



NC DEPARTMENT
of COMMERCE
RURAL ECONOMIC
DEVELOPMENT

2023

Annual REPORT

**ENGAGING
ENHANCING
TRANSFORMING**



From the Secretary of Commerce



“North Carolina is the top state for business because of our outstanding economic and workforce development success across the entire state. Last year, 66% of our economic development wins located in rural North Carolina, helping to secure a second record-breaking year for recruitment, expansion, and rural development announcements. I remain committed to prioritizing economic prosperity for rural communities by supporting local governments in their efforts to attract more businesses, investments, and jobs. Alongside Team REDD, we will continue to grow our diverse and talented

workforce, enhance the public infrastructure, and promote the enduring rural spirit to create more economic opportunities to ensure our state’s future resiliency.”

Machelle Baker Sanders, Secretary
North Carolina Department of Commerce



Assistant Secretary Kenny Flowers announcing the UPS expansion in Onslow County.

Rural Transformation Grant Fund (RTGF)

The Rural Transformation Grant Fund is a \$50 million grant program that supports innovative approaches to increasing local capacity, COVID-19 recovery, building partnerships that help small businesses, leveraging the downtown district as an asset, and developing and implementing transformative local projects that will address critical community and economic development needs. RTGF grant categories include Downtown Revitalization, Resilient Neighborhoods, Community Enhancements for Economic Growth, and Rural Community Capacity Building (RC2).

The RC2 program is a creative partnership with Appalachian State University’s Walker College of Business that provides educational programming, technical assistance, and grants to local governments in rural and distressed communities. Through two cohorts, 31 communities have participated in the RC2 program.

In FY 2023, Governor Cooper announced 105 RTGF grant awards totaling \$48 million in support of rural projects.



Team REDD during its holiday retreat. Team REDD Rocks!

Rural Partners,

The Rural Economic Development Division (REDD) remains committed to our mission of engaging, enhancing, and helping transform rural communities. Team REDD is focused on advancing the Commerce mission and building strong partnerships in support of rural North Carolina. Building a solid foundation for economic development success and expanding rural prosperity are our top priorities. That focus is critical as we help communities increase resiliency and prepare for economic growth.

In FY 2023, REDD expanded our base of community partners, increased investments in rural communities, elevated our level of engagement with external stakeholders, and added new transformative programs to our portfolio of products and services. Our Rural Transformation Grant Fund, the Southeast Crescent Regional Commission, and Creating Outdoor Recreation Economies (CORE) are new programs for 2023 that will support economic growth and increasing local capacity in rural communities across the state. **Overall, REDD programs generated more than \$130 million in grant awards that support more than 250 projects and 4,500 new jobs.**

REDD activities remain mission-driven and focused on delivering impactful programs. Through continued engagement, investment, and collaboration, we will enhance our state’s competitive profile and help create the best environment for economic growth and rural prosperity.

We look forward to continued partnership and collaboration!

Sincerest regards,

Kenny Flowers

Assistant Secretary, Rural Economic Development

About the Cover:

Photo Credit: Jen Merlo with Bluefin Artistry

REDD Results 2023

APPALACHIAN REGIONAL COMMISSION

The Appalachian Regional Commission (ARC) works to build community capacity and strengthen economic growth for the people in the thirteen-state Appalachian region. Thirty-one counties in North Carolina are eligible to receive ARC funds for economic development activities. ARC counties are: Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Cherokee, Clay, Cleveland, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey.

\$7,546,562.00
Amount Granted

28
Grants Approved

544
Jobs Created
and/or Retained

450
Businesses Created
and/or Improved

\$391,438,997.31
Open Grants

\$4,600,000
Infrastructure

\$41,811,514
Neighborhood
Revitalization

\$2,640,156
Economic
Development

COMMUNITY DEVELOPMENT BLOCK GRANT

The State of North Carolina's Community Development Block Grant (CDBG) Program is administered by the Rural Economic Development Division (REDD) within the Department of Commerce. The CDBG Infrastructure Program is administered by the North Carolina Department of Environmental Quality. CDBG funding is available to local units of government to spur job creation, job retention, infrastructure, and housing activities. The CDBG Program prioritizes low to moderate income households and is available to non-entitlement communities in our state.

INDUSTRIAL DEVELOPMENT FUND

The Industrial Development Fund (IDF) Utility Account provides grants to support economic development in the 80 most distressed counties in North Carolina. Grants support publicly owned infrastructure projects that are reasonably expected to result in the creation of jobs. Utility Account projects include water, sewer, industrial access, natural gas, and rail. The Utility Account allows the Department of Commerce to consistently invest in rural communities and build a stronger grid of infrastructure across our state. The Utility Account is funded by the Jobs Development Investment Grant (JDIG) program.

\$12,500,000.00
Amount Granted

9
Grants Approved

33%
Awarded in Tier 1
Counties

1,000
Industrial Acres
Positively Impacted

\$12,873,500.00
Amount Granted

2,095
Jobs Committed

94%
Funds to Tier 1 and
Tier 2 Counties

77%
Manufacturing
Projects

RURAL GRANT PROGRAMS

Rural Grant Programs (RGP) administers grants authorized by the North Carolina General Assembly to support economic development projects that lead to job creation and private investment. The RGP Building Reuse, Infrastructure, and Demolition grant programs assist local government projects that transform buildings and develop public infrastructure. RGP also manages the Housing Infrastructure, Revitalization and Economic Development, and Disaster Recovery grant programs.

NC MAIN STREET & RURAL PLANNING CENTER

The NC Main Street & Rural Planning Center (NC MS&RP) works in regions, counties, cities, towns, downtown districts, and in designated North Carolina Main Street communities, to inspire placemaking through building asset-based economic development strategies that achieve measurable results such as investment, business growth, and jobs.

MAIN STREET

\$684,637,060
Downtown Investment

331
Downtown Buildings
Rehabilitated

2,969
New Downtown Jobs

365
New Downtown
Businesses

RURAL PLANNING

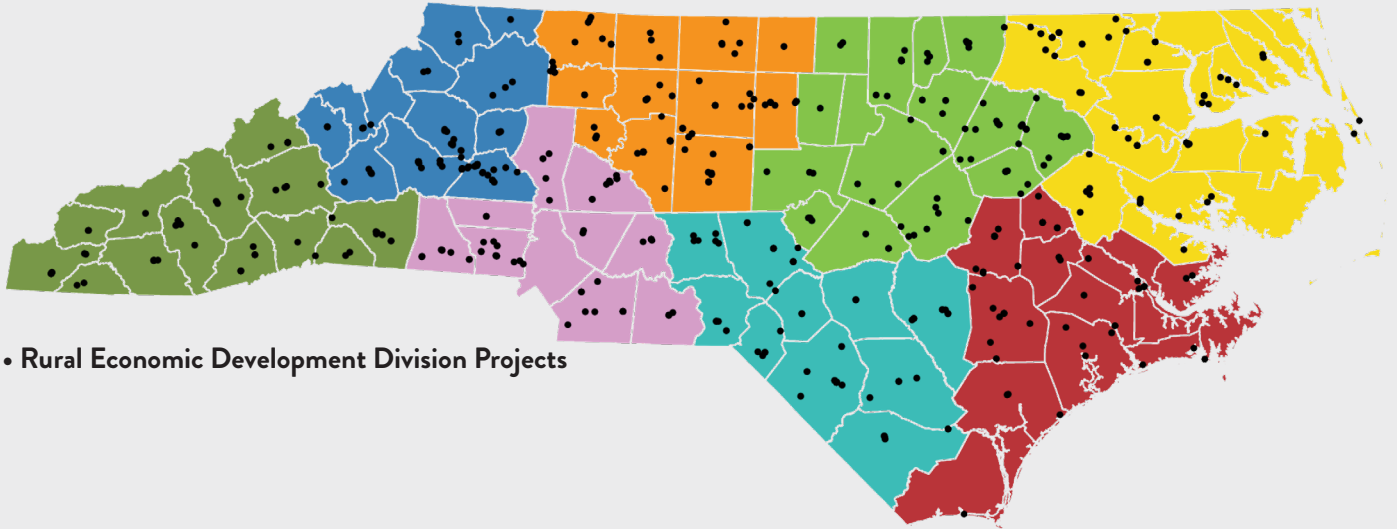
22
Strategic Plans

51
Implementation
Services

21
Market Studies

82
Communities
Served

STATEWIDE ENGAGEMENT & IMPACT



• Rural Economic Development Division Projects

RURAL ECONOMIC DEVELOPMENT DIVISION

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2023 STRATEGIC PRIORITIES

The Rural Economic Development Division's Strategic Priorities focus on statewide collaboration and program enhancements to ensure continued growth and development in rural NC.



Build a Strong Ecosystem for Rural Prosperity



Increase Job Growth & Investment



Strengthen Capacity of Stakeholders & Partners



Statewide Engagement & Collaboration

THE RURAL INFRASTRUCTURE AUTHORITY (RIA)

The RIA, established by N.C. General Statute in 2013, awards grants from the Rural Economic Development Division's program areas including Rural Grant Programs, the Community Development Block Grant-Economic Development category, and the Industrial Development Fund Utility Account.

In FY 2023, the RIA awarded more than \$27 million in grant funds that will support the creation of 3,095 new jobs. Since 2013, the RIA has approved grant awards that exceed \$366 million and support 35,433 new jobs.



Rural Economic Development Division:

commerce.nc.gov/about-us/divisions-programs/rural-economic-development-division

MORE PROGRAM INFO: commerce.nc.gov | arc.gov | mainstreet.org | hud.gov



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