alternative tourism routes in the state, to be promoted in state tourism literature and with new State welcome centers 20 miles south of Tennessee and 20 miles north of Florida. As the revitalized US Highway 27

Association continues to gain momentum, the US 27 route through western Georgia will drive both tourism and economic development in Appalachian Georgia.

Other middle-sized municipalities in the Appalachian region will continue to promote growth in surrounding areas. The municipalities and counties near Rome, Dalton, Gainesville and Athens (which is not in the Appalachian region, but its growth directly affects Appalachian communities) have experienced to varying degrees residential and/or employment growth during the past fifteen years that uniquely affected the region and will continue to do so in the future. In Forsyth and Hall Counties, the increasing popularity of Lake Lanier has also acted as a catalyst for growth in adjacent areas.

Georgia's Appalachian region will feel the effects of the Clean Air Act on the development and growth of new and existing transportation and industrial systems. This can be seen most clearly in the portions of the region that lie in the Atlanta metropolitan area. The loss of Federal road funding due to non-compliance with clean air standards will cause the slowing of transportation and industrial construction and improvement. This could possibly slow the outward expansion of Atlanta and the massive development potential into more northern counties of Appalachian Georgia. The Governor's Georgia Regional Transportation Authority (GRTA) was created to address these compliance issues by examining air quality improvement. One of the duties granted to this entity is the authority to intercede in areas that are not taking the appropriate measures to improve air quality in the region. While GRTA has jurisdiction over only five of the Appalachian counties (Cherokee, Douglas, Forsyth, Gwinnett, and Paulding) the impacts of its actions will be felt throughout north Georgia. Although it is difficult to evaluate whether development throughout north Georgia is increasing or decreasing as a result of GRTA, the effects are certain to be complex and long-lasting. Only time will permit an accurate assessment of its impacts on Appalachian communities and residents.

Intense growth has also impacted water resources. The Chattahoochee River originates in White County and flows south through the Atlanta area and supplies much of the water to the surrounding communities that line its banks. In recent years, Georgia, Alabama, and Florida have been in conflict over the use of water from the river, and negotiations over water rights are ongoing. Among the issues being negotiated are how much water can be drawn from the river by each of the states and how much waste can be deposited into the river. These issues are critical to the growth and development of the communities that depend on the river. Though a June, 2011 Appeals Court ruling determined that drinking water is an intended purpose of Lake Lanier, it also charged the Army Corps of Engineers with the task of determining how much Lake Lanier water the Atlanta region has a right to use, by balancing the region's interests with downstream industrial, agricultural, and environmental interests. The Georgia Appalachian region could be impacted by any restrictions on water use. Recent drought conditions have resulted in restrictions on water use in the entire state. Potential impacts include reduced availability of water for industrial use, restrictions on outflows, restrictions on permitted pollutants, and the construction of new water reservoirs in the region. As the region struggles with this issue in the coming years, it will become increasingly important to use this precious and limited resource in a manner that will provide the most benefits in the most effective way.

Demographic Factors

Between 2000 and 2010, the population of the Appalachian region of Georgia grew 32.9 percent compared to 18.3 percent growth for the state as a whole. The tremendous growth in the region has added to both the challenges and opportunities within the region. From 2000 to 2010, ten of the thirty-seven Appalachian counties were among the twenty fastest growing counties in the state. These counties are Forsyth (1), Paulding (2), Cherokee (5), Barrow (6), Jackson (7), Douglas (8), Lumpkin (10), Dawson (13), Gwinnett (18), and White (19). Although the population growth in the Appalachian region has been remarkable, it is important to take into consideration that in addition to experiencing rapid growth, many of the same counties were already highly populated prior to the year 2010. As a result, by the year 2010, six of the top twenty most populous counties in the state were located within the Appalachian region: Gwinnett (2), Cherokee (7), Hall (11), Forsyth (12), Douglas (16), and Carroll (20).

Conflicts have developed in some parts of the Appalachian region where unprecedented growth has occurred over the previous decade. New residents in these communities may request services and facilities that have not been provided previously but were available in areas of previous residence. Although the newer residents in the area request these services, the revenues used to fund these services are gathered from both existing and new residents. Another potential conflict arises from the enactment of land use regulations. Often, the communities' new residents will request that these types of regulations be enacted to protect newly acquired residences or businesses, while existing residents find land use controls contrary to their basic beliefs regarding land ownership. These potential conflicts have created some special issues for local governments in the region, especially in areas of population booms due to the outward expansion of the Atlanta metropolitan area. These issues must be dealt with in a manner showing care and sensitivity for both new and existing residents' needs and opinions. Jackson County is one county that is experiencing this type of rapid development. One result is renewed and collective interest in improving cultural resources for expanded use. Several ARC assisted projects are planned or recently concluded, including rehabilitation and reuse of the historic county courthouse, improvements to the Crawford W. Long Museum, and a self-guided interpretative program installed at the Shields-Ethridge Heritage Farm (http://shieldsethridgefarminc.com) that tells visitors the story of an Appalachian farm.

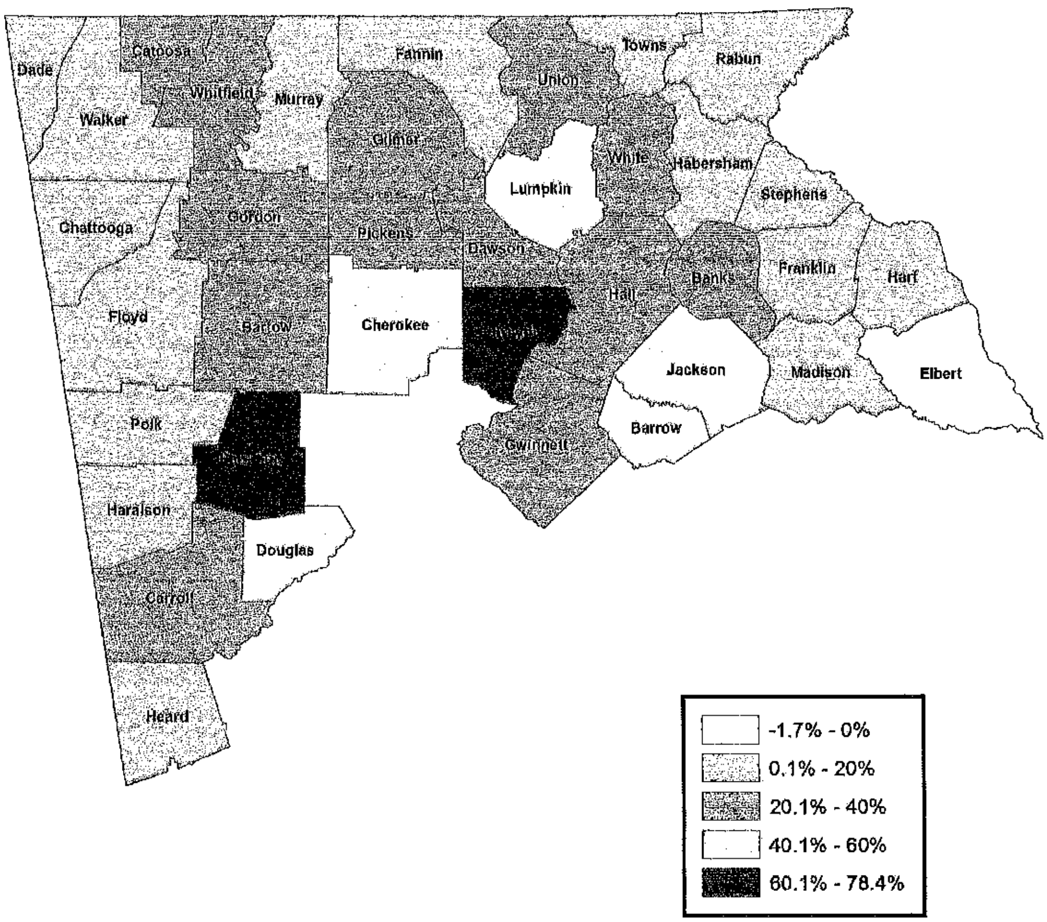
A strong surge of second home development has occurred in the region over the past twenty years. Second home owners may only live in the region for weekends or certain times throughout the year, but these part-time or seasonal residents create additional demands and requirements for local government services. Significant second home development has been occurring throughout the region, even in the more isolated areas, such as Gilmer and Fannin Counties. The beauty and serenity of Appalachian Georgia have led to a strong influx of retired persons from all regions of the United States. Counties in the north central and northeast sections of the region, such as Fannin, Union, Towns, Rabun, Stephens, and Hart, have seen large increases in the number of retirees settling there in recent years. For example, the 2010 population of those 65 and up in

Towns County is 29.2 percent of the total population, while in Union County, the 65 plus population is 26.6 percent of the total population. The 65 plus population for the state as a whole is only 10.7 percent. With a high concentration of older residents, some counties in the region are facing additional concerns, which are a result of the special needs of those 65 and older.

For Cherokee, Douglas and Gwinnett counties, an aging population combined with land uses not compatible with the needs of persons over 65 has become a top priority. These counties are now planning for development that meets the needs of the aging population. Such planning requires collaboration between local government officials, builders/developers, architects and public and private organizations in order to achieve livable communities for the aging population.

Population Growth Rate

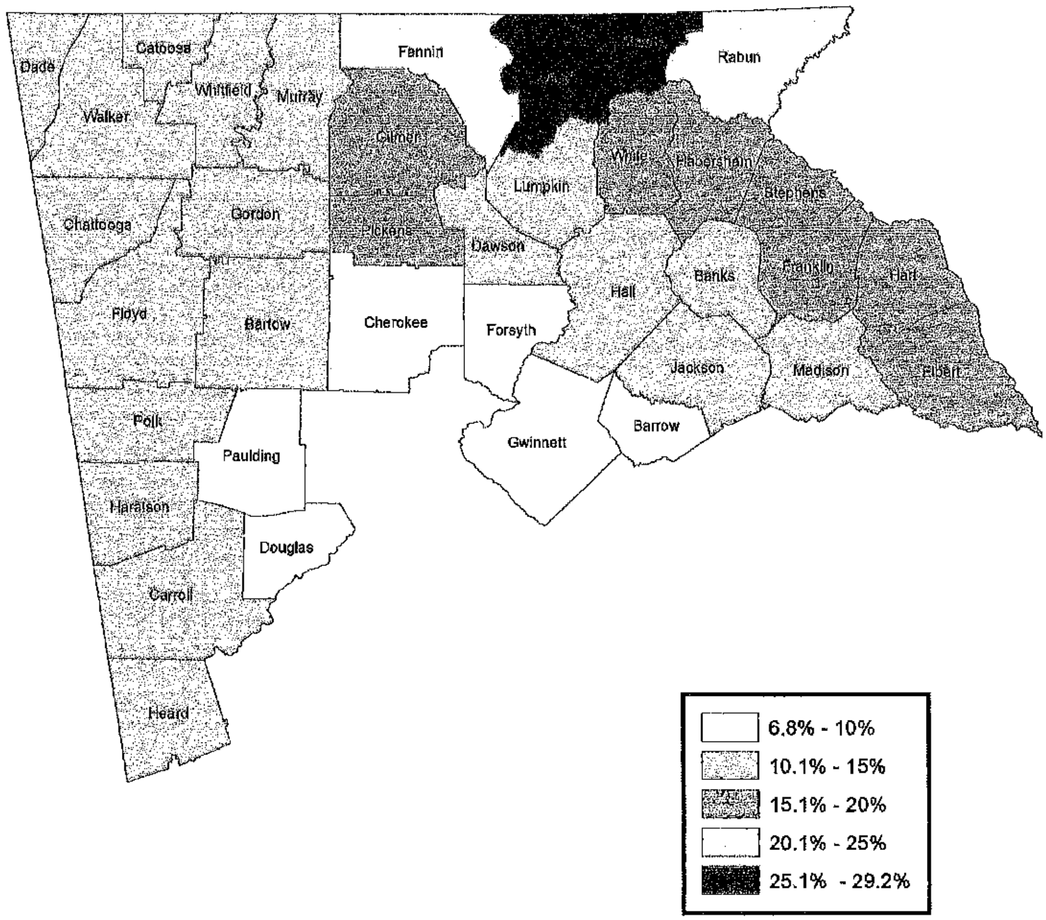
2000 - 2010



Source: U.S Census Bureau, Decennial Census 2000 and 2010, SF1
Map prepared by: Georgia Department of Community Affairs, 2012

Percentage of Population 65 and Over

2010



Source: U.S Census Bureau, Census 2010, SF1
Map prepared by: Georgia Department of Community Affairs, 2012

Economic Factors

Manufacturing, particularly in textiles and apparel, has historically been the mainstay of the Appalachian economy in Georgia. Many of the counties in the Appalachian region of Georgia have more companies in textile manufacturing than in any other industrial category. Even today, the carpet and rug industry is the fifth largest industry in Georgia However, this component of the region's economy has suffered from instability, with textile jobs migrating overseas or being lost due to the recession's negative effect on the housing industry and the resulting decrease in demand for carpet. The carpet industry is currently retooling, with manufacturing processes becoming automated, and products becoming more environmentally friendly and diversified into hardwood and other floorcovering options. Textile mills such as Mount Vernon Mills, one of the last functioning cotton mills in America and the nation's No. 1 producer of denim, continue to hold their ground. The region's economic base has slowly been diversifying, with steady gains being made in the retail and service industries. However, the jobs these industries provide do not pay as well as the manufacturing jobs that have been lost. In response, many workers who were laid off are gaining certification for in-demand fields by taking advantage of workforce training offered by the Georgia Department of Labor and the Workforce Investment Act through the Technical Colleges of Georgia. The need for a trained workforce continues, as new skills are needed for emerging diversified industries. Agriculture has continuously declined in importance within the region with the exceptions of poultry raising/production, apple growing and wine grape growing. The poultry industry has grown in size in Appalachia, especially in the Hall County area.

Tourism has become a component of the economy in Appalachian Georgia with strong potential. The scenic areas of Fannin, Gilmer, Pickens, Union, Towns, Rabun, and White Counties are expected to expand and continue to benefit from the increasing influx of tourists in future years. The tourism industry also is benefiting from the outward growth of metropolitan Atlanta. Improved highway access to these growing tourist areas has facilitated easy day or weekend trips from the Atlanta area and other neighboring states. The ARC/National Geographic mapping project (the Geotourism MapGuide to Appalachia) has also provided a boost to the region.

Hall County has been in a state of recovery for the last year with new and expanding businesses creating jobs and injecting valuable private investment into the local and regional economy. Employment patterns in both manufacturing and healthcare related fields have bolstered job growth and served to offset losses in the housing/construction industry. A few examples include ZF WindPower, LLC, a manufacturer of wind energy turbines, which created 225 jobs at a private investment of $100 million at its 250,000 square foot facility in the Gainesville Business Park; King's Hawaiian, a bread manufacturer and distributor, expanded operations and created 120 new jobs; and a new hospital facility has located on the southern end of Hall County

The eastern part of the region saw a boom in development of the healthcare industry. In addition to the new hospital in Hall County, a new 144,000 square foot, 56-bed hospital is under construction in Lavonia, Franklin County, Georgia, along with a new

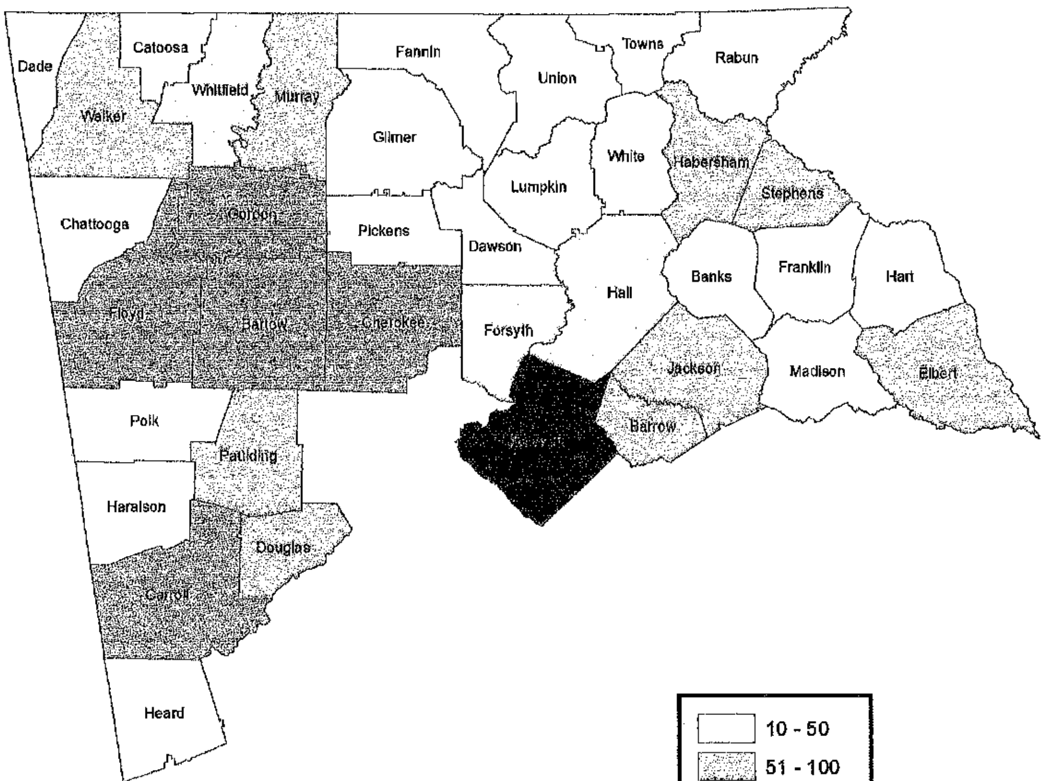
Medical Office Building. ARC helped provide water and sewer service to the new hospital. A combined $90 million is being invested and will support 50 new jobs and retain 300 jobs. The hospital will generate direct economic benefits resulting from the high-paying medical professional jobs and increasing medical services to a growing and underserved population.

Economic opportunity from these and other industries have provided jobs for many in the Appalachian region of Georgia, but unemployment due to the recession has hit Appalachian Georgia hard – harder, in fact, than the nation as a whole or the Appalachian region as a whole. The unemployment rate for the Appalachian Georgia is 9.9% (based on the ARC's 2010 figures). 27 of Appalachian Georgia's 37 counties have unemployment rates higher than both the national average (9.6%) and the ARC average (9.7%). In 2005 only four Appalachian Georgia counties had unemployment rates higher than the ARC average. The highest unemployment rates in the region are in Elbert (13.6%), Heard (12.5%), Gordon (12.4%), and Rabun (12.2%) Counties. At the other end of the scale, Banks (7.3%), Catoosa (8.0%), Forsyth (8.2%) and Madison (8.4%) Counties have the lowest rates in Appalachian Georgia. It is important to note that the best 2010 county unemployment rates in Appalachian Georgia are worse than even the worst rates listed in the 2008 State Development Plan. Elbert County's 2005 Unemployment rate of 7.0% was then the region's highest. This is a clear illustration of the toll exacted by the current economic downturn.

Four of the Appalachian Counties rank in the twenty top counties in the state (out of 159) in terms of per capita income: Forsyth (13), Towns (17), Paulding (18) and Cherokee (20). Conversely, Chattooga slipped a little further into the bottom twenty counties in per capita income, at number 152. Chattooga became an ARC Distressed County in 2012 and remains so for 2013. Of all the ARC counties in Georgia, only Forsyth has a per capita income greater than the state average and none exceeds the national average. Another important indicator for determining the economic stability in Appalachian Georgia is per capita market income. Although it is closely related to per capita income, per capita market income is "total personal income less transfer payments (including retirement disability insurance benefit payments, medical payments, income maintenance payments, unemployment insurance benefit payments, veterans benefit payments, and other such payments) and divided by population" (Appalachian Regional Commission). This indicator can be a useful resource for determining the total amount of work related income that is earned in ARC counties. The per capita market income for counties in the ARC region of Georgia in 2009 range from a high of $32,990 (100.9% of the United States average) in Forsyth County to a low of $14,625 (44.7% of the U.S. average) in Chattooga County. In most of the region's counties, the per capita market income is significantly lower than the U.S. per capita income. In fact the per capita market incomes of the middle 50% of Appalachian Georgia counties are between 61.3% and 73.9% of the U.S. per capita market income. A possible explanation for this discrepancy is a more substantial reliance on transfer payments in these counties than in other counties, both within the region and throughout the U.S.

Manufacturing Facilities

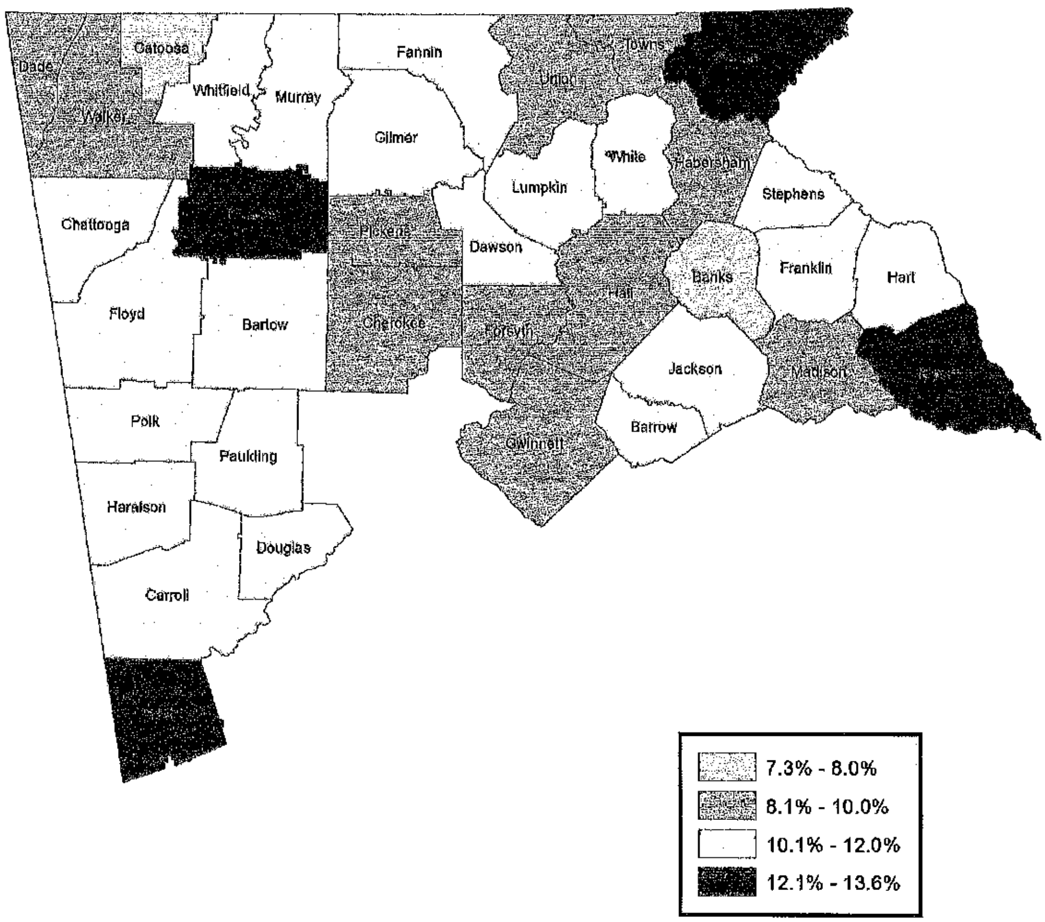
2009



Source: 2009 County Business Patterns
Map prepared by: Georgia Department of Community Affairs, 2012

Unemployment Rate

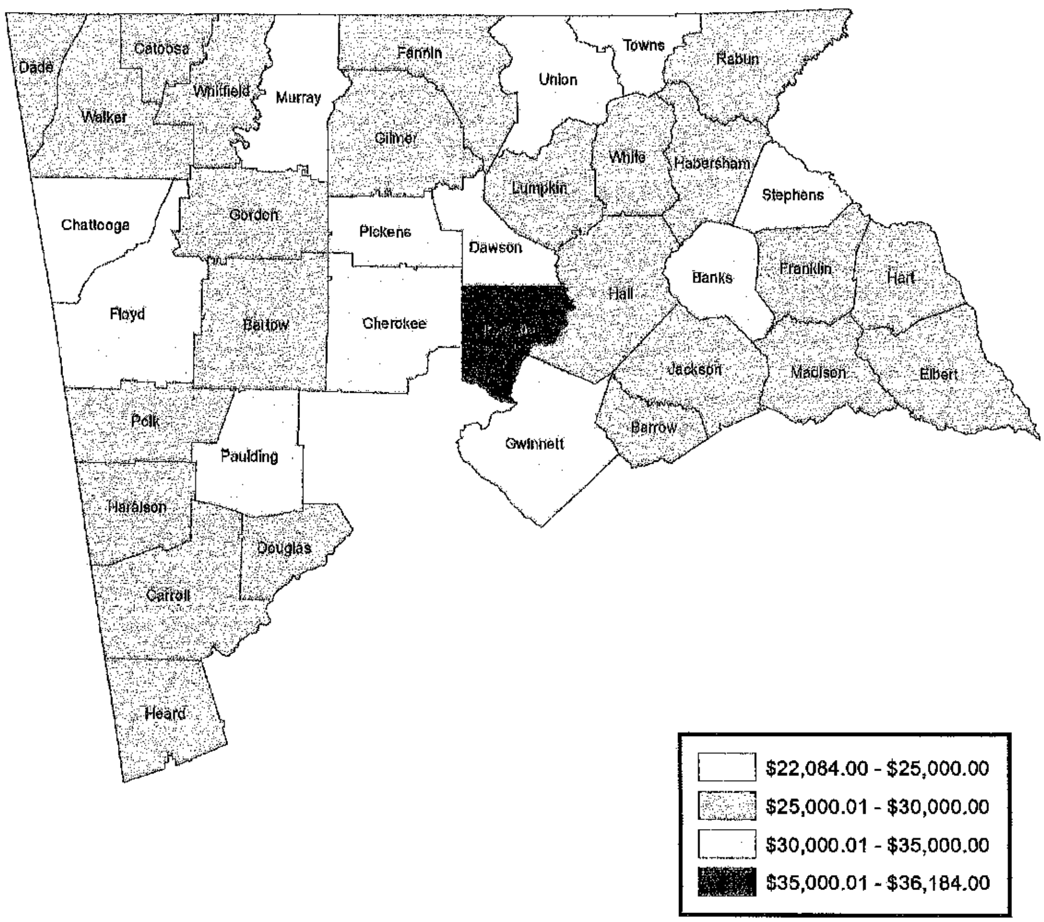
2010



Source: Appalachian Regional Commission
Map prepared by: Georgia Department of Community Affairs, 2012

Per Capita Income

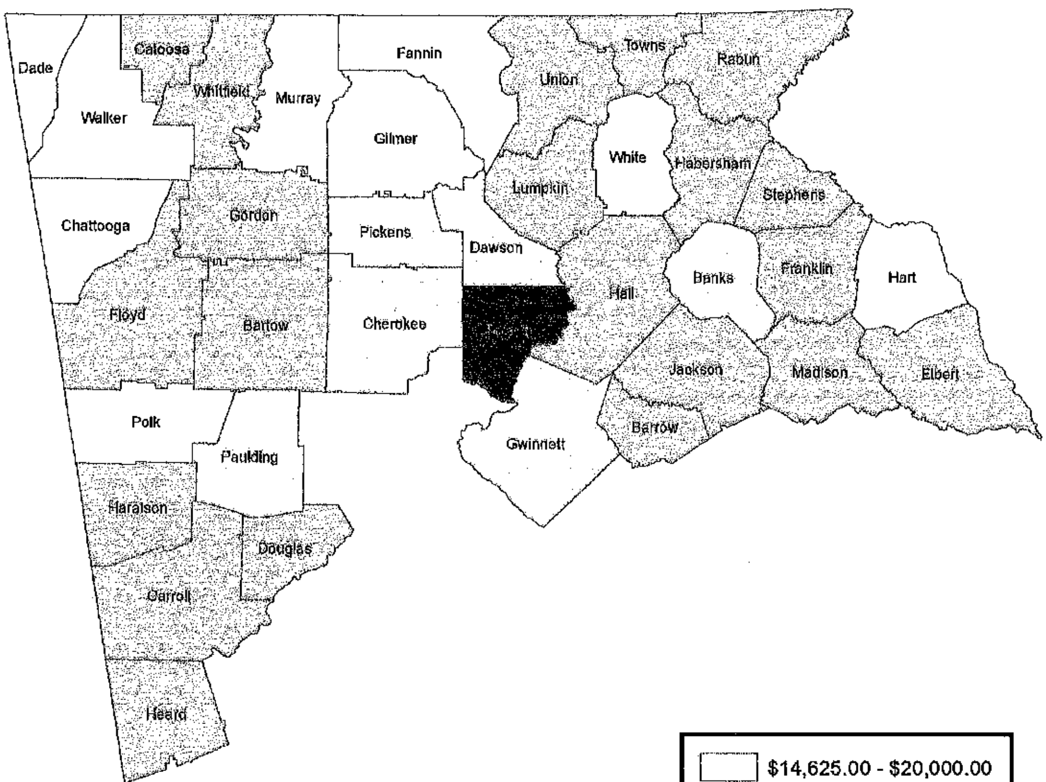
2009



Source: Appalachian Regional Commission
Map prepared by: Georgia Department of Community Affairs, 2012

Per Capita Market Income

2009



Source: Appalachian Regional Commission
Map prepared by: Georgia Department of Community Affairs, 2012

Social Conditions

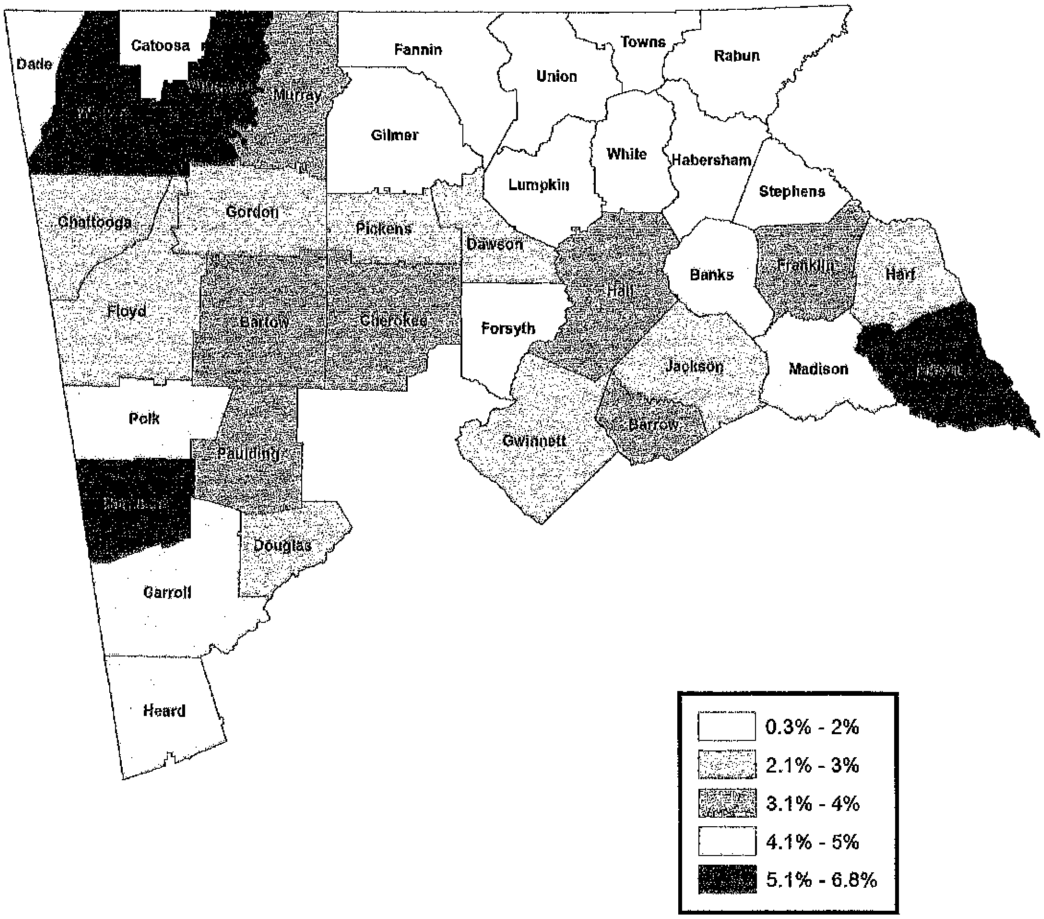
The educational characteristics of Georgia's Appalachian residents are varied, depending on location. An example of this diversity can be seen in high school dropout rates. The Georgia Department of Education publishes the rates as a part of the state educational report card. In the Northeast corner of the state Towns County (0.3%), Rabun County (0.6%), and Union County (0.6%) have 2010 dropout rates among the lowest in the state. Towns County not only leads the region, but it improved its dropout rate from 10.8% in 2006, then the region's worst. On the other hand, eleven ARC counties have dropout rates higher than Georgia's 2010 average of 3.6%, with Haralson at the bottom of the heap with a 6.8% dropout rate. Another statistical measure that can be used to analyze the educational characteristics of the region is percentage of high school graduates who finish high school on time. This is a measure of what percentage of students starting ninth grade graduate in four years. This ranges from a high of 96.7 percent of students in Towns County to a low of 73.1% in Franklin County. Each of these figures represents double-digit improvement over 2006 rates. The remarkable improvements in these measures may be partially attributable to the ARC establishment of the Georgia Appalachian Center for Higher Education.

Also included in an analysis of educational statistics is the percentage of the adult population with a bachelor's degree or higher. In the five-year period from 2006-2010, 27.2 percent of adults 25 and over in the State of Georgia held a bachelor's degree or higher. Cherokee (33.6%), Gwinnett (34.9%), and Forsyth (43.6%) are the only counties in Appalachian Georgia to exceed the state average. There are only four ARC counties with less than ten percent of their adult populations holding college degrees: Murray (6.7%), Heard (7.3%), Chattooga (8.0%), and Elbert (9.6%).

Health statistics indicate a strong need for improvement and expansion of availability and accessibility to health care services. Infant mortality is the number of infants who die for each 1,000 live births. The State of Georgia from 2004-2008 had an overall infant mortality rate of 6.4. The lowest infant mortality rate in the Appalachian region is found in Rabun County (2.2). This low rate is contrasted with the rates in Gilmer County (10.7), Banks County (10.8), and Floyd County (12.5), nearly twice the state rate. Another health statistic that needs to be evaluated is the number of physicians per 10,000 residents. This can give an accurate view of the physician-directed health services available in each Appalachian county. On the low end of the scale is Heard County with 0.9 physicians per 10,000 residents. Slightly above this rate are Paulding (2.7), White (4.0), Murray (4.2), Jackson (4.2), Banks (4.3), and Madison (4.3) Counties. On the opposite end of the spectrum is Floyd County, where there are 32.9 physicians per 10,000 residents. Most of the rates range between five and twenty physicians per 10,000 residents. The Governor's proposed 2012 state budget includes funding for 400 new residency slots in hospitals statewide to encourage retention of Georgians beginning medical careers.

Dropout Rates for Grades 9 - 12

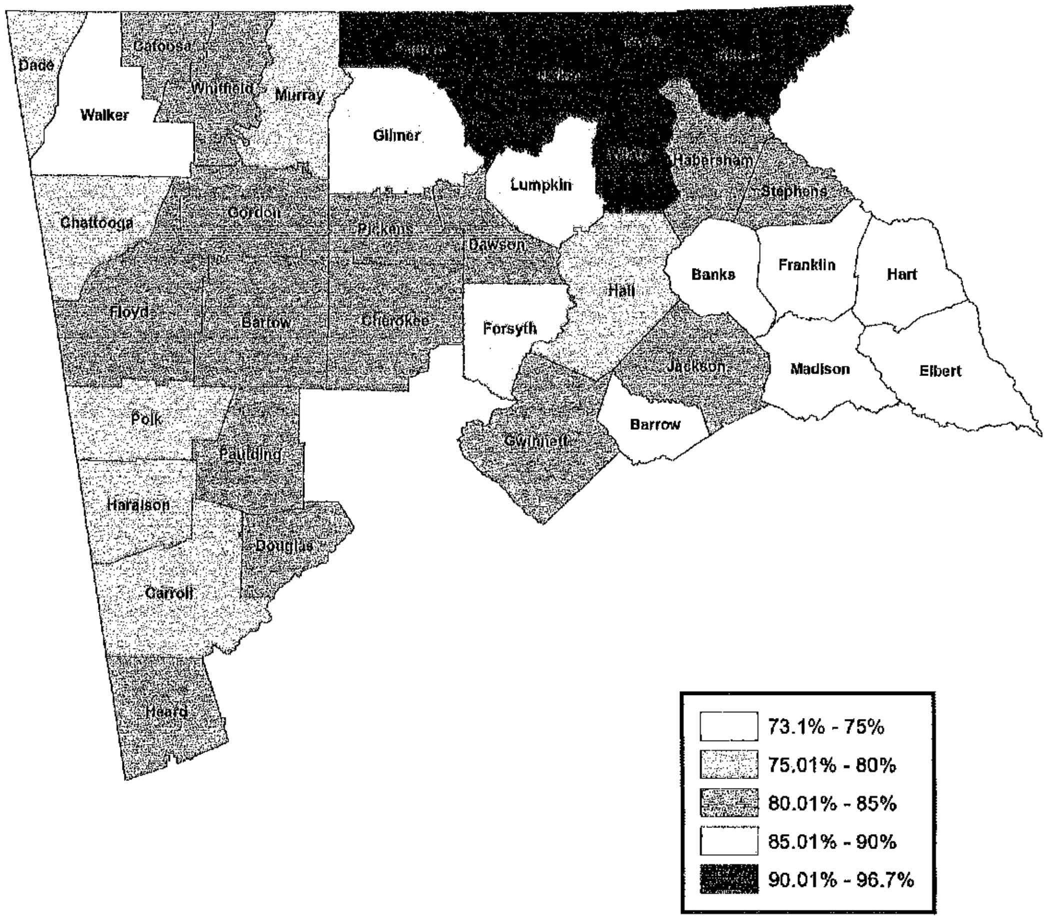
2009 - 2010



Source: Governer's Office of Student Achievement, 2009 - 2010 K-12 Public Schools Annual Report Card
Map prepared by: Georgia Department of Community Affairs, 2012

High School Graduation on Time for Grades 9 - 12

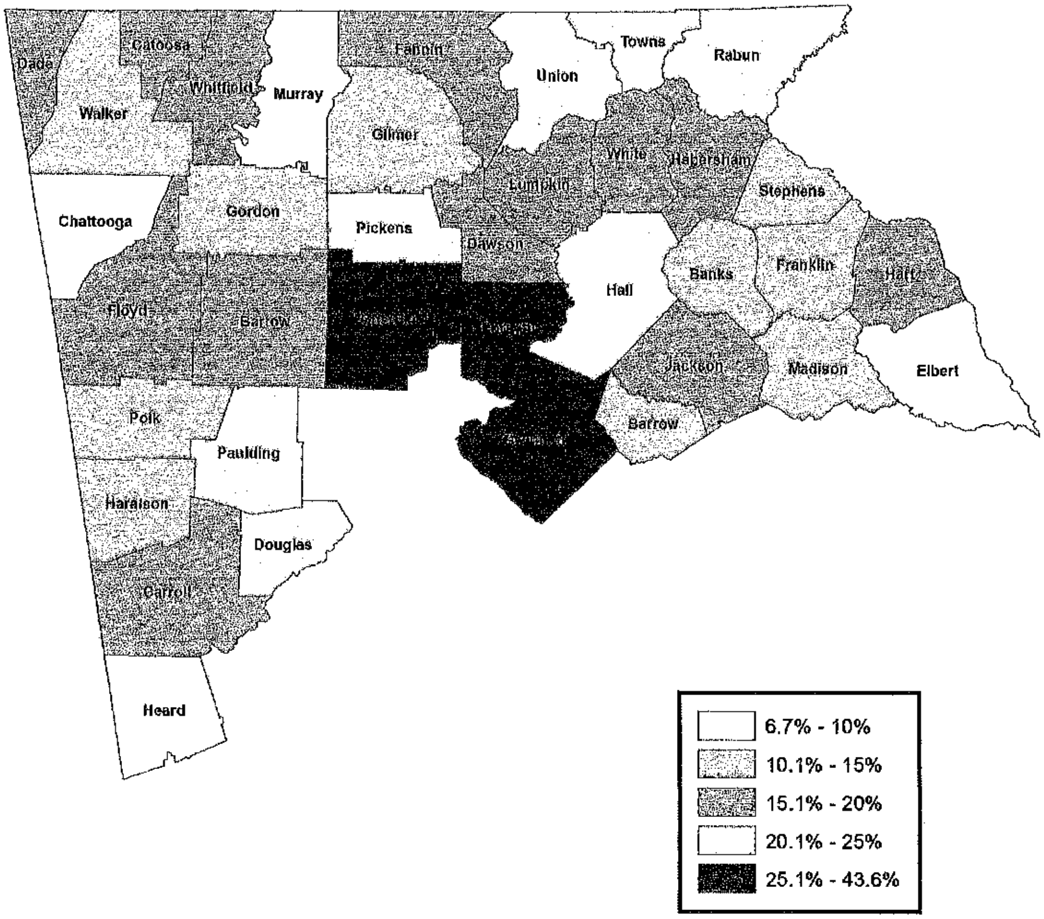
2010



Source: Governer's Office of Student Achievement, 2009 - 2010 K-12 Public Schools Annual Report Card
Map prepared by: Georgia Department of Community Affairs, 2012

Percentage of Adults Age 25 and Over with Bachelors Degree

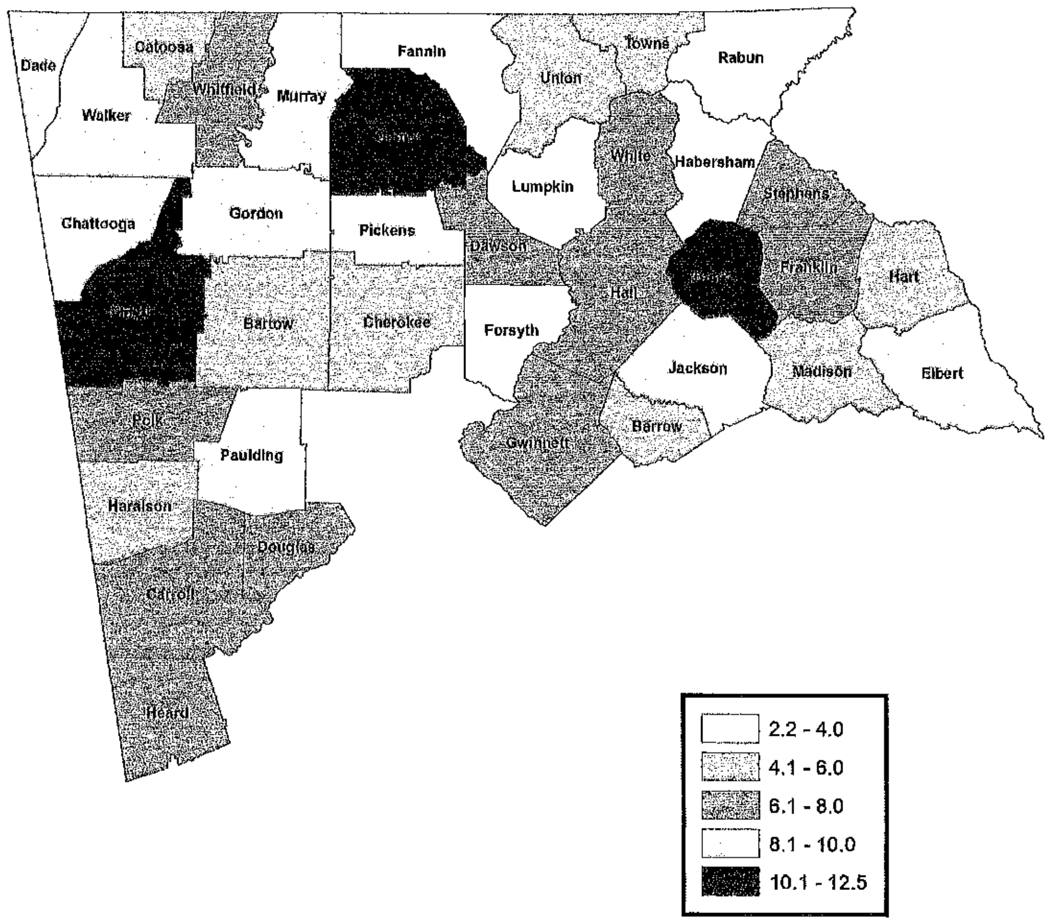
2006 - 2010



Source: U.S. Census Bureau, 2006-2010 American Community Survey
Map prepared by: Georgia Department of Community Affairs, 2012

Infant Deaths per Thousand Live Births

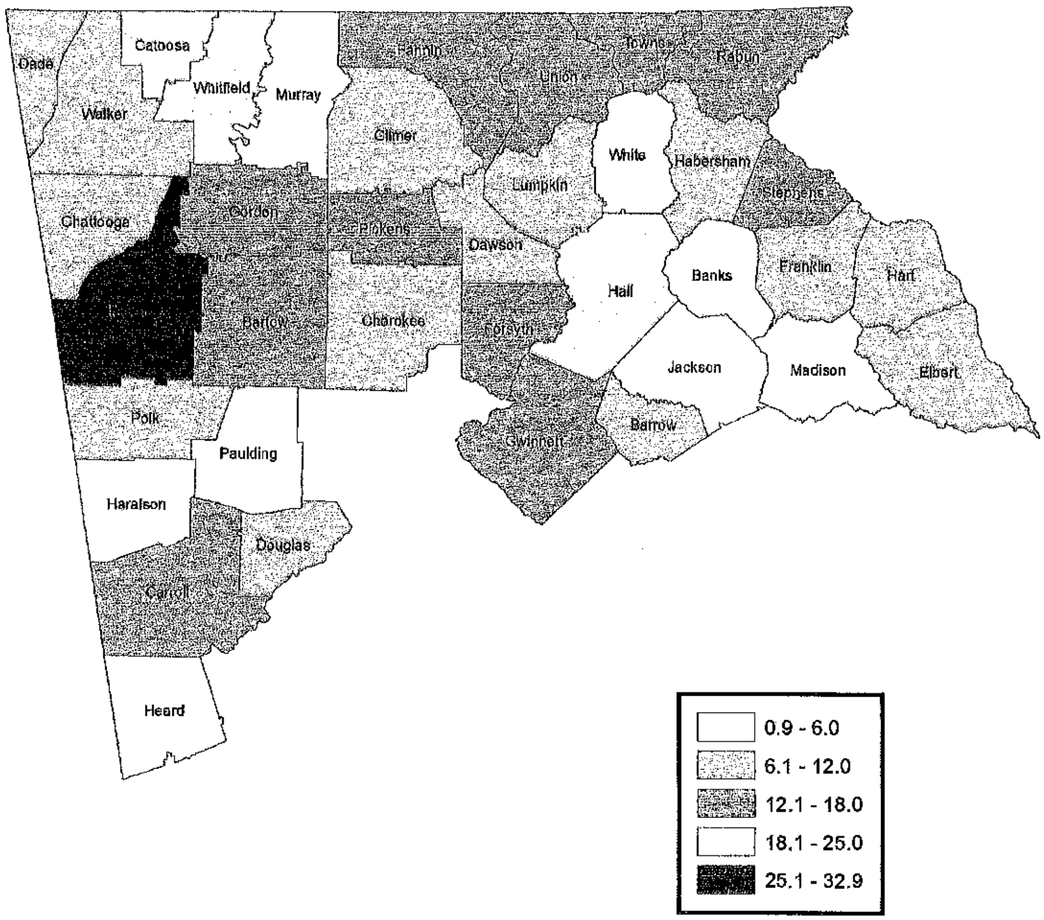
2004 - 2008



Source: Georgia Department of Public Health
Map prepared by: Georgia Department of Community Affairs, 2012

Physicians Per Ten Thousand Persons

2008



Source: Georgia Board for Physician Workforce, 2008
Map prepared by: Georgia Department of Community Affairs, 2012

Looking Beyond the Numbers

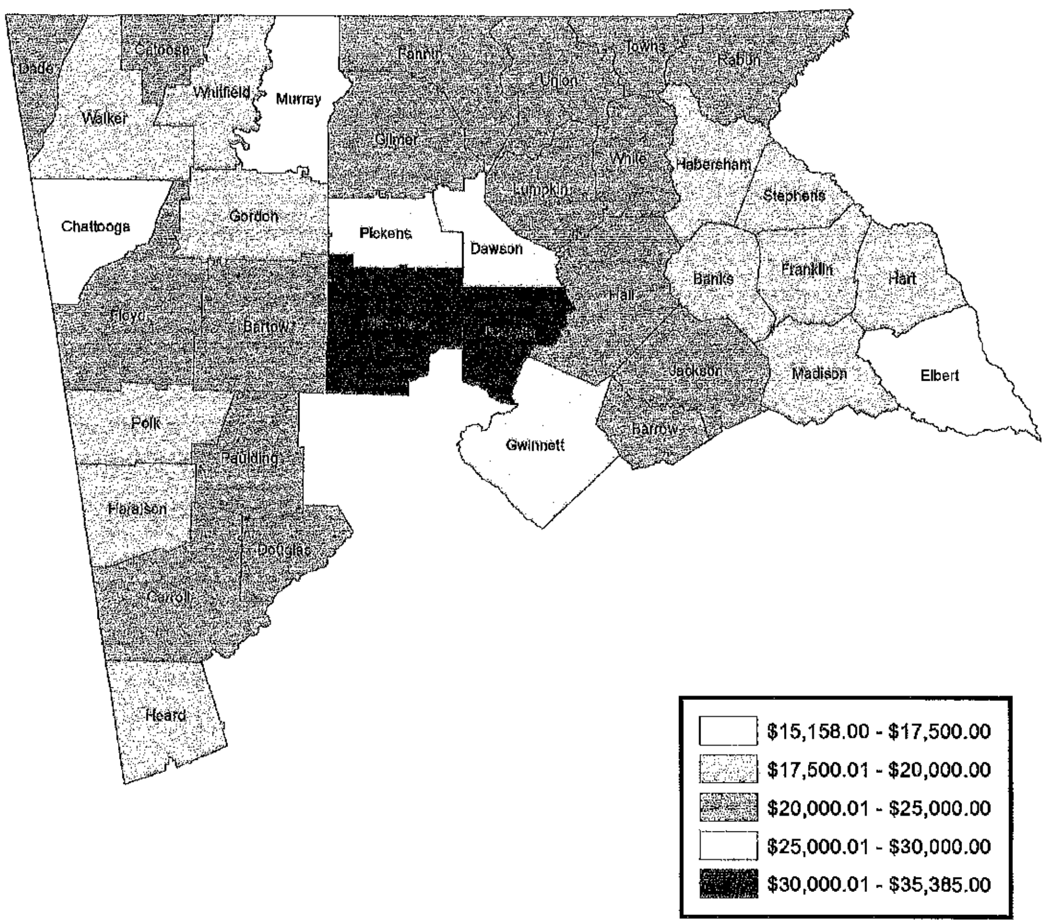
What does all this mean for the Appalachian region? Based on a cursory glance of the socioeconomic and social data, it could be suggested that the rising tide of development in the Atlanta metropolitan area has helped to lift the Georgia Appalachian region residents out of poverty. Unfortunately, when the data is evaluated more closely, it becomes apparent that not all of Appalachian Georgia has been positively changed. Throughout north and central Appalachian Georgia, several pockets of intense poverty and distress still remain.

These conditions often go ignored due to the lack of accurate small area descriptive statistics even as ARC recognizes Distressed Areas. County-level indicators only show averages for a large area. However, these are rendered practically useless for understanding local conditions in counties where substantial diversity exists. For example, compare on the following pages the 2006-2010 per capita income statistics for counties with the statistics for census tracts over the same period. As these maps demonstrate, smaller, more dispersed pockets of poverty are often hidden when these areas lie adjacent to high-income areas within the same county. The need for quality local data to help guide inquiries into the need for a particular program or policy is emphasized in this illustration. However, the obscuring of local data by regional or county data occurs not only with income, but also with poverty rate, unemployment, or population statistics. In places where a demonstrated need has been pinpointed, the chances for implementation of a program through partial funding by the Georgia ARC program should increase. Careful inquiry design and attention to area of service should help improve the match between area of need and program service area.

Since these pockets of poverty are not highlighted as readily when a county level analysis is performed, it is necessary to perform a more detailed analysis using standard ARC measures for determining distress in a more centralized geographic area, such as a Census tract level through designation as a Distressed Area. As a result, the current Georgia State Development Plan calls for greater attention to local data analysis. In order to ensure that the limited ARC funds are directed towards alleviation of distress in smaller, isolated areas, the plan requires local actors to identify projects that most directly affect these pockets of poverty and distress and target funding towards these programs. This measure is necessary to ensure that the areas with the most critical needs are provided the most effective solutions.

Per Capita Income Estimate

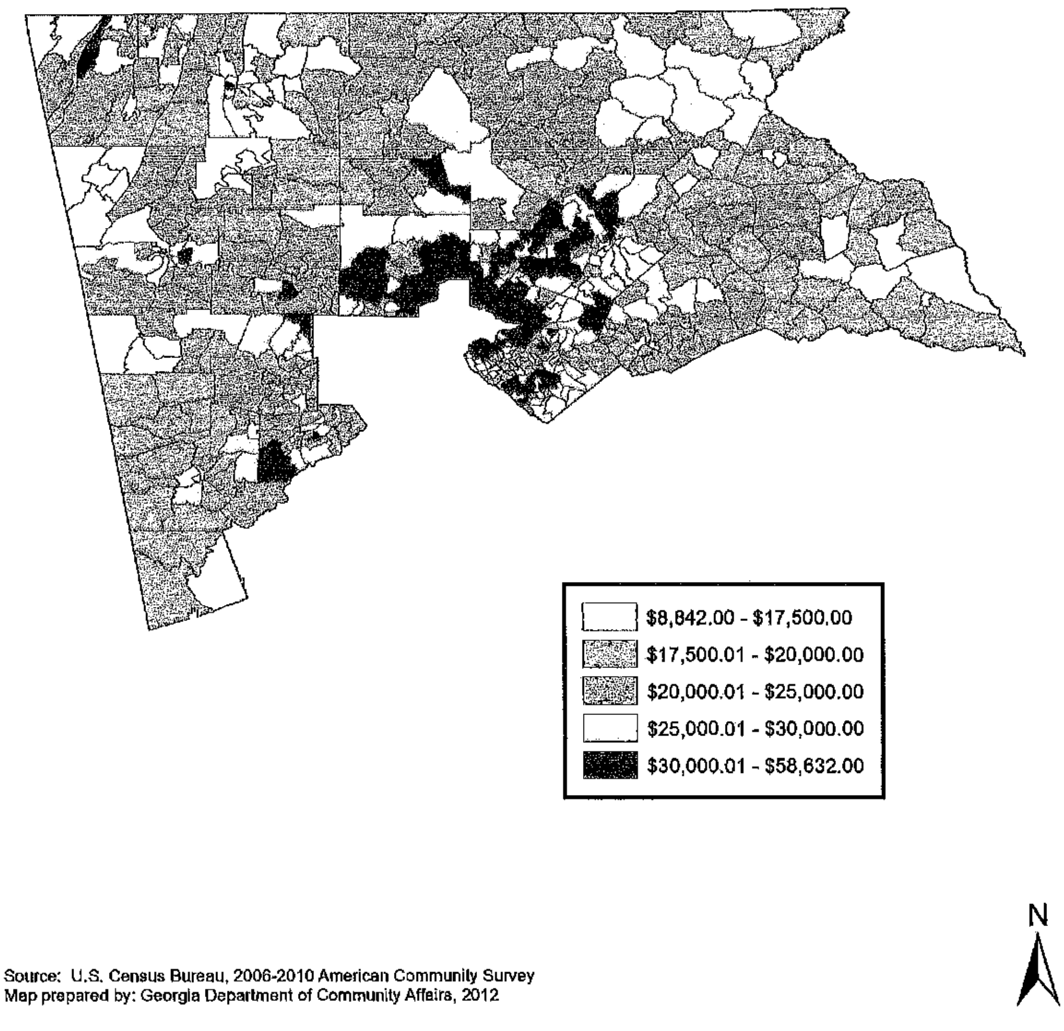
2006 - 2010



Source: Appalachian Regional Commission
Map prepared by: Georgia Department of Community Affairs, 2012

Per Capita Income Estimate By Census Tract

2006 - 2010



Source: U.S. Census Bureau, 2006-2010 American Community Survey
Map prepared by: Georgia Department of Community Affairs, 2012

A New Direction for Georgia's Appalachian Region

New Challenges...

As Georgia's Appalachian region looks towards the coming years, new challenges and opportunities stand on the horizon. The continuing expansion of the metropolitan Atlanta region, while a catalyst for Appalachian economic and commercial development, also threatens the natural amenities that have attracted so many new residents and tourists to the region. Consider the following statistics:

- Before the recession, more than 50 acres of open space in the Atlanta metropolitan area were consumed by development every day.
- In just twenty years, development in Atlanta caused a 44% reduction in the land area that is at least half covered by trees.

As the economy recovers and these trends resume, much of north Georgia will become part of the larger metropolitan Atlanta area. A number of the ARC counties-Gwinnett, Forsyth, Cherokee, Barrow, Bartow, Carroll, Douglas, Paulding, and Pickens-are considered by the U.S. Census Bureau to be part of the extended Atlanta Metropolitan Statistical Area (MSA). This contrast between the high levels of growth occurring in these centrally located metropolitan counties of the Appalachian region and the areas of poverty and stagnant growth that still exist on the outlying sections of the region is a cause for concern. There are several forces in competition in Appalachian Georgia and each must be dealt with on many fronts with a variety of techniques. Any strategy for high growth areas will be inherently different than poverty alleviation strategies for ARC's more rural, underdeveloped areas. Therefore, a separate growth strategy needs to be employed in the more underdeveloped areas that addresses the specific concerns and issues of these areas.

New Opportunities

Despite these challenges, new opportunities exist for greater coordination of regional goals and objectives. The Service Delivery Strategy Act has paved the way for the establishment of new agreements for the provision of a wide array of urban services. Recently adopted regional plans and DCA service delivery regions have also helped to create a new framework for addressing issues that have impacts beyond the local level.

The Georgia Planning Act of 1989 established a new broad program of planning and development for Georgia's counties, cities, regional development centers, and state agencies. Under this act, every local government in Georgia, in order to continue to remain eligible to apply for a variety of state funds, is required to prepare and adopt a comprehensive plan. This plan must contain the following elements: (1) population, (2) economic development, (3) natural and historic resources, (4) community facilities, (5) housing, and (6) land use. The plan must also have an implementation strategy. The implementation strategy, which must contain a five year short-term work program, is used as a guide to making decisions affecting the community's future. The local comprehensive plans for the Appalachian region of Georgia will have a major positive impact on effectively guiding future growth and development in the area. Moreover, this process will help to ensure local input into the Appalachian Regional Commission planning process.

Another major piece of legislation that will continue to have an important effect on the future of the Appalachian region is the Mountain Protection Act, passed during the 1991 session of the Georgia General Assembly. This act contains requirements that will strictly control the extent of land disturbing activities in high-elevation, steep-slope mountain areas. Each local government that has a protected mountain area within its boundaries must prepare a mountain protection plan as a part of the government's comprehensive plan. The plan provides special protection of these mountain areas with specific implementation components incorporated. In addition to preserving the natural state of the land, the implementation of the act aims to result in a reduction of adverse impacts on the region's surface and ground water supplies, thus safeguarding vital drinking water, as well as ensuring adequate water available for existing and developing growth in these areas. Also, by protecting the scenic and natural beauty of the mountain areas, the implementation of the act will help to ensure the continuing viability of the important recreation and tourism components of the region's economy.

A New Direction

In January, 2012, Governor Nathan Deal outlined a statewide agenda with five principal aims:

- provide strong, innovative schools geared for the modern marketplace
- provide practical tools for workforce development
- provide a modern infrastructure that moves people and products efficiently
- provide safe communities
- create a business-friendly environment that attracts investment and puts Georgians in the best possible position to get a good job.

These aims largely support the general goals of the ARC, sharing a focus on jobs, education, training, and infrastructure development.

The Governor called jobs "the greatest need of our citizens." To increase Georgians' employability, the governor introduced the Go Build Georgia program, a public-private initiative that will promote the skilled trades – jobs that are going unfilled today due to a lack of qualified applicants. The governor added that, "businesses require a talented workforce and strong infrastructure, but they also require a business environment that allows them to compete in today's global marketplace." In support of this aim, he outlined a three-part plan for strategic tax reform:

- elimination of the sales tax on energy used in manufacturing,
- sales and use tax exemptions for construction materials used in projects of regional significance,
- a restructuring of Georgia's Job Tax Credits and Quality Jobs Tax Credit programs to better incentivize small business growth

These reforms will increase Georgia's competitiveness relative to its peers, improving its ability to attract employers to the state.

Moving Forward

As recent socioeconomic statistics indicate, conditions of poverty and distress no longer permeate the whole of the Appalachian region of Georgia. However, in many isolated areas of Georgia's Appalachian region, poverty and underdevelopment still persist, and it is clear that much remains to be done to alleviate these problems. Furthermore, areas of high poverty are often hidden amongst distorted or skewed county level data. In order to ensure that the limited ARC funds are spent on projects that primarily benefit these isolated pockets of distress, the current ARC State Development Plan identifies more specific priorities for the use of the state's allocation of ARC funds. The following guiding principles have been adopted for the preparation of the current State Development Plan:

1. *Target the provisions of human services directly to areas that exhibit the highest need.*
2. *Encourage programs that foster the physical, educational, social, and emotional development of children.*
3. *Encourage multi-organizational cooperation in the provision of human services.*
4. *Encourage projects that accomplish several ARC objectives simultaneously.*
5. *Restrict infrastructure investments to those projects that are clearly consistent with all local and regional plans and service delivery strategies.*

Goals, Objectives and Strategies for Georgia's Appalachian Region

In order to prepare Georgia's Appalachian region for new challenges and to take advantage of the new opportunities available in the region, the following goals and objectives have been adopted. In the section that follows, the term "goal' refers to those goals which have been adopted for the entire ARC region, whereas the term "objectives" refers to the specific priorities that have been adopted by the State of Georgia in order to implement ARC goals through State initiated strategies.

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

ARC Goal One: Increase job opportunities and per capita income in Appalachia to reach parity with the nation.

Georgia's Objectives and Strategies

State Objective 1.1: Increase economic progress and local capacity through strategic planning, technology, and leadership development.

- Strategy 1.1.1 – Support efforts to establish ongoing local leadership training programs.
- Strategy 1.1.2 – Support youth leadership development efforts through leadership training, experience-based education programs, apprenticeships, youth-operated enterprises, and cooperative education.
- Strategy 1.1.3 – Cooperative state and regional solutions to achieving regional economic development goals should be pursued and encouraged.
- Strategy 1.1.4 – Identify and support economic development efforts that evidence unusually high and innovative degrees of regional cooperation.

State Objective 1.2: Encourage efforts to broaden the economic base of the North Georgia Area.

- Strategy 1.2.1 – Assist efforts to diversify the economic opportunities in the area.
- Strategy 1.2.2 – Expand the number of forums available for explaining the ARC investment process.
- Strategy 1.2.3 – Use the ARC Revolving Loan Fund to fill financing gaps throughout the region.

State Objective 1.3: Promote grassroots entrepreneurial environments for business.

- Strategy 1.3.1 – Support programs that fit into existing institutional structures, that do not duplicate or supplant existing efforts and that have potential for sustainability.
- Strategy 1.3.2 – Support efforts to develop local capacity building of entrepreneurial activities.
- Strategy 1.3.3 – Assist in improving entrepreneurial skills in the region.
- Strategy 1.3.4 – Improve access to capital in the region through micro enterprise loans in Appalachian Georgia.

State Objective 1.4: Grow, attract, and support the expansion of businesses that diversify the existing economic base.

- Strategy 1.4.1 – Provide capital funding for the development and expansion of small business incubators that have the support of local entities and strong commitments for sustainability.
- Strategy 1.4.2 – Support the growth of civic entrepreneurs.
- Strategy 1.4.3 – Provide entrepreneurial assistance and revolving loan resources to assist in maintaining downtown commercial areas' economic viability.

State Objective 1.5: Exporting activities should be encouraged.

- Strategy 1.5.1 – Continue regional approaches to export initiatives.
- Strategy 1.5.2 – Provide funding for local export initiatives.

State Objective 1.6: Pursue tourism development as an economic development tool and as a direct economic growth impact.

- Strategy 1.6.1 – Utilize entrepreneurial and telecommunication initiatives to strengthen regional tourism initiatives.
- Strategy 1.6.2 – Utilize existing institutions to develop long term tourism efforts.
- Strategy 1.6.3 – Local and regional tourist attractions should be assisted through resource preservation and enhancement initiatives.
- Strategy 1.6.4 – Support local efforts to increase economic development through tourism development efforts to attract foreign and domestic travelers.
- Strategy 1.6.5 – Support training programs and workshops on local tourism development.

State Objective 1.7: Capitalize on the Economic Potential of the Appalachian Development Highway System.

- Strategy 1.7.1 – The capacity of local governments to conduct coordinated comprehensive planning especially along the ADHS should be encouraged.

- Strategy 1.7.2 – Use of state planning "resource teams" should be encouraged whenever possible to advise local governments regarding orderly accommodation of growth.

State Objective 1.8: Encourage Sustainable Economic Use of Natural Resources

- Strategy 1.8.1 – Georgia is very rich in natural resources and ARC investments should consider the impact of development on the natural resource base.

State Objective 1.9: Encourage Investments in Energy Projects that Create Jobs

- Strategy 1.9.1 – Energy Efficiency and conservation of energy, the Governor's Energy Challenge is a unique initiative to help Georgians conserve energy and track how much we can all save together. The Governor has committed all state agencies to reduce energy consumption in facilities 15% by 2020. Now he's challenging everyone in Georgia to do the same. Therefore, all ARC construction project applications will now include a discussion of how energy efficiency was considered in the proposed project.

ARC Goal Two: Strengthen the capacity of the people of Appalachia to compete in the global economy.

Georgia's Objectives and Strategies

State Objective 2.1: Cooperative ventures should exist between employers and educational institutions.

- Strategy 2.1.1 – Provide assistance to programs which support and encourage cooperative ventures between business and education. These programs should show evidence of strong support from employers in order to enhance their prospects for institutionalization.

State Objective 2.2: Develop a workforce capable of acquiring and maintaining a job.

- Strategy 2.2.1 – Use new technologies to meet educational needs and upgrade the skills of the work force.
- Strategy 2.2.2 – Assist with programs that promote seamless transitions to a highly trained work force.
- Strategy 2.2.3 – Support efforts to upgrade workers' ability to meet employers' needs in the 21st century.

State Objective 2.3: Appalachian children should have an opportunity for optimal physical, educational, social and emotional development.

- Strategy 2.3.1 – Assist communities in providing services and supports for families that promote optimal physical, educational, social and emotional development of children from birth to age four.
- Strategy 2.3.2 – Assist communities in providing Appalachian children with an opportunity for a quality preschool experience through parent support programs, quality childcare and preschool programs.
- Strategy 2.3.3 – Assist communities in establishing programs and developing linkages to existing programs that will contribute to a child's educational experience.
- Strategy 2.3.4 – Assist communities in developing services and supports for families and caregivers of young children that will ensure that by age four, children are healthy and prepared to succeed in school.

State Objective 2.4: In areas with high adult illiteracy rates and/or high dropout rates, assist in areas that cannot be addressed with existing-traditional programs and resources.

- Strategy 2.4.1 – In areas with illiteracy rates higher than the average in the Georgia ARC region, assist in supporting programs with quantifiable performance measures.
- Strategy 2.4.2 – Assist innovative programs that seek to reduce school dropout rates. Priority should be given to initiatives that are linked to school programs and have the potential for sustainability.
- Strategy 2.4.3 – Encourage community based programs for children that will improve the links between parents and schools.
- Strategy 2.4.4 – Support innovative approaches that can foster solutions to traditional Appalachian problems such as high dropout rates, high adult illiteracy rates and large numbers of disabled persons.
- Strategy 2.4.5 – Increase the college going rate of at risk Georgia Appalachian youth by assisting educationally distressed schools in their efforts to reduce dropout rates and send students on to postsecondary institutions.
- Strategy 2.4.6 – Support efforts to improve educational achievement levels of Appalachian students in grades preK-16.

State Objective 2.5: People in rural underserved areas should have adequate access to health care.

- Strategy 2.5.1 – Support efforts to improve access to health care in rural areas.
- Strategy 2.5.2 – Assist communities in linking families of young children with a primary health care provider and a source of health coverage, e.g. Medicaid and PeachCare.
- Strategy 2.5.3 – Support efforts to improve access to health care for the uninsured.

State Objective 2.6: Encourage linkages between human service programs and economic development programs.

- Strategy 2.6.1 – Utilize public forums to demonstrate the potential economic development impact of a healthy and well-educated workforce.
- Strategy 2.6.2 – Use ARC funds to fill in gaps in the services provided by human service providers and other programs when opportunities exist for overcoming identifiable deficiencies in service delivery.

ARC Goal Three: Develop and improve Appalachia's infrastructure to make the Region economically competitive.

Georgia's Objectives and Strategies

State Objective 3.1: Build the organizational capacity required to meet increasing demands related to technology, energy efficiency, environmental standards, and changing revenue sources.

- State Strategy 3.1.1 – Provide training, consultation, and financial support for local leaders and organizations to build capacity to address infrastructure challenges and energy efficient projects.
- State Strategy 3.1.2 –Support partnerships and regional efforts in infrastructure development.
- State Strategy 3.1.3 – Encourage water and wastewater infrastructure development through "self-help" projects that use the skills and commitment of local communities.
- State Strategy 3.1.4 – Support strategic planning initiatives for local organizations and agencies to capitalize on economic development opportunities created by the Appalachian Development Highway System.

State Objective 3.2: Provide Appalachian communities access to safe drinking water and wastewater facilities.

- Strategy 3.2.1 – The provision of water and sewer infrastructure projects should be orderly and coordinated and projects should be related to local and regional development plans.
- Strategy 3.2.2 – Projects that extend water or sewer lines to distressed areas or unserved areas or areas that have health hazards will be given priority.
- Strategy 3.2.3 – Proposed infrastructure site improvements that will help diversify the economy and create new jobs should be supported.
- Strategy 3.2.4 – Farsighted multi-jurisdictional approaches to provide or improve water supply and sewer service for economic development purposes will be encouraged and supported.
- Strategy 3.2.5 – Coordination of local and regional plans for infrastructure to serve commercial and industrial purposes will be encouraged.

- Strategy 3.2.6 – Regional solutions to recycling and solid waste problems will be encouraged.
- Strategy 3.2.7 – The provision of infrastructure to businesses located in distressed areas that agree to hire local residents should be encouraged.

State Objective 3.3: Local governments and education providers should have access to new technologies that can provide improved communications and information.

- Strategy 3.3.1 – Utilize telecommunication technologies to facilitate and enhance existing programs and develop new approaches to improving the social and economic conditions of the region and encourage deployment of conduit for telecommunications.
- Strategy 3.3.2 – New technologies such as wireless communications (Wi-Fi and other advanced technologies) should be encouraged.
- Strategy 3.3.3 – Deployment of fiber optic cable especially in rural areas should be encouraged and supported.

State Objective 3.4: People in the region should have opportunities for implementing business like approaches to preserving and enhancing their cultural heritage.

- Strategy 3.4.1 – Encourage the support and coordination of programs linking education, including adult education and arts, with programs for improving skills and enhancing cultural-heritage traditions.
- Strategy 3.4.2 – Encourage the coordination of cultural-heritage traditions with entrepreneurial business techniques.
- Strategy 3.4.3 – Encourage the support and coordination of programs linking education and cultural-heritage education programs, with new opportunities for economic development.

State Objective 3.5: Support efforts to develop intermodal transportation corridors in Appalachian Georgia.

- Strategy 3.5.1 – Support collaborative efforts to work with state and local partners to identify and develop intermodal transportation facilities.
- Strategy 3.5.2 – Support programs to encourage the expanded use of existing intermodal facilities.

ARC Goal Four: Build the Appalachian Development Highway System to reduce Appalachia's isolation.

Georgia's Objectives and Strategies

State Objective 4.1: Encourage long-term strategic planning by local and regional leadership to take full advantage of the economic and community-building opportunities of Georgia Appalachian Corridor development.

- State Strategy 4.1.1 – Support local and multi-jurisdictional forums to promote communication and mutual understanding, and resolution of barriers to completion of the remaining ADHS miles.

State Objective 4.2: Continue to support the development of Georgia's Appalachian Development Highway Corridor.

- State Strategy 4.2.1 – Encourage placement of conduit for technology deployment of telecommunications.
- State Objective 4.2.2 – Encourage close coordination of activities on those segments of the system that cross state lines.
- State Strategy 4.2.3 – Encourage the coordination of technical information, funding disbursements, and construction scheduling between adjoining states to facilitate completion of state-line crossings of ADHS corridors.

State Objective 4.3: Well-planned, diversified development along the Appalachian Development Highway should be pursued.

- Strategy 4.3.1 – Encourage the potential for diversified economic development offered by the Appalachian Development Highway, especially in the northern counties.

State Objective 4.4: Coordination of Georgia's seaports and inland ports should be encouraged and used to the greatest benefit of Appalachian Georgia.

- Strategy 4.4.1 – The Savannah and Brunswick ports as well as the inland ports can contribute to the timely and coordinated movement of goods and thereby the competitiveness of Appalachian businesses.

State Objective 4.5: Energy Efficiency of Georgia's ADHS should be encouraged.

- Strategy 4.5.1– Georgia's highway system must be planned and developed with the most efficient design and control equipment available.

State Objective 4.6: Appalachian Region Environmental Quality Must Be Preserved

- Strategy 4.6.1 – Georgia ADHS routes and development practices should consider environmental preservation and enhancement of environmental quality whenever possible.

ARC Funding

The ARC funding designations for Appalachian Georgia are included in two forms in the State Development Plan, as a map in Appendix I and as a list in Appendix II. These designations are a product of comparisons made between Appalachian Georgia and the United States as a whole. The designation a county receives helps to determine the total amount of funding given to the state for disbursement amongst member counties. Using a composite index based on three year unemployment rates (2007-2009), poverty rates (2005-2009), and per capita market income (2008), the following five designation definitions were established for the fiscal year 2012:

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

At-Risk
At-Risk counties are those at risk of becoming economically distressed. They rank between the worst 11 percent and 25 percent of the nation's counties.

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

Competitive
Competitive counties are those that are able to compete in the national economy but are not in the highest 10 percent of the nation's counties. Counties ranking between the best 11 percent and 25 percent of the nation's counties are classified competitive.

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

Generally, ARC funding is limited to fifty percent of the total cost of the project. This rule most specifically applies to counties which fall under the **Transitional** designation. However, exceptions can be made in the remaining four designation categories. **Attainment** counties are not eligible to receive ARC funds. **Competitive** counties are eligible for funding of up to thirty percent of the total program cost; **At-Risk** counties are eligible for up to seventy percent of program cost; and **Distressed** counties are eligible for up to eighty percent of program cost from ARC funds.

ARC recognizes that some areas in non-distressed counties of Appalachia are characterized by high poverty and low income to such an extent when compared to national averages that they should be considered distressed and should be an important focus of ARC assistance. Accordingly, ARC designates as distressed areas, those census tracts within non-distressed counties, other than competitive and attainment counties, with a median family income no greater than two-thirds of the national average and with a poverty rate that is at least 1.5 times the national average. Essentially, distressed areas are designated within at-risk counties (those at risk of becoming economically distressed) and transitional counties (those that lag behind national norms and often contain pockets of economic distress). Distressed area designations are revised annually using the latest five-year estimates from the American Community Survey.

Pockets of distress refer to existing residential communities that exhibit conditions of distress as ARC has defined for larger county regions. Projects that serve these pockets of distress must include documentation that demonstrates the location of the likely beneficiaries of the proposed projects. This information can be acquired from one of the following three sources:

1. Socioeconomic data acquired from surveys prepared for Community Development Block Grant applications;
2. Small area socioeconomic data acquired from the U.S. Census Bureau or other Federal agencies; or
3. Other local data collected for community planning purposes, provided the applicant includes a description of the source of the data and the method of data collection.

The identification of these pockets of distress is intended to serve as a program planning aid for local project applicants. By identifying local areas of need, project applicants can begin to tailor their approaches to specific needs in their communities.

Additionally, the ARC's New Market Tax Credit Program (NMTCP) further encourages economic growth within distressed areas. This United States Department of the Treasury program, which acts to provide tax benefits for private investment in loan and venture capital funds which serve low-income areas, has been adopted by the ARC to determine which areas within county boundaries should be considered distressed. The areas that meet the criteria as set forth by the NMTCP are then potentially eligible for additional ARC resources.

Application Requirements

In order to initiate the annual funding cycle in an orderly manner, the Georgia ARC Office will write each Appalachian LDD (referred to as RCs) in June of each year to solicit project package nominations for review and consideration. The letter inviting submission of project nominations will spell out funding limitations, project criteria, and any other relevant material to be used in consideration for that particular year's annual cycle. All pre-applications will be due back at the offices of the Department of Community Affairs by August 15 of each year. All projects that have been nominated for funding will be acknowledged in writing, allowing the LDDs to notify the Georgia ARC Office of any projects not acknowledged as received.

Once a review has been made of the initial project nominations, at least one site visit will be made to each proposed project. During this site visit, a tour of the community will be conducted. Any questions that may arise during the review of the written proposal will be addressed at this point in the process. Additionally, a detailed discussion of the community's financial status and planned financial packaging of the proposed project will be conducted. After each individual site visit, a memorandum will be prepared describing what the community is requesting ARC to fund, observations based on the site visit, and additional activities the applicant needs to conduct before the project can be considered for funding. Each applicant and the appropriate LDD will be provided with a copy of this memorandum. Each applicant will be given every reasonable opportunity to place its application in a position to be competitive with other projects proposed for funding.

Once site visits have been made to all projects proposed for funding, communications will be established with certain Federal agencies, such as the US Department of Agriculture, Economic Development Administration, and the Housing and Urban Development Department, whose organizational roles fit into the scope of the proposed project. Additionally, when state funding sources have been identified, contact will be made with each of these state agencies to determine their possible funding participation.

In instances where it can be determined that federal and state funding will not be forthcoming as anticipated by the applicant, the Georgia ARC office will contact the applicant and advise them of this situation. Every effort will be made to restructure the financial packaging in a manner to permit funding. In each instance, the applicant will be made aware that no decision has been reached in regard to ARC funding, but that an effort is being made to keep the project under consideration.

Only after site visits have been made to each proposed project and coordination has taken place with federal and state funding agencies will the investment program be completed. In completing the investment package, each applicant and site visit memorandum will be reviewed.

Proposed projects will generally be divided into three categories:

1. Projects that are eligible for ARC funding by being consistent with the ARC Code and applicable federal laws and with a strong likelihood that the proposed funding packaging can take place.
2. Projects that are eligible for ARC funding, but for one reason or another appear to be premature at the time. Examples of premature projects would include projects for which funding arrangements have not been coordinated or where the details of what the applicant wants to accomplish have not been finalized.
3. Projects that clearly are not eligible for ARC funding assistance.

The Governor will determine, on an annual basis, the limit of ARC funding to be placed on any project. Once the funding limit has been established, it will be announced to potential applicants. On a case-by-case basis, and in extremely rare cases, the Governor reserves the right to exceed the established limit when there is sufficient justification for additional funding. Generally, projects will not be considered for additional funding as a result of project overruns. Every single project proposed for funding will be brought to the Governor's personal attention. This includes projects deemed ineligible for ARC assistance.

No point system exists for determining which project or projects will be recommended to the Governor for funding. Rather, the projects are determined on a case-by-case basis, taking the following into consideration:

1. Results of the review of the application and site visit;

2. Comments of federal and state funding agencies;

3. Results of discussion with ARC Washington staff;

4. Total ARC funds the applicant has received to date;

5. Length of time since the most recent grant;

6. Amount of private investment associated with the project;

7. Number of jobs created by the proposed project;

8. Ratio of the local match to the total project cost;

9. Willingness of the community to participate in the project;

10. Consistency with the objectives stated in this plan and the state's Strategic Statement;

11. Consistency with local and regional plans and service delivery strategies; and

12. Sustainability.

Once all of the above have been considered, projects are then arranged in priority order with the highest priority given to those projects which appear to have the greatest potential for promoting the sustainable economic development of the Appalachian region. When projects are of apparent equal value, an examination will be made to determine which geographic area received the last ARC grant and how much total ARC money has been provided to each of the applicants.

Proposed projects will be ranked in priority until the amount of anticipated ARC funds have been exhausted. These projects will be designated Priority One, "Projects Recommended for Immediate Funding". Project applications will be requested on these projects as soon as they are selected by the Governor.

A second category of projects will then be established and called Priority Two, "Priority Back-up". This category will contain (1) projects that are fully ARC eligible but not included in Priority One because Georgia's allocations were committed elsewhere; and (2) projects eligible for ARC funding that are not fully developed, but have the likelihood of full development in the near future. All Priority Two applicants will be invited to prepare and submit final project applications but will be clearly informed that sufficient funds are not presently available to fund their projects. Once completed, these applications will be submitted to ARC, identified as "Priority Back-up" projects that are to be reviewed and corrected as needed to be fully fundable. ARC will hold these projects until funds become available. As sufficient funds become available, the Georgia Alternate will submit the necessary letter to ARC requesting funding.

Priority Two projects will be carried forward at the end of the fiscal year, and the Governor will determine on an annual basis whether or not to give first funding consideration to projects carried over.

The remainder of Georgia's projects will be placed in a category known as "back-up". These projects will not be included in Georgia's Investment Program, but will be available to Georgia ARC staff for possible development. Should the need arise, one or more projects may be elevated from the "back-up" category by the ARC Georgia Commission Office.

By adopting these procedures, Georgia assumes responsibility for identifying only projects that are apparently fundable in the annual State Investment Program and relieves ARC staff of the burdensome task of reviewing projects that are not fundable.

Once the Governor has reached a decision concerning the Investment Program, the investment package will be submitted to Washington.

Monitoring and Evaluation Process

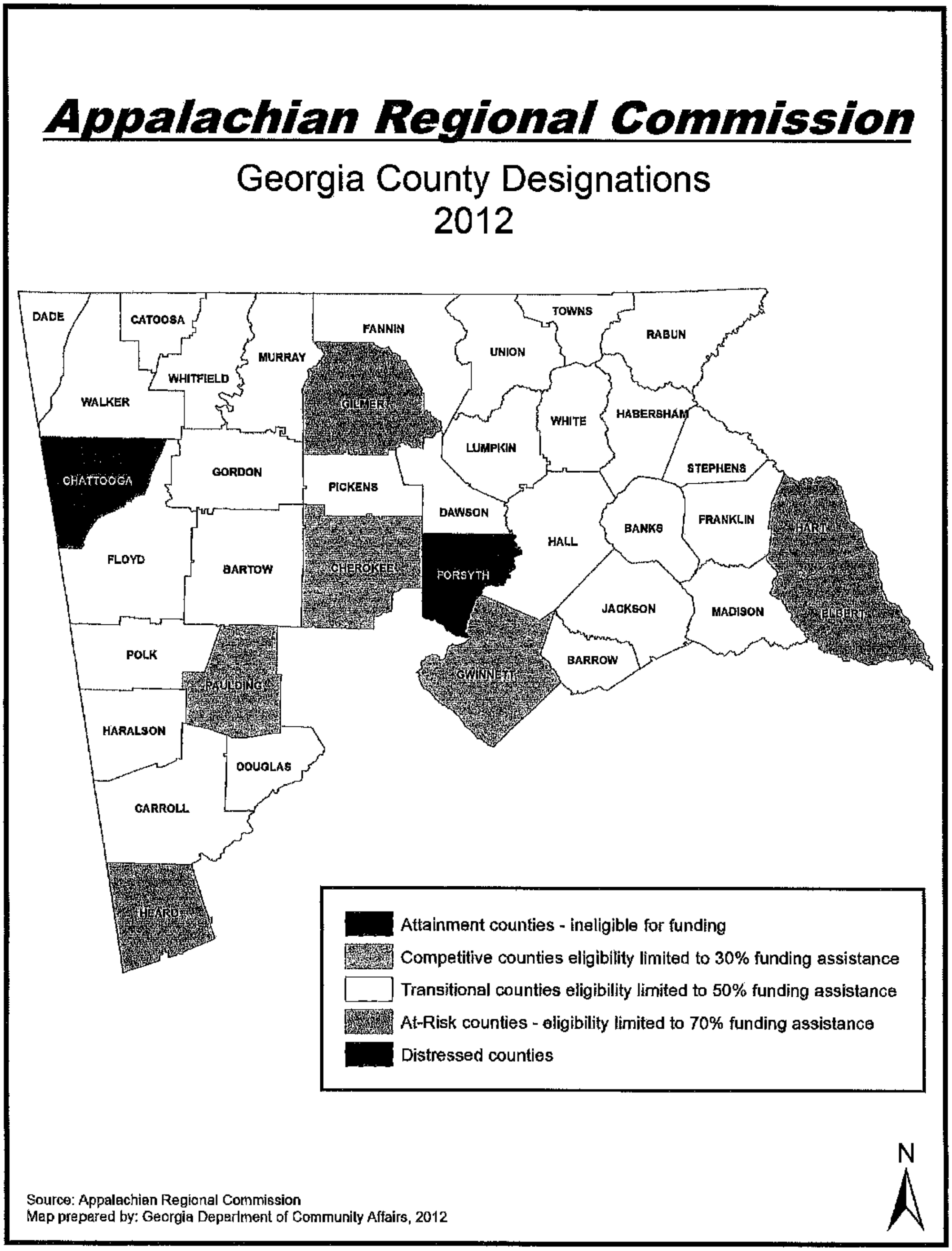
In the fall of each year, previously approved projects will be reviewed. All Georgia projects will then be subdivided into two major categories: projects that have been closed out and projects that are still active. Projects still active will be subdivided into three additional categories:

1. The project has not started;
2. The project is underway; or
3. The project has been completed.

In an effort to evaluate the effectiveness of the ARC program in Georgia, the State ARC office will make an effort to conduct a site visit to each project once construction has been completed or for non-construction projects, once the project is substantially underway. During this site visit, the Georgia office will examine the project and compare actual results with those originally projected in the letters of commitment. Any discrepancy between commitments and actual results will be noted. Evaluation results will be taken into consideration for each year's annual Investment Program and any updates to the State Plan.

Upon completion of a project, the recipient of ARC funds must provide the State ARC office with documentation that details the specific project accomplishments. This documentation should identify the purpose of the project, the extent to which the project goals have been achieved, the number of persons served by the project, and an assessment of the services provided through the project to distressed areas.

APPENDIX I: ARC Funding Designations for Appalachian Georgia



* Map is contingent upon proposed changes in ARC legislation

APPENDIX II: Appalachian Georgia Counties' Designation

Attainment Counties: Forsyth

Competitive Counties: Cherokee, Gwinnett, Paulding,

Transitional Counties: Banks, Barrow, Bartow, Carroll, Catoosa, Dade, Dawson, Douglas, Fannin, Floyd, Franklin, Gordon, Habersham, Hall, Haralson, Jackson, Lumpkin, Madison, Murray, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, Whitfield

At-Risk Counties: Elbert, Gilmer, Hart, Heard,

Distressed Counties: Chattooga

APPENDIX III: Annual Program Funding Cycle

August 15	All project packages are due at DCA by 5:00 p.m. Any proposal received after this date will be considered as back-up projects.
September 1- November 15	Georgia ARC staff conducts site visits to all projects proposed for funding.
October 1	All administrative grants are due at DCA
October 1	Federal Fiscal Year begins. All ARC administrative grants are due at ARC in Washington.
September 1	Any revisions to the State Plan are completed and submitted to ARC.
November 15- December 10	DCA staff completes review of projects and briefs Governor on proposed Investment Program.
December 15- February 15	Site visits are made to projects included in the State's Investment Program.
January 1	Formal applications can be submitted to DCA/ARC.
March 1	Deadline for all Priority 1 project applications.
March 16-April 15	DCA staff advises applicants concerning any additional information required.
April 15	All final Priority Back Up project applications are due at DCA by 5:00 p.m.
May 1	All supplemental materials required for project applications are due at DCA by 5:00 p.m.
May 1- June 15	All project applications are submitted to ARC.
July 15	Georgia notified by ARC of any

	deficiencies in proposed projects.
September 30	Federal Fiscal Year ends.

Note: Should any date listed above fall on a Saturday, Sunday, or holiday, then the due date will become the following workday after that date.