North Carolina

Appalachian Regional Commission Program

2017-2020 Development Plan

This page Intentionally Left Blank

Roy Cooper
Governor

October 9, 2017

Mr. Scott Hamilton, Exec. Director
Appalachian Regional Commission
1666 Connecticut Avenue, N. W.
Suite 700
Washington, D. C. 20009-1068

Dear Mr. Hamilton:

I am pleased to submit our new Appalachian Development Plan for 2017-2020. This document identifies our priorities for investing Appalachian funds to enhance the economic development potential of North Carolina's portion of the region. The information in this submission is consistent with the Appalachian Regional Development Act of 1965, as amended, and Section 5 of the ARC Code.

We look forward to working with the Commission to help the people in our ARC counties build a better future. Please contact Jim McCleskey, my ARC alternate, or Olivia Collier, my Appalachian program manager, if there are any questions about this material.

Sincerely,

Roy Cooper

cc: Jim McCleskey
        Olivia Collier

Enclosures

This Page Intentionally Left Blank

ACKNOWLEDGMENTS

NORTH CAROLINA

APPALACHIAN DEVELOPMENT PLAN

2017-2020

The Appalachian Regional Commission's Program in North Carolina is focused on supporting Governor Roy Cooper's vision to build a state with an economy that works for everyone. Governor Cooper was sworn into office on January 19, 2017, as the 75th Governor of North Carolina. The Governor has spent nearly three decades in public service to the state and has been and continues to be an advocate for families, communities, jobs and education. The Governor recognizes that in order for all North Carolinas to succeed investments must be made to: a) ensure that students across the state have access to the tools they need to chart their future, b) support the creation and retention and jobs, and c) strengthen communities across the state. Governor Cooper is focused on ensuring that all North Carolinians are better educated, healthier and have more money in their pockets. The Governor will utilize ARC resources to recommend projects that will lead to investments in

Governor Roy Cooper

projects that will enable communities and the region to be prepared and ready to compete for economic success. These investments will assist the Governor in continuing his mission to build a better North Carolina.

North Carolina Appalachian Regional Commission: ARC Counties

Legend
- NC ARC Region
- Non-ARC Counties
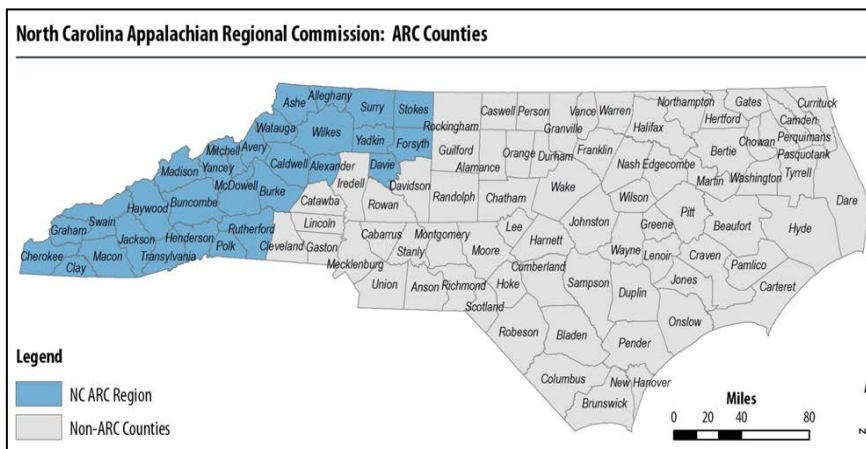
This document, in accordance with Section §5.3 of the Appalachian Regional Commission Code, will serve as North Carolina's Appalachian Regional Commission Development Plan for 2017-2020. The purpose of this plan is to establish a process that sets forth

goals, objectives, priorities and policies for North Carolina's Appalachian Regional Commission (ARC) region. This plan will also identify broad statewide issues and needs that the Governor has chosen to address with ARC resources and sets priorities for development projects and programs in these key areas in the six Local Development Districts (LDDs). The implementation of this Plan will continue to meet the diverse and changing needs of Western North Carolina by targeting the ARC resources to accomplish the defined goals and objectives of both ARC and the Governor.

Appalachian Regional Commission – Overview

The Appalachian Regional Commission (ARC) was created by the Congress in 1965 to address economic and quality of life issues in the thirteen-state Appalachian region. In the 1960s:

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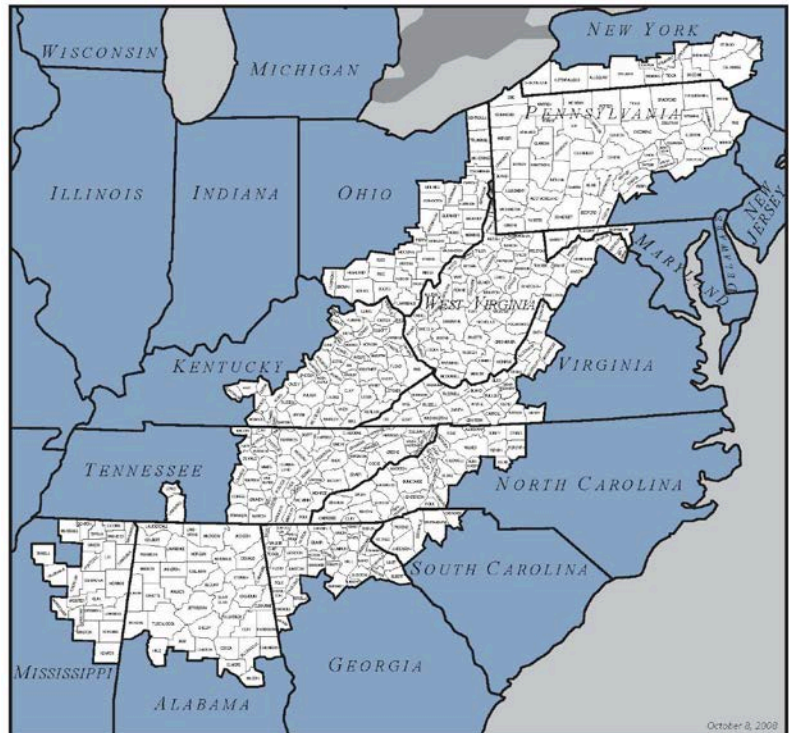
Source: ARC

In 1960, the governors from New York, Pennsylvania, Ohio, Maryland, Virginia, West Virginia, North Carolina, Tennessee, Kentucky, South Carolina, Georgia, Alabama, and Mississippi formed the Conference of Appalachian Governors to develop a regional approach to resolving these problems. In 1963, President Kennedy formed a federal-state committee that came to be known as the President's Appalachian Regional Commission (PARC), and directed it to create a detailed program for the economic development of the region. The resulting program was outlined in an April 1964 report that was endorsed by the Conference of Appalachian Governors. President Lyndon B. Johnson submitted legislation to Congress based on the PARC's report. The Appalachian Regional Development Act was passed early in 1965 by a broad bipartisan coalition and signed into law.

Federal-State Partnership

This federal-state partnership works to create opportunities for self-sustaining economic development and improved quality of life for the people of Appalachia. The region includes 420 counties and stretches from southern New York to northern Mississippi. The governors from the thirteen Appalachian states and the Federal Co-Chairman, appointed by the President, comprise the Commission. Governor Roy Cooper is North Carolina's member of the Commission; Jim McCleskey, the Director, Governor's Washington D.C. Office, serves as his Alternate. The North Carolina Department of Commerce is responsible for the administration of the North Carolina ARC Program.

The Appalachian portion of North Carolina, commonly referred to as Western North Carolina, consists of twenty-nine counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey. The 29 are served by six Local Development Districts (LDDs). The LDDs are:

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

- *High Country Council of Governments (Region D):* Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, and Yancey counties;
- *Western Piedmont Council of Governments (Region E):* Alexander, Burke, and Caldwell counties; and
- *Piedmont Triad Regional Council (Region G):* Davie, Forsyth, Stokes, Surry, and Yadkin counties.
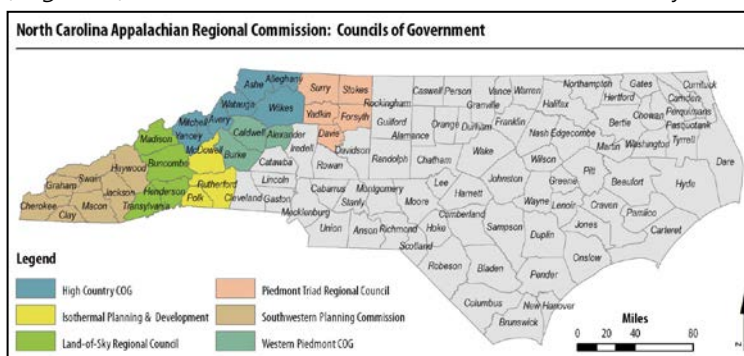
The North Carolina ARC Program works closely with the LDDs in the development of eligible projects that are consistent with the ARC Code and guidelines. Each LDD is governed by a Board of Directors comprised of local government representatives. The LDDs are an active and critical part of the ARC partnership. The North Carolina ARC program meets with the LDDs regularly to discuss regional issues and to gauge the need for ARC resources. The LDDs provide support to the ARC program office in determining which projects should be recommended to the Governor for approval by ARC.

ARC Economic Status

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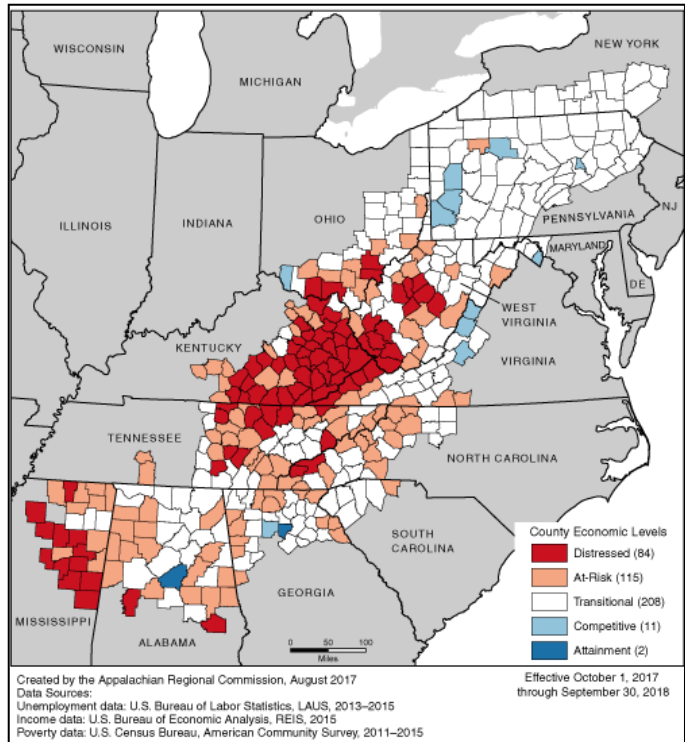
Source: ARC

Distressed -Distressed counties are the most economically depressed counties. They rank in the worst 10 percent of the nation's counties.
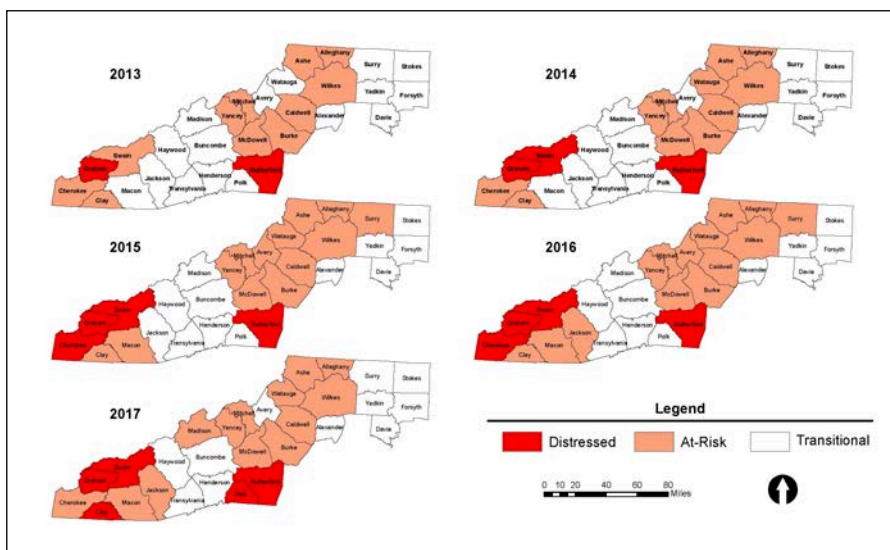
ARC Economic Levels 2013-2017

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

Transitional - Transitional counties are those transitioning between strong and weak economies. They

make up the largest economic status designation. Transitional counties rank between the worst 25 percent and the best 25 percent of the nation's counties.

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

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

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

ARC Strategic Plan "Investing in Appalachia's Future"

The ARC's Federal Co-Chair and the 13 Governors approved the 2016-2020 Strategic Plan, "Investing in Appalachia's Future," in November of 2015. The plan identifies the vision and mission of the ARC and outlines how to use resources to meet the five ARC investment goals.

ARC's mission is to "innovate, partner and invest to build community capacity and strengthen economic growth in Appalachia." The vision of the Commission is that "Appalachia is a region of great opportunity that will achieve socio-economic parity with the nation."

During the development of the 2016-2020 Strategic Plan, the Commission developed five investment goals to support the vision and mission. The goals are:

Goal 1 – Economic Opportunities – Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy.

Goal 2 – Ready Workforce – Increase the education, knowledge, skills, and health of residents to work and succeed in Appalachia.

Goal 3 – Critical Infrastructure – Invest in critical infrastructure – especially broadband; transportation, including the Appalachian Development Highway System, and water/wastewater systems.

Goal 4 – Natural and Cultural Assets – Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets.

Goal 5 – Leadership and Community Capacity – Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development.

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

Appalachian Development High System

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

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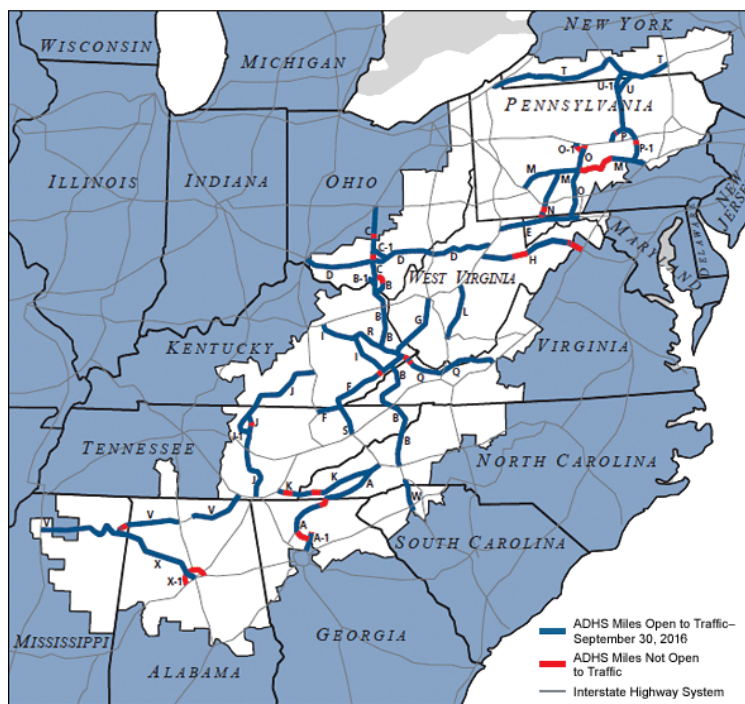
The PARC report and the Appalachian governors placed top priority on a modern highway system as the key to economic development. As a result, Congress authorized the construction of the Appalachian Development Highway System (ADHS) in the Appalachian Development Act of 1965. The ADHS was designed to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

The ADHS is currently authorized at 3,090 miles. By the end of FY 2016, 2,794.7 miles - 90.4 percent of the miles authorized—were complete or under construction. Many of the remaining miles will be among the most expensive to build. Completion of the ADHS remains a top priority for ARC.

Four ADHS corridors are located in North Carolina's portion of Appalachia. Corridor A and Corridor K serve the southwestern portion of the region, both originating in Haywood County and tracking south

and west into Jackson County. In Jackson County, Corridor A turns south and connects with Georgia. Corridor K continues through the tip of the state into Tennessee.

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

Regional Profile

Appalachian refers to regions in the central and southern Appalachian Mountains and covers a 205,000-square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia.[1] North Carolina Appalachian Region, bordered by southwest Virginia, eastern Tennessee, northeast Georgia, and upstate South Carolina, is in the Blue Ridge Mountains and covers the 29 counties - Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey.
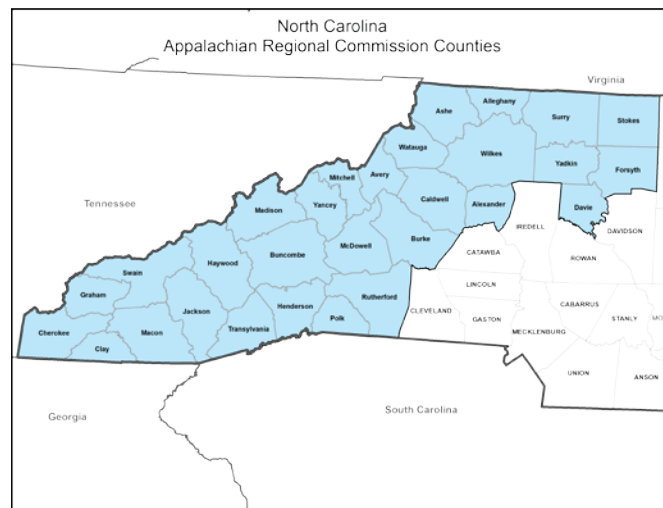
Demographic and Population
In 2016 more than 1.7 million people or 17.3 percent of total North Carolina population resided in the 29 counties of the North Carolina Appalachian Region. The Region's population is up 8% from 2006 and is projected to increase by an additional 5.8% (100,000) by 2025.

---

[1] Appalachian Regional Commission - https://www.arc.gov/counties

North Carolina Appalachian Region and North Carolina Population, 2000-2016

NC Appalachian Region		North Carolina	
2006 Population	1,625,532	2006 Population	8,890,380
2016 Population	1,755,477	2016 Population	10,158,475
% Change in Population (2006-2016)	8.0%	% Change in Population (2000-2008)	14.3%

Sources: NC Office State Budget Management

Twenty-six of the Region's counties have a median age older than the state median of 38.5. Twenty percent of the Region's residents are 65 and older compared to 15% across the state. It is likely that the retiree population will increase as the baby boomer generation reaches retirement age. In 2015, 86.4% of the region's total population reported themselves as White. The largest minority in the region is African American with 159,557 people.

ARC Region Population by Race, 2015

Race Reported	Number of Persons	Percentage of ARC Appalachian Region Population	Percentage Change 2012-2015
White	1,507,504	86.4%	1.2%
Black or African-American	159,557	9.1%	2.0%
Asian	24,436	1.4%	9.7%
American Indian	20,551	1.2%	8.1%
Two or More Races	32,665	1.9%	14.1%

Source: NC Office State Budget Management

Income and Poverty

Poverty rate remains high in most of the North Carolina's ARC counties. In 2007, 17 counties in the Region had poverty rates above the state level of 17.4 percent. Transylvania County had the lowest rate of 12.6 percent while Watauga experiences the highest rate of 31.4 percent. The North Carolina ARC region in total has a poverty rate of 17.1 percent, higher than the national rate of 15.5 percent.

North Carolina, Appalachian Regional Commission Counties Percent of Population Below Poverty, 2011-2015

Percent Below Poverty
Poverty Rate
12.60% - 17.20%
18.10% - 24.50%
31.40%

United States 15.50%
North Carolina 17.40%
Appalachian Region 17.10%
Appalachian North Carolina 18.70%

Map created August 2017
Source: Census, Poverty Status in the Past 12 Months 2011-2015 ACS 5-Year Estimates

In 2015, only one county in the Region had a median household income above the state average of $46,868. Davie County had the highest median household income ($51,527). Wilkes County had the lowest household income of $33,232.

ARC Region Median Household Income, 2015

ARC County	Median Household Income	ARC County	Median Household Income	ARC County	Median Household Income
NC Total	**$46,868**	Davie	$51,527	Polk	$46,528
Alexander	$39,365	Forsyth	$45,471	Rutherford	$35,630
Alleghany	$36,968	Graham	$34,805	Stokes	$40,696
Ashe	$36,267	Haywood	$42,257	Surry	$36,164
Avery	$37,777	Henderson	$46,448	Swain	$33,931
Buncombe	$45,167	Jackson	$38,015	Transylvania	$45,114
Burke	$39,360	Macon	$35,965	Watauga	$37,656
Caldwell	$35,763	Madison	$39,133	Wilkes	$33,232
Cherokee	$34,662	McDowell	$35,080	Yadkin	$37,796
Clay	$37,076	Mitchell	$37,391	Yancey	$37,484

Source: Census Bureau, American Community Survey 2011-2015 estimate; 2015 dollars

Employment, Labor, and Wages

Year	Unemployment Rate		Labor Force Growth (vs. 2012)		Average Wage (2016 $)	
	NC ARC Region	North Carolina	NC ARC Region	North Carolina	NC ARC Region	North Carolina
2012	9.3%	9.3%	0%	0%	$34,773	$45,071
2013	7.8%	8.0%	-0.4%	0%	$34,479	$45,109
2014	6.0%	6.3%	-1.1%	0.2%	$34,806	$45,588
2015	5.4%	5.8%	0.1%	1.9%	$35,921	$47,151
2016	4.7%	5.1%	2.1%	4.2%	$36,228	$47,259

Source: Local Area Unemployment Statistics (LAUS) Quarterly Census Employment and Wages (QCEW); 2016 dollars

The unemployment rate in North Carolina ARC counties has declined steadily during the period of 2012-2016. In 2016, the Region had approximately 803,930 people in the labor force, of which 782,183 people were employed, and average unemployment rate was 4.7%, lower than that state average. The unemployment rate in the Region has been cut in half since 2012, a larger decrease than the state. Although the labor force within the Region has grown by 2.1% since 2012, the pace of growth is only half of statewide growth. The average wage in the Region is $36,228. This is 23% below the state average.

ARC Region County Unemployment Rate, 2012 to 2016
(Counties highlighted with unemployment rate above state average)

County	2012	2013	2014	2015	2016
Alexander	10.6%	8.8%	6.7%	6.1%	5.4%
Alleghany	10.4%	8.9%	6.6%	5.7%	4.8%
Ashe	12.2%	11.0%	7.7%	6.9%	6.1%
Avery	9.6%	8.3%	6.2%	5.4%	4.8%
Buncombe	10.4%	8.8%	6.8%	6.2%	5.6%
Burke	10.6%	8.9%	6.5%	5.9%	5.0%
Caldwell	7.2%	6.0%	4.7%	4.4%	3.8%
Cherokee	8.5%	6.6%	5.4%	5.1%	4.7%
Clay	9.2%	7.7%	5.7%	5.0%	4.4%
Davie	9.1%	7.8%	5.8%	5.3%	4.6%
Forsyth	9.6%	7.8%	5.6%	4.9%	4.3%
Graham	10.7%	9.5%	6.8%	5.9%	5.2%
Haywood	11.0%	9.2%	7.1%	6.5%	5.6%
Henderson	10.4%	9.2%	6.9%	6.0%	4.8%
Jackson	7.5%	6.2%	5.0%	4.8%	4.2%
Macon	9.8%	8.2%	6.2%	5.7%	4.9%
Madison	13.2%	11.2%	8.6%	7.8%	6.7%
Mitchell	17.7%	15.3%	13.3%	12.0%	8.8%
Polk	7.4%	6.4%	5.2%	4.9%	4.5%
Rutherford	9.3%	7.9%	6.1%	5.4%	4.8%
Stokes	9.1%	7.5%	5.9%	5.0%	4.5%
Surry	8.9%	7.5%	6.0%	5.5%	4.9%
Swain	9.8%	8.3%	6.2%	5.6%	4.9%
Transylvania	8.7%	7.4%	5.8%	5.5%	4.9%
Watauga	10.8%	9.0%	6.4%	5.5%	4.8%
Wilkes	10.4%	8.8%	6.6%	6.2%	5.4%
Yadkin	11.6%	9.6%	7.3%	6.3%	5.2%
Yancey	10.6%	9.1%	6.6%	6.2%	5.4%
North Carolina	9.3%	8.0%	6.3%	5.8%	5.1%

Sources: Local Area Unemployment Statistics (LAUS)

Total employment experienced a 7.1% increase between 2012 and 2016 compared to statewide growth of 9.1%. Federal and State Government regional employment declined while local government and private employment grew. Health care & Social Assistance is the largest industry in the region and the state. Accommodation & Food Service added the most jobs within the Region during this time, while Management, Transportation, and Agriculture all lost jobs. Agriculture was the only industry to lose jobs during this time across the state as a whole. High paying industries such as Scientific/Professional Services, Finance & Insurance, and Management are all growing at a slower pace in the Region than the state overall.

Average Employment

Industry	NC ARC Region				North Carolina			
	2012	2016	Growth		2012	2016	Growth	
Total Federal Government	5,589	4,913	(676)	-12.1%	69,715	71,549	1,834	2.6%
Total State Government	21,490	20,861	(629)	-2.9%	179,314	180,510	1,196	0.7%
Total Local Government	48,381	48,915	534	1.1%	430,990	442,953	11,963	2.8%
Total Private Industry	309,322	337,272	27,950	9.0%	3,225,090	3,566,125	341,035	10.6%
Total	384,782	411,961	27,179	7.1%	3,905,109	4,261,137	356,028	9.1%

Source: NC Department of Commerce; Quarterly Census Employment and Wages (QCEW)

Average Employment by 2-Digit NAICS

Industry	NC ARC Region				North Carolina			
	2012	2016	Growth		2012	2016	Growth	
Health Care & Social Assistance	67,359	69,888	2,529	3.8%	564,556	602,329	37,773	6.7%
Manufacturing	52,991	56,694	3,703	7.0%	439,340	464,500	25,160	5.7%
Retail Trade	50,256	54,433	4,177	8.3%	457,690	501,944	44,254	9.7%
Accommodation / Food Services	41,227	48,601	7,374	17.9%	357,637	412,099	54,462	15.2%
Educational Services	31,369	31,392	23	0.1%	366,967	372,402	5,435	1.5%
Public Administration	26,858	27,522	664	2.5%	236,043	241,875	5,832	2.5%
Construction	15,199	17,675	2,476	16.3%	171,949	200,482	28,533	16.6%
Administrative & Waste Services	16,425	18,554	2,129	13.0%	260,306	295,184	34,878	13.4%
Professional / Technical Services	11,714	12,026	312	2.7%	198,121	232,297	34,176	17.3%
Wholesale Trade	10,504	10,673	169	1.6%	171,537	182,811	11,274	6.6%
Other Services Ex. Public Admin	9,847	11,377	1,530	15.5%	98,131	108,171	10,040	10.2%
Transportation & Warehousing	9,392	8,844	(548)	-5.8%	127,255	142,776	15,521	12.2%
Arts Entertainment & Recreation	8,889	11,679	2,790	31.4%	62,301	73,222	10,921	17.5%
Finance & Insurance	7,589	7,680	91	1.2%	149,262	163,851	14,589	9.8%
Information	4,335	4,405	70	1.6%	70,219	79,995	9,776	13.9%
Real Estate & Rental and Leasing	3,660	4,230	570	15.6%	48,193	56,941	8,748	18.2%
Management	4,172	1,384	(2,788)	-66.8%	80,461	83,824	3,363	4.2%
Agriculture	3,038	2,783	(255)	-8.4%	28,605	28,447	(158)	-0.6%
Utilities	1,061	1,175	114	10.7%	13,522	15,230	1,708	12.6%
Mining	530	734	204	38.5%	2,995	-	*	-100.0%
Unclassified	-	-	-	-	32	-	-	-
Total *	376,415	401,749	25,334	6.7%	3,905,122	4,258,380	353,258	9.0%

*Source: NC Department of Commerce; Quarterly Census Employment and Wages (QCEW) * 2-digit level data may be impacted by data suppression*

Average Wage (2016$)

Industry	NC ARC Region				North Carolina			
	2012	2016	Growth		2012	2016	Growth	
Total Federal Government	$64,577	$69,065	$4,488	6.9%	$65,869	$68,074	$2,205	3.3%
Total State Government	$40,406	$41,735	$1,329	3.3%	$47,528	$48,809	$1,282	2.7%
Total Local Government	$35,597	$37,319	$1,722	4.8%	$41,267	$43,242	$1,975	4.8%
Total Private Industry	$33,714	$35,252	$1,538	4.6%	$44,993	$47,262	$2,269	5.0%
Total	$34,773	$36,229	$1,456	4.2%	$45,071	$47,259	$2,189	4.9%

Source: NC Department of Commerce; Quarterly Census Employment and Wages (QCEW); 2016 Dollars

Total wages in the Region have increased 4.2% relative to 2012 compared to statewide growth of 4.9%. In 2016, the Utilities Industry had the highest average annual wage ($70,563) with Accommodation & Food Service having the lowest ($15,845). Industries such as Professional/Technical Services, Finance & Insurance, and Management have significantly lower average wages within the Region compared to the state.

Average Wage by 2-Digit NAICS (2016$)

Industry	NC ARC Region				North Carolina			
	2012	2016	Growth		2012	2016	Growth	
Health Care & Social Assistance	$41,893	$44,595	$2,703	6.5%	$45,892	$48,053	$2,160	4.7%
Manufacturing	$42,063	$43,624	$1,561	3.7%	$55,369	$56,642	$1,272	2.3%
Retail Trade	$23,943	$24,816	$873	3.6%	$26,352	$27,245	$893	3.4%
Accommodation / Food Services	$15,845	$17,016	$1,171	7.4%	$15,918	$16,635	$717	4.5%
Educational Services	$37,075	$38,064	$989	2.7%	$42,019	$43,233	$1,214	2.9%
Public Administration	$37,821	$39,614	$1,793	4.7%	$45,652	$47,067	$1,415	3.1%
Construction	$35,980	$39,791	$3,811	10.6%	$45,013	$50,038	$5,025	11.2%
Administrative & Waste Services	$26,312	$28,387	$2,075	7.9%	$33,415	$34,468	$1,054	3.2%
Professional / Technical Services	$45,830	$49,022	$3,193	7.0%	$72,779	$77,148	$4,369	6.0%
Wholesale Trade	$48,320	$50,417	$2,097	4.3%	$65,689	$69,032	$3,344	5.1%
Other Services Ex. Public Admin	$25,787	$26,846	$1,059	4.1%	$30,382	$32,771	$2,389	7.9%
Transportation & Warehousing	$40,022	$42,098	$2,076	5.2%	$45,595	$47,315	$1,720	3.8%
Arts Entertainment & Recreation	$26,366	$28,205	$1,840	7.0%	$30,315	$30,562	$247	0.8%
Finance & Insurance	$50,892	$56,119	$5,227	10.3%	$81,080	$90,007	$8,927	11.0%
Information	$43,710	$44,984	$1,274	2.9%	$70,120	$77,681	$7,561	10.8%
Real Estate & Rental and Leasing	$30,855	$34,463	$3,608	11.7%	$43,137	$47,114	$3,977	9.2%
Management	$57,881	$59,678	$1,797	3.1%	$96,378	$103,631	$7,254	7.5%
Agriculture	$27,424	$29,883	$2,459	9.0%	$31,145	$34,049	$2,904	9.3%
Utilities	$70,563	$83,766	$13,203	18.7%	$83,484	$89,329	$5,845	7.0%
Mining	$52,727	$52,106	-$621	-1.2%	$48,204	-	-	-
Unclassified	-	-	-	-	$49,658	-	-	-
Total *	$34,776	$36,080	$1,304	3.8%	$45,071	$47,251	$2,181	4.8%

*Source: NC Department of Commerce; Quarterly Census Employment and Wages (QCEW); 2016 Dollars * 2-digit level data may be impacted by data suppression*
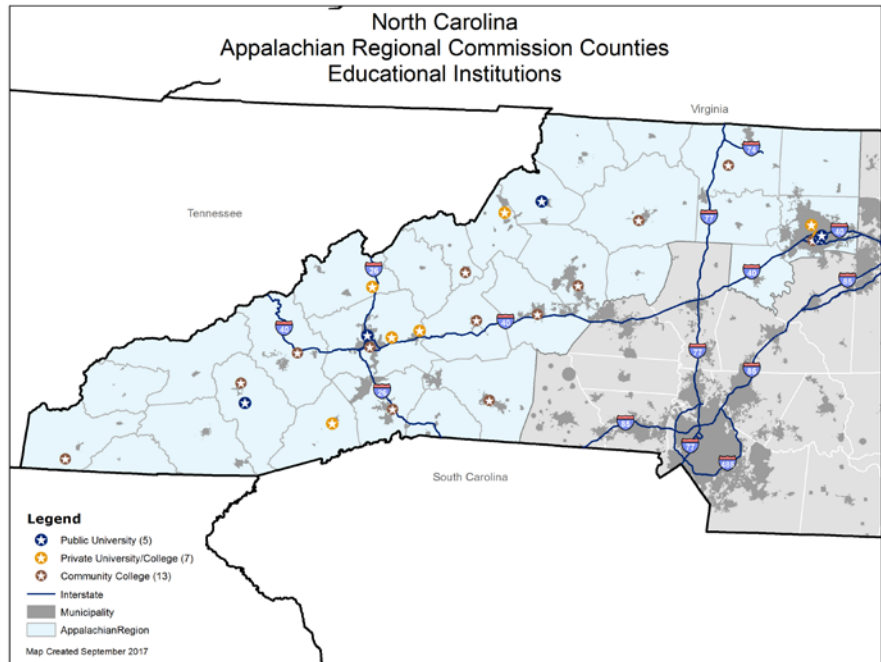
Education

For the 2014-2015 school year, the 4-year cohort graduation rate in the North Carolina ARC county schools is 86.8 percent, 1.2 percent higher than the state average. While the graduation rate in the state has risen by 7.7 percent since the 2010-2011 cohort, the Region has also experienced increased graduation rate of 7.1 percent. Regional county level increases ranged from 0.5 percent in Watauga to 14.2 percent in Yancey. Clay was the only county to experience a decline (-4.5%). Out of the Region's 29 counties, 17 have graduation rates equal to or above the state average, with the highest rate in Avery County (93.8%) and the lowest in McDowell County (80.4%). *Source: North Carolina Department of Instruction - "County" school district*

Educational Attainment for Population 25 Years and Older

Categories	NC Appalachian Region	North Carolina
High School Graduate	28.9%	26.7%
Some College, No Degree	21.5%	21.8%
Associate's Degree	9.1%	9.0%
Bachelor's Degree	15.8%	18.4%
Graduate or Professional Degree	9.1%	9.9%

Source: US Census Bureau, American Community Survey 5-Year Estimates 2011-2015

The Region is served by five state universities — Appalachian State University, the University of North Carolina at Asheville, University of North Carolina School of Arts, Winston-Salem State University, and Western Carolina University — as well as thirteen community colleges and several private liberal arts colleges. These schools offer many fine programs and through the community colleges, state-funded customized workforce training is available to participating employers through the Focused Industrial Training (FIT) program, and the North Carolina Manufacturing Certification program is available to incumbent and prospective workers.

Multiple community colleges offer AA degrees and/or certificate programs in industrial systems technology, machining technology, welding technology, mechanical engineering technology, computer programming, information systems, internet technologies, computer engineering technology, Cisco Systems certification, Microsoft certification, nursing, surgical technology, emergency medical science, medical laboratory technology, and criminal justice technology.

North Carolina
Appalachian Regional Commission Counties
Educational Institutions

Legend
- Public University (5)
- Private University/College (7)
- Community College (13)
- Interstate
- Municipality
- AppalachianRegion

Map Created September 2017

Infrastructure

Transportation

North Carolina boasts over 78,000 miles of state maintained roads and has the largest state-maintained highway network in the country, giving the Region excellent access to Interstates 40, 85, 81, 95, 77, I-26, future I-73/74, and other several major U.S. highways. This highway system puts the Region within a day's drive of 75% of the U.S. population.

The Region is served by three railroads, Norfolk Southern, Winston-Salem Southbound (which connects with CSX south of Charlotte, NC) and Yadkin Valley Railroad. Norfolk Southern Railroad Corporation provides rail lines through Knoxville, TN, to the west and Greenville, SC, to the south. To the east, rail lines adjoin North Carolina's 3,600-mile rail network. Regional facilities offer loading and unloading, and a piggyback service is available. Passenger rail service is available approximately an hour away in Greer, SC.

Asheville Regional Airport is served by Allegiant, American Airlines, Delta Air Lines, Elite, and United, with short flights to nearby international airports in Atlanta and Charlotte, and other direct flights to 10 major cities. More than 200 destinations around the world can be reached with a single connection. Piedmont Triad International is located about 25 minutes east of Winston-Salem, just off Interstate 40, and provides daily non-stop flights to 17 cities. Major airlines include Allegiant, American Airlines, Delta, Frontier Airlines, and United. Smith Reynolds, located about 10 minutes north of downtown Winston-Salem, is primarily a corporate aircraft base.

North Carolina has two modern deep-water ports in Wilmington and Morehead City. Inland port services are available in adjoining regions like Charlotte and upstate South Carolina. Some western North Carolina companies also use ports in Charleston, SC and Savannah, GA.

Broadband

The Region is ahead of many largely rural regions for broadband due in large part to the long-term commitment of major telecommunication companies such as AT&T and Verizon. These private utility networks have been supplemented by public/private networks
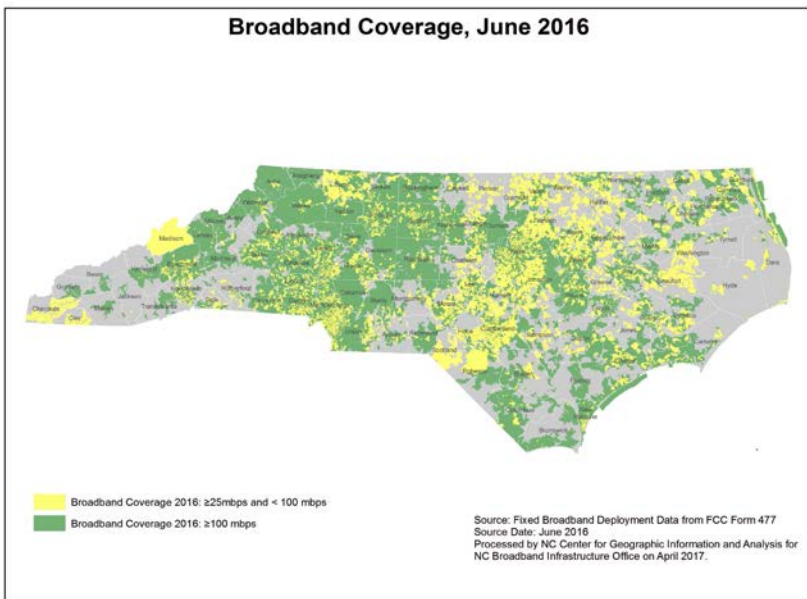

Source: Fixed Broadband Deployment Data

like ERC, BalsamWest, PANGAEA and North Carolina Wireless, LLC.

NC Broadband also provides affordable internet service to the rural communities to increase their access to commerce, health care, education and government services. The map below shows the progress of counties toward 100% high-speed availability. Most the counties in the NC Appalachian Region have an average 70% to 90% broadband access at 25 MB and greater. Fourteen counties - Ashe, Stokes, Burke, Caldwell, Watauga, Mitchell, Surry, Buncombe, Yancey, Wilkes, Yadkin, Davie, Forsyth and Madison – have above 90% internet connectivity. Only eight counties – Cherokee, Polk, Transylvania, Clay, Graham, Rutherford, Macon and Jackson - have less than 70%.
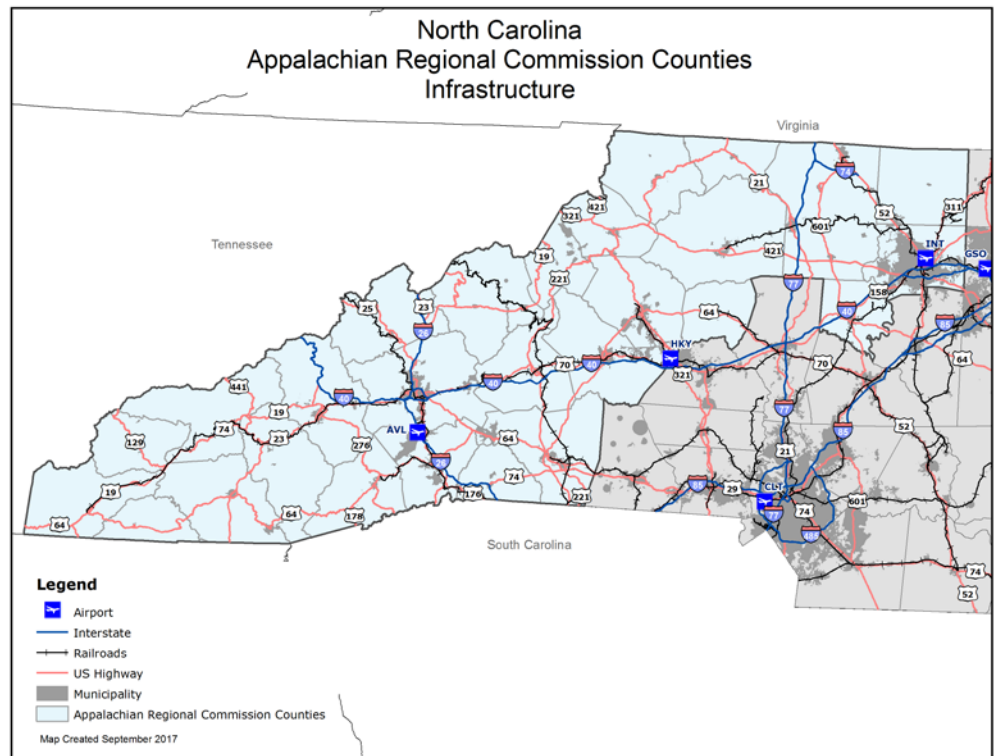
Electricity and Gas
Electric utilities for the Region are served by Duke Energy and other several electric membership corporations, commonly known as EMCs or Co-ops. Municipal electric providers also serve several communities in part of the region. Natural gas service is furnished by four companies: PSNC Energy, Piedmont Natural Gas, Toccoa Natural Gas and Frontier Energy. Out of the 29 counties, Alleghany, Clay, Cherokee, and Graham are not assigned to any state's natural gas local distribution companies due to funding issues and high cost of extending service into these rocky, mountainous counties.

Water and Sewer
The region has benefited significantly from statewide bond referendums, the Clean Water Management Trust Fund, state programs, and Federal programs like USDA and ARC.

Entrepreneurship Activity and Resources

Small businesses have played an increasingly important role in the western North Carolina. Entrepreneurs and small businesses receive a broad range of support and training from various organizations in the North Carolina ARC Region.

Mountain BizWorks is a business development organization headquartered in Asheville. It has been widely recognized nationally as one of the pioneer microenterprise programs in the country, with extensive experience and knowledge in helping people create self-employment. Originally focused entirely on helping microenterprises, it now also assists larger businesses.

Self Help Credit Union reaches persons who are underserved by conventional lenders--particularly minorities, women, rural residents, and low-wealth individuals. Asheville SCORE, Counselors to America's Small Business, is part of a national nonprofit association dedicated to entrepreneur education and the formation, growth and success of the nation's small business. SCORE provides free professional guidance, information and support that are tailored to meet the needs of businesses.

High Country Business Network (HCBN) is a regional support system for small business and entrepreneur development in and around Boone, Blowing Rock, Spruce Pine and Little Switzerland. HCBN is committed to promoting a culture of entrepreneurship by providing networking and educational opportunities to the region's aspiring and established businesses.

North Carolina Small Business and Technology Development Center (SBTDC) is a business and development service of the University of North Carolina system. The SBTDC's primary focus is providing management counseling to established firms, high growth companies and later stage start-up businesses. The following table contains information on entrepreneurship education and training organizations in the NC Appalachian Region.

Entrepreneurship Organizations	NC ARC Counties
Appalachian State University Small Business Technology Development Center	Watauga
Asheville Small Business and Technology Development Center	Buncombe
Asheville-Buncombe Technical Community College Small Business Center	Buncombe
Blue Ridge Community College Small Business Center	Henderson
Caldwell Community College and Technical Institute Small Business Center	Caldwell
Catawba Valley Community College Small Business Center	Catawba
Central Piedmont Community College Small Business Center	Forsyth
Davidson Community College Small Business Center	Davie
Forsyth Technical Community College Small Business Center	Forsyth
Haywood Community College Small Business Center	Haywood
Isothermal Community College Small Business Center	Rutherford

Lenoir Community College Small Business Center	Caldwell
Mayland Community College Small Business Center	Mitchell
McDowell Technical Community College Small Business Center	McDowell
Mountain MicroEnterprise Fund	Buncombe
Northern Piedmont Small Business and Technology Development Center	Forsyth
Tri-County Community College Small Business Center	Cherokee
Southwestern Community College Small Business Center	Macon
Surry Community College Small Business Center	Surry
Western Region Small Business and Technology Development Center	Jackson
Wilkes Community College Small Business Center	Wilkes

Tourism

Western North Carolina is home to some of the finest resorts, golf courses, spas, scenery, wineries, festivals and attractions in the world. Places such as Cherokee and Southern Appalachian heritage, Biltmore House, Yadkin Valley Wineries, Chimney Rock Park, the Blue Ridge Parkway and the Great Smoky Mountains National Park, have attracted many tourists and created a significant economic impact. In 2003, the United States Congress designated the Western North Carolina region as the Blue Ridge National Heritage Area in recognition of the natural abundance and richly varied cultural history of the North Carolina mountains. Also in the same year, the United States' Bureau of Alcohol, Tobacco, Firearms and Explosives approved the new appellation for the Yadkin Valley AVA -- allowing winemakers to bottle wines with a label indicating that the wine came from the Yadkin Valley.

In 2016, visitors to the ARC region spent more than $4.3 billion, 19.1 percent of North Carolina tourism dollars. This was a 15% increase from 2012. More than 40,000 regional jobs and $866 million in payroll were directly attributable to travel and tourism in 2016. State and Local tax revenues from travel to the Region amounted to $385 million.

NC ARC County	Expenditures $(millions)			Payroll $(millions)		Employment (thousand)		State Tax Receipts $(million)	Local Tax Receipts $(million)
	2012	2016	% Change	2012	2016	2012	2016	2012	2016
Alexander	$18.3	$19.9	8.8%	$2.6	$3.0	0.11	0.12	$1.1	$0.8
Alleghany	$22.9	$23.8	3.8%	$4.0	$4.4	0.18	0.19	$1.1	$1.6
Ashe	$48.7	$54.9	12.8%	$6.9	$8.3	0.37	0.42	$2.9	$2.9
Avery	$108.4	$119.4	10.1%	$23.9	$27.9	1.19	1.30	$6.0	$5.3
Buncombe	$872.1	$1,070.2	22.7%	$183.3	$239.1	9.32	11.27	$54.9	$34.7
Burke	$84.1	$98.5	17.1%	$11.8	$14.7	0.62	0.73	$5.5	$2.8
Caldwell	$48.7	$52.5	8.0%	$7.1	$8.1	0.33	0.36	$2.9	$1.6
Cherokee	$36.9	$48.1	30.3%	$5.4	$7.5	0.29	0.38	$2.2	$2.7
Clay	$12.8	$13.2	3.1%	$1.4	$1.5	0.06	0.06	$0.6	$1.5

Davie	$33.6	$36.5	8.4%	$5.8	$6.8	0.27	0.30	$2.1	$0.7
Forsyth	$744.1	$846.2	13.7%	$122.7	$148.6	6.04	6.83	$50.5	$15.5
Graham	$26.0	$26.9	3.5%	$4.3	$4.8	0.25	0.26	$1.3	$1.8
Haywood	$155.4	$178.6	15.0%	$31.2	$38.5	1.57	1.81	$10.0	$6.7
Henderson	$228.3	$274.6	20.3%	$39.5	$50.3	1.96	2.32	$12.6	$11.7
Jackson	$163.1	$188.2	15.4%	$36.3	$44.8	1.57	1.81	$10.5	$8.6
Macon	$141.9	$163.9	15.5%	$23.7	$29.3	1.15	1.33	$7.4	$13.0
Madison	$33.7	$38.1	13.1%	$6.3	$7.6	0.31	0.35	$2.0	$1.7
McDowell	$51.3	$56.6	10.3%	$7.4	$8.7	0.39	0.43	$3.0	$2.0
Mitchell	$21.9	$23.0	5.1%	$3.2	$3.6	0.16	0.17	$1.0	$1.0
Polk	$23.7	$28.3	19.8%	$3.3	$4.2	0.17	0.21	$1.5	$1.6
Rutherford	$156.5	$173.8	11.1%	$21.4	$25.4	1.15	1.28	$10.5	$5.2
Stokes	$23.1	$24.2	4.6%	$2.8	$3.2	0.13	0.14	$1.3	$0.9
Surry	$111.9	$121.1	8.2%	$15.6	$18.1	0.77	0.84	$6.8	$2.6
Swain	$192.4	$202.5	5.2%	$52.6	$59.2	2.10	2.21	$12.7	$4.5
Transylvania	$84.6	$94.6	11.9%	$14.8	$17.7	0.72	0.81	$3.7	$4.3
Watauga	$220.6	$248.3	12.6%	$46.9	$56.5	2.50	2.81	$12.5	$9.7
Wilkes	$66.4	$74.8	12.6%	$9.4	$11.3	0.49	0.55	$3.7	$1.8
Yadkin	$33.9	$37.9	12.0%	$5.6	$6.7	0.32	0.36	$2.1	$0.9
Yancey	$33.1	$36.9	11.2%	$5.2	$6.2	0.23	0.25	$1.7	$2.6
ARC Total	**$3,798.5**	**$4,375.5**	**15.2%**	**$704.3**	**$866.3**	**34.75**	**39.88**	**$234.1**	**$150.8**

ARC Accomplishments in North Carolina

Each year ARC provides funding for projects throughout the Appalachian Region of North Carolina. These projects must support one of five investment goals:

- **Goal 1: Economic Opportunities**
  Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy.

- **Goal 2: Ready Workforce**
  Increase the education, knowledge, skills, and health of residents to work and succeed in Appalachia.

- **Goal 3: Critical Infrastructure**
  Invest in critical infrastructure—especially broadband; transportation, including the Appalachian Development Highway System; and water/wastewater systems.

- **Goal 4: Natural and Cultural Assets**
  Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets.

- **Goal 5: Leadership and Community Capacity**
  Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development.

Since 2012, the North Carolina ARC program has invested over $31 million in ARC funding, which has leveraged over $73 million in other funds. For every ARC dollar spent in Western North Carolina $2.35, in additional non-ARC funds, has been invested+ on projects that support the program goals. From 2012 through 2017, 190 projects throughout the state's Appalachia Region have assisted in the creation of approximately 18,206 new jobs and the retention of an additional 3,535 jobs. Projects providing access roads for business and industrial growth has been a vital component of economic development recruitment, retention and expansion, and of job creation and retention within the region. Some of these projects have added critical water and sewer infrastructure that aided in business and industry expansion, and provided clean, potable water to households, schools and commercial buildings.

Accomplishments include:

- $2,583,330 to the Town of Blowing Rock for an access road to the Blowing Rock Post-Acute Care Facility. This project resulted in 59 new jobs and the retention of 110 jobs.

- $100,000 to Duke University for the Partnership for Appalachian Girls' Education program. The program provides technology training for middle school girls. This project served 102 middle school girls.

- $100,000 to Alexander County to purchase equipment for advanced manufacturing training in upholstery for the

Students in Alexander County

local furniture industry. The project resulted in 58 students trained. One hundred percent of the students have gain employment in the furniture industry.

ARC Strategic Investment Goals, Objectives and North Carolina Strategies

Strategic Investment Goal 1

Economic Opportunities: *Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy.*

Action Objective 1.1 - Strengthen entrepreneurial ecosystems and support for existing businesses.

North Carolina Strategies

  1.1.1. Support innovative efforts to deliver entrepreneurial skills training to small and medium-sized firms.

  1.1.2. Support service delivery programs that are responsive to North Carolina ARC's business and entrepreneurial needs.

  1.1.3. Support programs that ensure the availability of a trained workforce with the skills and abilities required for economic retention and growth.

Action Objective 1.2 - Support the startup and growth of businesses, particularly in targeted sectors.

North Carolina Strategy

  1.2.1 Focus attention on building businesses and industries to create markets.

  1.2.2 Support supply chains and base industries by increasing and making more effective use of electronic commerce in order to enhance continued growth in targeted sectors.

Action Objective 1.3 - Enhance the competitiveness of the Region's manufacturers.

North Carolina Strategies

  1.3.1 Assist Appalachian communities in developing and sustaining a favorable business climate that supports domestically and globally competitive enterprises.

Action Objective 1.4 - Promote export strategies to connect startup and established businesses with external and global markets.

North Carolina Strategies

  1.4.1 Create an economic climate conducive to the birth, attraction, and retention of innovative, entrepreneurial firms that create new products and expand into new markets.

  1.4.2 Encourage public-private sector partnerships and regional approaches to economic development.

  1.4.3 Assist Appalachian communities in developing and sustaining a favorable business climate that supports domestically and globally competitive enterprises.

Strategic Investment Goal 2

Ready Workforce: *Increase the education, workforce, knowledge, skills, and health of residents to work and succeed in Appalachia.*

Action Objective 2.1 - Develop and support educational programs and institutions to prepare students for postsecondary education and the workforce.

North Carolina Strategies

  2.1.1 Support programs that ensure the availability of a trained workforce with the skills and abilities required to promote economic retention and growth.

2.1.2   Assist in bridging gaps between other funding sources to provide training for a specific industrial skill, that would result in major private investments in new facilities, operations, and jobs.

2.1.3   Support local and regional efforts to better prepare students, youths, and adults for post-secondary training.

2.1.4   Assist Appalachian communities in activities promoting early childhood education for all children, especially those at-risk.

2.1.5   Assist Appalachian communities in achieving high education standards, and eliciting parent and community involvement.

2.1.6   Assist Appalachian communities in activities promoting higher education standards that aid in; retaining students through graduation, increasing post-secondary educational attainment, and/or involving citizens in their education systems.

2.1.7   Continue to support initiatives that reduce dropout rates.

Action Objective 2.2 - Support programs that provide basic and soft-skills training to prepare workers for employment.

North Carolina Strategies

2.2.1   Support programs that ensure the availability of a trained workforce with the skills and abilities required to promote economic retention and growth.

2.2.2   Assist in skill training operations that include a substantial commitment of private and local resources and have a regional significance.

2.2.3   Strengthen the delivery training programs in order to improve business retention, expansion, and formation efforts.

Action Objective 2.3 - Develop and support career-specific education and skills training for students and workers, especially in sectors that are experiencing growth locally and regionally and that provide opportunities for advancement.

North Carolina Strategies

2.3.1   Support innovative efforts to deliver entrepreneurial skills training to small and medium-sized firms.

2.3.2   Assist in bridging gaps between other funding sources to provide training for a specific industrial skill, that would result in major private investments in new facilities, operations, and jobs.

2.3.3   Assist in skill training operations that include a substantial commitment of private and local resources and have a regional significance.

Action Objective 2.4 - Increase local residents' access to STEAM and other skills training on state-of-the art technology and processes across all educational levels.

North Carolina Strategies

2.4.1   Support innovative efforts to deliver entrepreneurial skills training to small and medium-sized firms.

2.4.2   Provide, for students, increased access to technology applications that meet the needs of the state's businesses.

2.4.3   Implement workforce readiness programs that will ensure students receive the necessary skills to enable them to find and retain jobs.

2.4.4   Continuing education for teachers to enable them to be able to teach trending careers in the region.

Action Objective 2.5 - Improve access to affordable, high-quality health care for workers and their families.

North Carolina Strategies

2.5.1   Assist efforts to ensure all Appalachian students arrive at school healthy and ready to learn.

2.5.2   Increase access to preventive health care for children, families and workers

2.5.3   Increase the availability and access to primary care, dental care, substance abuse, mental health and/or obstetric services, especially in Health Professionals Shortage Areas (HPSAs).

2.5.4   Assist communities with strategies for worksite wellness.

Action Objective 2.6 - Use proven public health practices and establish sustainable clinical services to address health conditions that affect the Region's economic competitiveness.

North Carolina Strategies

2.6.1   Work with the Office of Rural Health in locating health care professionals, with an emphasis on aiding primary care HPSAs, in Western North Carolina (using the J-1 program and other resources).

2.6.2   Work with the Office of Rural Health and Appalachian communities in filling provider and service gaps that limit access to quality care for the children and elderly.

2.6.3   Encourage the establishment of partnerships and innovative arrangements among health care providers in order to ensure that quality health care resources are available in schools, community organizations, and at worksites.

2.6.4   Increase access to preventive health care for residents, especially children and the elderly.

2.6.5   Promote the testing of new concepts and the replication of models that increase access to affordable wellness and preventative health care.

2.6.6   Encourage local leaders to develop innovative, cost-effective arrangements for delivery of health care services.

2.6.7   Support tele-health as a means of universal access to comprehensive health care and as a tool for health education and training.

Action Objective 2.7 - Develop and support sustainable programs that remove barriers to participating in the workforce.

North Carolina Strategy

> 2.7.1   Work with agencies throughout Western North Carolina in filling service gaps for the children of Appalachia.
>
> 2.7.2   Support programs that provide additional access to workforce transportation.
>
> 2.7.3   Support partnerships and program that provide access to supportive elder care programs.

Strategic Investment Goal 3

<u>**Critical Infrastructure:**</u> *Invest in critical infrastructure – especially broadband; transportation, including the Appalachian Development Highway System; and water/wastewater systems.*

Action Objective 3.1 - Promote the productive and strategic use of broadband and other telecommunications infrastructure to increase connectivity and strengthen economic competitiveness.

North Carolina Strategy

> 3.1.1   Assist Appalachian communities in providing the physical infrastructure necessary for the creation or retention of jobs.
>
> 3.1.2   Encourage local governments to demonstrate multi-jurisdictional economies of scale in current and future infrastructure investments.
>
> 3.1.3   Assist in efforts to leverage additional funds that support development of needed infrastructure.
>
> 3.1.4   Assist North Carolina's 29 Appalachian counties in securing assistance in implementing short- and long-term telecommunications strategies in community and economic development efforts.
>
> 3.1.5   Encourage communities and community leaders to develop the skills and tools necessary to employ existing and innovative telecommunications technology for assisting in community and economic development efforts.
>
> 3.1.6   Make strategic investments that enhance the availability and use of telecommunications technology.
>
> 3.1.7   Support tele-health as a means of universal access to comprehensive health care and as a tool for health education and training.

Action Objective 3.2 - Ensure that communities have adequate basic infrastructure to implement their community and economic development objectives.

North Carolina Strategy

> 3.2.1   Assist Appalachian communities in providing the physical infrastructure necessary for the creation or retention of jobs.

3.2.2   Encourage local governments to demonstrate multi-jurisdictional economies of scale in current and future infrastructure investments.

3.2.3   Assist communities in water and sewer improvements that create and/or retain jobs.

3.2.4   Assist in efforts to leverage additional funds that support development of needed infrastructure.

3.2.5   Assist communities in water and sewer improvements that alleviate health or environmental hazards (emphasizing those involving moratoria or special orders by consent), especially where these hazards constitute a barrier to continued economic development.

Action Objective 3.3 - Support the construction and adaptive reuse of business-development sites and public facilities to generate economic growth and revitalize local economies.

North Carolina Strategy

3.3.3   Assist in efforts to develop needed business-development sites.

Action Objective 3.4 - Complete the Appalachian Development Highway System and construct local access roads to strengthen links between transportation networks and economic development.

North Carolina Strategy

3.4.1   Encourage local governments to demonstrate multi-jurisdictional economies of scale in current and future infrastructure investments.

3.4.2   Support local access road projects which would result in job creation or retention opportunities.

3.4.3   Promote improved coordination of technical information, funding disbursements, and construction scheduling to help facilitate the construction of the ADHS highway system.

Action Objective 3.5 - Invest in intermodal transportation planning and infrastructure that builds on the ADHS and maximizes the Region's access to domestic and international markets.

North Carolina Strategy

3.5.1   Encourage and support opportunities for innovative use of multimodal transportation services and networks to facilitate economic expansion.

3.5.2   Assist in efforts to leverage additional funds that support development of needed infrastructure.

3.5.3   Encourage local involvement in rural transportation planning.

3.5.4   Work with the NC Department of Transportation to develop the ADHS, as the foundation for a coordinated and balanced intermodal transportation system that maximizes the Region's access to domestic and international markets.

3.5.5   Encourage planning, coordination, and cooperation to achieve a reliable, safe, and cost-effective transportation system in Western North Carolina – that both contributes to the economic success and helps protect its environmental quality.

Strategic Investment Goal 4

Natural and Cultural Assets: Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets.

Action Objective 4.1 -Preserve and strengthen existing natural assets in support of economic opportunities that generate local and regional benefits.

North Carolina Strategy

4.1.1   Encourage demonstration projects that utilize natural assets to make a vital contribution to the sustainable and effective economic growth of communities.

Action Objective 4.2 - Preserve and strengthen existing cultural assets through strategic investments that advance local and regional economic opportunities.

North Carolina Strategy

4.2.1   Encourage demonstration projects that utilize cultural assets through strategic investments that advance local and regional economic opportunities.

Action Objective 4.3 - Support strategic investments in natural and cultural heritage resources to advance local economic growth.

North Carolina Strategy

4.3.1   Aid communities and organizations in targeting development activities that permit individuals and markets to grow, while celebrating the region's natural resources and other assets.

4.3.2   Encourage efforts that diversify the economic base, including asset-based development.

4.3.3   Encourage development that maximizes economic potential, while promoting a high quality of life and responsible management of natural resources.

4.3.4   Aid communities and organizations in targeting development activities that permit individuals and markets to thrive, while celebrating Western North Carolina's natural resources.

Action Objective 4.4 - Support preservation and stewardship of community character to advance local economic growth.

North Carolina Strategy

4.4.1   Support non-profits and small businesses, that are creating and retaining jobs, through economically sustainable uses of Appalachia's natural, cultural, and environmental assets.

Strategic Investment Goal 5

Leadership and Community Capacity: Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development.

Action Objective 5.1 - Develop and support robust inclusive leadership that can champion and mobilize forward-thinking community improvement.

North Carolina Strategy

    5.1.1   Assist Appalachian communities with the tools they need to strategically chart their future.

Action Objective 5.2 - Empower and support next-generation leaders and encourage authentic engagement in local and regional economic and community development.

North Carolina Strategy

    5.2.1   Assist Appalachian communities with the tools they need to strategically chart their future.

Action Objective 5.3 - Strengthen the capacity of community organizations and institution to articulate and implement a vision for sustainable, transformative community change.

North Carolina Strategy

    5.3.1   Assist Appalachian communities with the tools they need to strategically chart their future.

Action Objective 5.4 - Support visioning, strategic planning and implementation, and resident-engagement approaches to foster increased community resilience and generate positive economic impacts.

North Carolina Strategies

    5.4.1   Assist multijurisdictional efforts that provide more effective and efficient delivery of programs and/or services. This is especially important in projects combining public with private and/or non-profit sectors.

    5.4.2   Assist communities in implementing strategic planning efforts.

    5.4.3   Encourage development and implementation of integrated planning efforts needed to secure additional investments in Appalachian communities.

Action Objective 5.5 - Develop and support networks, partnerships, and other models of collaboration that catalyze public, private, and nonprofit for community impact.

North Carolina Strategy

    5.5.1   Assist multijurisdictional efforts that provide more effective and efficient delivery of programs and/or services. This is especially important in projects combining public with private and/or non-profit sectors.

ARC Focus for North Carolina

Governor Cooper will engage the resources provided by the ARC to attract more jobs, improve higher educational attainment rates, and support investments that improve the region's health status. The state will utilize ARC resources to provide technical assistance and when appropriate financial investments in the 29 ARC counties, with a special emphasis on those in areas of persistent and severe economic distress.

Governor Cooper will utilize ARC resources to support the region's ability to respond to the challenges of the 21st century workplace and keep pace with advances in technology. ARC investments in NC will be used to enhance economic opportunity in the region. The Governor believes that economic development requires leadership, planning, and action. Therefore, it is critical for communities in the region to have access to ARC resources that will allow them to prepare for and then compete for economic development. All ARC investments in NC will assist communities moving towards economic success.

NC ARC Investment Priorities:

- Projects that enhance long-term infrastructure commitments that allow for commerce and creation and retention of jobs,
- Enrichment of partnerships between local industries, k-12 schools and community colleges to expand and enhance workforce development opportunities to ensure a pipeline of skilled workers in the region,
- Efforts that support local school systems' ability to enhance STEAM and STEM education opportunities,
- Projects that spur economic activity in the health care sector and improve the quality of health care services in rural communities throughout the region; while supporting local efforts to tackle health care challenges, specifically the growing opioid crisis, and;
- Support the deployment of digital infrastructure that allows the region to be connected to global markets.

NC ARC Investment Opportunities (Project Types) Overview:

Governor Cooper is focused on ensuring that all North Carolinians are better educated, healthier and have more money in their pockets. The Governor will utilize ARC resources to make investments in projects throughout the region that will enable communities and the region to ensure there are prepared and ready to compete for economic development.

Governor Cooper will utilize the resources provided by the ARC to make focused investments that will further support the region's ability to be prepared and compete for economic development.

The following are examples of types of projects Governor Cooper would like to support with ARC resources. (Examples are listed by ARC Strategic Investment Goals.)

Goal 1 – Economic Opportunities – Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy.

Examples of potential projects include: shared used kitchens, co-package plants, small business incubators, regional agriculture markets, community loan funds, small business plan competitions, and small business mentorship programs.

Goal 2 – Ready Workforce – Increase the education, knowledge, skills, and health of residents to work and succeed in Appalachia.

Examples of potential projects include: STEM and STEAM Education programs, career pathway program development, health care training programs, rural health care clinics, college access programs, and workforce development programs.

Goal 3 – Critical Infrastructure – Invest in critical infrastructure – especially broadband; transportation, including the Appalachian Development Highway System, and water/wastewater systems.

Examples of potential projects include: downtown Wi-Fi, broadband fiber deployment, access roads, water and sewer projects that result in the job creation and/or retention, industrial site development, and transportation planning.

Goal 4 – Natural and Cultural Assets – Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets.

Examples of potential projects include: local food and farm programs, downtown streetscape projects, downtown revitalization, regional craft and art trails, tourism development, establishment of gateway community programs, and regional tourism development.

Goal 5 – Leadership and Community Capacity – Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development.

Examples of potential projects include: regional planning projects, community economic development planning, local leadership development training, youth leadership development, and community engagement programs.

State Program Operations

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

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

- The Department of Environmental Quality, which currently includes water and wastewater programs for the state, as well as other environmental programs;

- The Department of Health and Human Services, which provides rural health and child development services;

- The State Treasurer's Office, which oversees and regulates local fiscal affairs;

- The Department of Public Instruction, which governs elementary and secondary education;

- The North Carolina Community College System which oversees 58 public, two-year institutions; and

- The University of North Carolina System, which oversees 16 institutions.

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

- The United States Department of Agriculture state and district offices that serve ARC counties,

- The Economic Development Administration's state representative as well as the regional office in Atlanta, and

- The United States Department of Housing and Urban Development area office in Greensboro, North Carolina.

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

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

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

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

- Through the LDDs,

- Directly with the Governor, his Alternate, or members of the Governor's staff,

- Through local government associations (the NC League of Municipalities and the NC Association of County Commissioner);

- Through referrals from other agencies or

- Through advisory groups used as a source of program development (such as the State Economic Development Board).

State Program Operating Policies

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

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

The state will work with the LDDs, local governments, and basic agencies to continue efforts to obligate the State's ARC allocation in a timely manner and to achieve dual objectives of better serving applicants and more efficiently initiating ARC's investments in North Carolina.

General Information

- All application materials will be published on-line at www.nccommerce.com/rd/arc.
- Higher priority is given to projects that are deemed ready to go. To meet this requirement, the applicant should have all other funding for the project committed.
- Both the worth of the individual project in achieving the State's objectives and the level of assistance are determined on a case-by-case basis.
- Initial screening of proposals focuses on the following elements:
  - Feasibility of the project approach;
  - Eligibility under ARC Code and Appalachian Act;
  - Consistency with State and Commission goals and strategies;
  - Economic impact within the context of the region and the area to be served.

- ARC assistance is the source of last resort. As such, projects may only use ARC funds where there is no other source of funding and/or where Commission money will make a project feasible.
- Project applications must include measurable outputs and outcomes that are consistent with federal performance measurement requirements.
- Individuals and for-profit enterprises are not eligible for direct grant assistance; but may benefit from, and be served by, the investment of ARC funds.
- Special provisions related to operating projects:
  - ARC funding for operating projects normally will be limited to start-up costs and two years of operation (three years of assistance);
  - No project will be guaranteed more than one year of support and applicants are advised that projects requesting multiple year funding generally will not be given a high priority;
  - Any project requesting start-up funds should be prepared to identify the sources that will underwrite the costs after the first year of Appalachian aid;
  - Generally, continuation projects (those operating in multiple years with no appreciable changes in project design or scope) should reduce the level of ARC support by 10% of the amount of their previous grant or show other efforts to enhance the program attaining self-sufficiency;
  - Operating projects also will be encouraged to propose an 18-month initial project period. Since most projects need this additional time to meet unexpected start up delays, the proposed longer performance period should help avoid the need to extend project periods to meet the first year's objectives;
  - Any project seeking continuation funding (a second or third application for assistance) will need to initiate discussions with the State's ARC office at least a month in advance of the application submission deadline in order to determine if an application will be considered. Prior to seeking continuation consideration, the project sponsors should compile information documenting satisfactory performance in meeting the accepted output and outcome measures to support the request for continued assistance.
- Decisions to consider projects for Appalachian funding are based on summary information that provides enough detail to enable the State ARC office to determine the proposal's eligibility. Construction projects should have preliminary commitment of jobs and a preliminary engineering report prior to requesting consideration. Construction projects also must obtain the review and approval of another federal grant-financing agency, and any ARC funding consideration is contingent upon obtaining the participation of another federal agency.

Funding and Match Guidance

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

- The level of ARC funds requested for projects in designated competitive counties may not exceed 30% of the project cost unless justification is provided to meet exceptions in the ARC Code.
- To comply with Congressional instructions, the matching requirements in multicounty projects will vary, depending on the designated economic status of the counties involved. Multicounty projects serving fewer than the 29 counties will be computed based on the average of the eligible financing level for the counties involved.
- Cost overruns and significant changes of project scope on previously approved ARC projects generally will not be considered for funding. Changes required by design modifications or changes that will generate additional jobs will constitute rationales for consideration of overrun requests.
- ARC funds cannot supplant or diminish the level of other funds (federal, state, or local) going into the Appalachian region or the project area. ARC funds cannot replace other funds to continue a project, nor may ARC funds be used to allow the diversion of existing resources to other purposes or to reduce the amount of bonds to be sold to finance local improvements.
- This application process will allow the Program to continue to be responsive to local needs while ensuring timely obligation of ARC funds.
- Applicants are encouraged to work closely with other agencies involved in their project to meet the cut-off dates. Proposals involving construction should be especially aware of the time constraints and applicants should alert their engineers to strictly observe these time deadlines.

Timing Considerations

- The ARC Program will publish application forms on the Program's website (www.nccommerce.com/arc).
- This application process will allow the Program to continue to be responsive to local needs while ensuring timely obligation of ARC funds.

Applicants are encouraged to work closely with other agencies involved in their project to meet the cut-off dates. Proposals involving construction should be especially aware of the time constraints and applicants should alert their engineers to strictly observe these time deadlines.