

**NORTH CAROLINA
SOUTHEAST CRESCENT
REGIONAL COMMISSION**

**ECONOMIC AND
INFRASTRUCTURE
DEVELOPMENT PLAN**



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STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

ROY COOPER
GOVERNOR

January 26, 2023

Mrs. Jennifer Clyburn-Reed
Federal Co-Chair
Southeast Crescent Regional Commission
1901 Assembly Street, Suite 370
Columbia, SC 29201

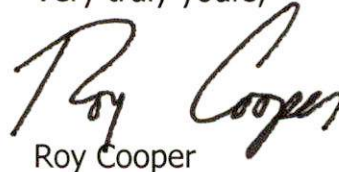
Dear Mrs. Clyburn-Reed:

I am pleased to submit North Carolina's first Economic Development and Infrastructure Plan for the Southeast Crescent Regional Commission (SCRC). This document identifies our priorities for investing SCRC funds to enhance the community economic development potential of North Carolina's portion of the region. The information in this submission is consistent with the authorizing language in the Public Law 110-246, the Food, Conservation, and Energy Act of 2008.

We look forward to working with the Commission to build sustainable communities and strengthen economic growth for the people in our SCRC counties. Please contact Jim McCleskey, my ARC alternate, or Olivia Collier, my Program Manager, if there are any questions about this material.

With kind regards, I am

Very truly yours,


Roy Cooper

cc: Jim McCleskey
Olivia Collier

Enclosures

Acknowledgements

This Southeast Crescent Regional Commission (SCRC) State Economic and Infrastructure Development Plan was prepared by North Carolina Department of Commerce's Rural Economic Development Division under the direction of Kenny Flowers, Assistant Secretary for Rural Economic Development with support from the Department's Division of Labor and Economic Analysis. Cooperation and support was also provided by the eleven Local Development Districts that serve the Region. These individuals each contributed to the preparation of this report and their assistance is gratefully acknowledged:

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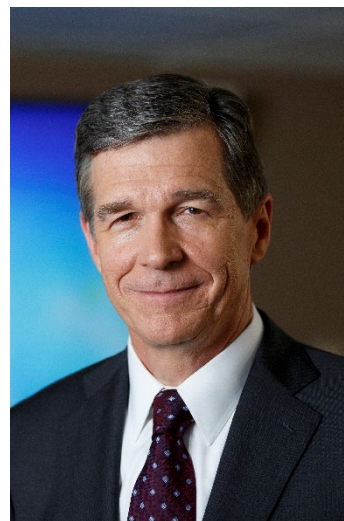
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North Carolina Economic and Infrastructure Development Plan

The Southeast Crescent Regional Commission (SCRC) Program in North Carolina supports Governor Roy Cooper's vision to build a state with an economy that works for everyone. Governor Cooper was sworn into office for his second term on January 9, 2021. The Governor has spent over three decades in public service to the state as an advocate for families, communities, jobs, and education. The Governor recognizes that for all North Carolinians to succeed, investments must be made to ensure that students have access to the tools they need to chart their future, support the creation and retention of jobs, and strengthen communities across the state. Governor Cooper works to ensure that all North Carolinians are better educated, healthier, and have more money in their pockets. The Governor will utilize SCRC resources to support investments in 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.



Governor Roy Cooper

This document, in accordance with Section 15731 of the Food, Conservation, and Energy Act of 2008 (The Farm Bill), will serve as North Carolina's Economic and Infrastructure Development Plan. The purpose of this plan is to establish a process that sets forth goals, objectives, priorities, and policies for North Carolina's Southeast Crescent Regional Commission (SCRC) Program. This plan also identifies broad issues and needs that the Governor has chosen to address with SCRC resources and sets priorities for project development. The implementation of this plan will continue to meet the diverse and changing needs of this region by targeting resources to accomplish the defined goals and objectives of both SCRC and the Governor.

The North Carolina SCRC Program will support the guiding principles of the SCRC. The principles ensure that the support provided to the state by the Commission provides the greatest impact. The program is committed to being a convener, equity driver and capacity builder in ways that:

- Ensure alignment of SCRC investments and activities with the articulated goals of the Region and localities;
- Address persistent economic distress in the Region;
- Seek transformational outcomes for projects, investments, and other efforts by leveraging resources, capitalizing on assets, and stimulating investment;
- Drive collaboration, including collaboration across jurisdictional boundaries
- Remain flexible to meet evolving regional needs and opportunities;
- Seek out, disseminate, and advance ideas and solutions for regional challenges;
- Actively seek equitable and inclusive access, participation, and representation in all SCRC's activities;
- Balance the opportunities offered through our unique geography with conservation of our natural and cultural assets;
- Encourage efforts that consider environmental impacts of all actions;
- Hold partners, grantees, and itself accountable for achieving performance.

Southeast Crescent Regional Commission Overview

The SCRC was established by the US Congress in the Food, Conservation, and Energy Act of 2008 (The Farm Bill) to address economic and quality of life issues in the seven-state region. The Commission is a partnership between the federal government and seven state governments. The Commission's mission is to build sustainable communities and strengthen economic growth across the region.

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 the Southeast Crescent Region. The region includes 426 counties and stretches from Mississippi to Virginia and includes all of the state of Florida. The governors from the seven southern states and the Federal Co-Chair, appointed by the President, comprise the Commission. Governor Roy Cooper is North Carolina's member of the Commission; Jim McCleskey, the Director of the 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 SCRC Program.

The SCRC portion of North Carolina consists of 69 counties: Alamance, Anson, Beaufort, Bertie, Bladen, Brunswick, Cabarrus, Camden, Carteret, Caswell, Chatham, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Davidson, Duplin, Durham, Edgecombe, Franklin, Gaston, Gates, Granville, Greene, Guilford, Halifax, Harnett, Hertford, Hoke, Hyde, Iredell, Johnston, Jones, Lee, Lenoir, Lincoln, Martin, Mecklenburg, Montgomery, Moore, Nash, New Hanover, Northampton, Onslow, Orange, Pamlico, Pasquotank, Pender, Perquimans, Person, Pitt, Randolph, Richmond, Robeson, Rockingham, Rowan, Sampson, Scotland, Stanly, Tyrrell, Union, Vance, Wake, Warren, Washington, Wayne, and Wilson. The 69 counties are served by eleven Local Development Districts (LDDs), also called Regional Councils in North Carolina. Region Councils were established in 1969 under G.S. 143-341 and they serve as the lead regional organizations. The LDDs are:

- **Centralina Regional Councils (Region F):** Anson, Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union
- **Piedmont Triad Regional Council (Region G):** Alamance, Caswell, Davidson, Guilford, Montgomery, Randolph, Rockingham, Davie, Forsyth, Stokes, Surry and Yadkin
- **Triangle J Council of Governments (Region J):** Chatham, Durham, Johnston, Lee, Moore, Orange and Wake
- **Kerr-Tar Council of Governments (Region K):** Franklin, Granville, Person, Vance and Warren
- **Upper Coastal Plain Council of Governments (Region L):** Edgecombe, Halifax, Nash, Northampton and Wilson
- **Mid-Carolina Council of Governments (Region M):** Cumberland, Harnett and Sampson
- **Lumber River Council of Governments (Region N):** Bladen, Hoke, Richmond, Robeson and Scotland
- **Cape Fear Council of Governments (Region O):** Brunswick, Columbus, New Hanover and Pender
- **Eastern Carolina Council (Region P):** Carteret, Craven, Duplin, Greene, Jones, Lenoir, Onslow, Pamlico and Wayne

- **Mid-East Commission (Region Q):** Beaufort, Bertie, Hertford, Martin and Pitt Albemarle Commission (Region R): Camden, Chowan, Currituck, Dare, Gates, Hyde, Pasquotank, Perquimans, Tyrrell and Washington

The North Carolina SCRC Program works closely with the LDDs to develop projects that are consistent with the SCRC Authorizing Legislation 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 SCRC partnership. The North Carolina SCRC Program Manager meets with the LDDs regularly to discuss regional issues and to gauge the need for SCRC resources.

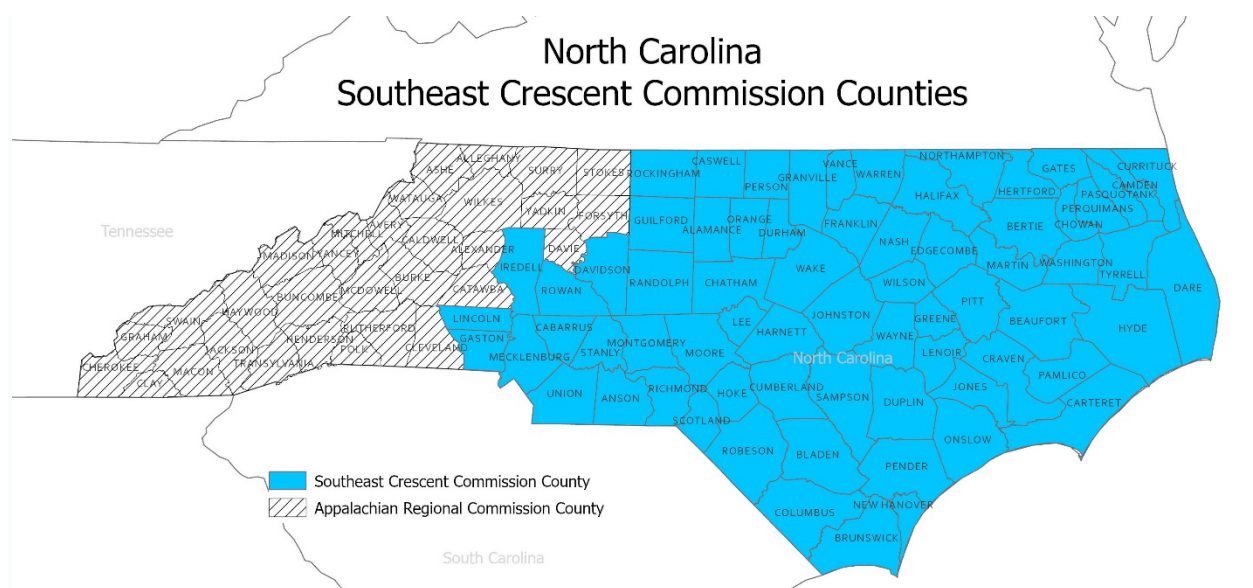
SCRC Economic Status

The Southeast Crescent Regional Commission uses an index-based county economic classification system to identify and monitor the economic status of Southeast Crescent 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. Based on ranking in this index, counties are designated as distressed, transitional, or attainment.

- ***Distressed*** - Distressed counties are the most economically depressed counties. They rank in the bottom 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.
- ***Attainment*** - Attainment counties are the economically strongest counties. Counties ranking in the best 25 percent of the nation's counties are classified attainment.

The Commission also recognizes isolated areas of distress. These areas have higher rates of poverty, unemployment, or outmigration.

North Carolina Southeast Crescent Regional Profile



Demographics and Population

In 2020 more than 8.4 million people, or 80.6 percent of the total North Carolina population, resided in the 69 counties of the Southeast Crescent Region. Sixty-nine percent of the Region's population lives in an urban area; however, a large portion of the geographic area is rural. The Region's population increased by 5.5 percent from 2015 to 2020, a faster growth rate than the state (4.9%). However, 34 counties in the Region lost population over this period.

The Region is projected to add 960,046 people by 2030, an increase of 11.4 percent. This projected growth is also faster than the state (10.2%). Despite this overall projected growth; 32 counties in the region are projected to lose population by 2030. Much of the Region's growth has been the result of migration from other parts of the country to the state (vs. natural increase), a trend that is projected to continue. Migration is projected to account for 86 percent of growth at the state level from 2020 to 2030.

NC Southeast Crescent Region and North Carolina Population, 2015-2020

SEC Region		North Carolina	
2015 Population	7,993,853	2015 Population	10,019,224
2020 Population	8,431,222	2020 Population	10,456,593
% Change in Population (2015-2020)	5.5%	% Change in Population (2015-2020)	4.9%

Source: NC Office of State Budget and Management

In 2020, the Region's population was 51.5 percent female and had a median age of 38, similar to the state. Almost 12 percent of the Region's residents were age 65 or older; a percentage that is projected to grow to 19.0 percent by 2030. In 2020, 62 percent of the region's total population reported themselves as White, followed by 22 percent Black or African American and 10 percent Hispanic. The population

reporting “Some Other Race” had the fastest growth over the past five years (37%), followed by the Hispanic population, which grew by 15 percent.

Southeast Crescent Region Population by Race, 2020

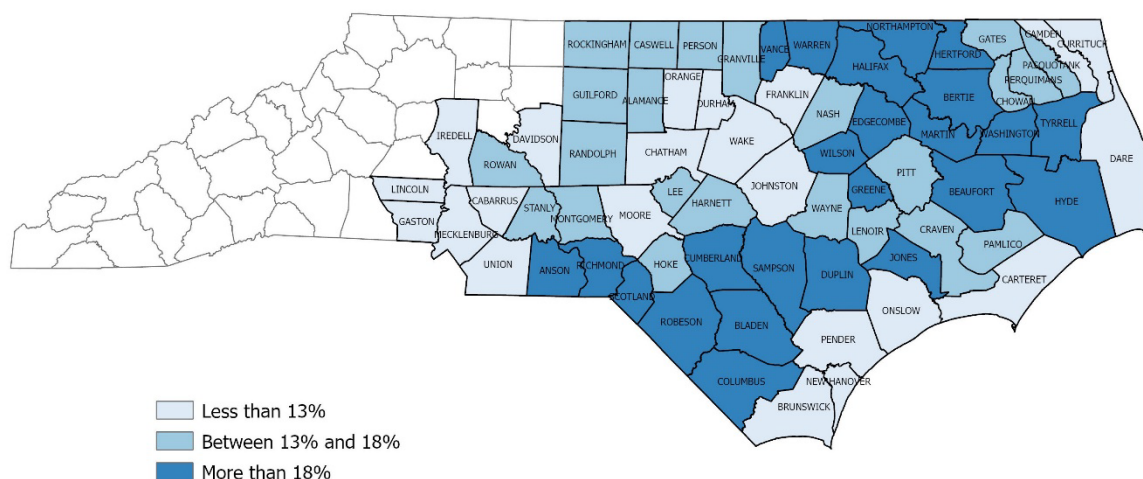
Race Reported	Number of Persons	Percentage of SEC Region Population	Percentage Change 2015-2020
White	5,608,903	62%	4%
Black or African-American	2,017,846	22%	3%
Hispanic	940,818	10%	15%
American Indian	147,365	2%	7%
Some Other Race	322,993	4%	37%

Source: NC Office of State Budget and Management

Income and Poverty

Poverty rates vary widely across the region. In 2020, 47 counties in the Region had poverty rates above the state average of 12.9 percent, while 22 counties in the Region below the state rate. Union County had the lowest rate of 7.0 percent while Scotland County had the highest rate of 29.7 percent. Of particular concern, 20 counties in the Region had poverty rates of 20 percent or higher.

**North Carolina
Southeast Crescent Commission Counties Percent
of Population Below Poverty, 2020**



NC Average 12.9%

Source: US Census, SAIPE 2020

Per capita income (total income earned divided by the total population) was \$51,462 in 2020, slightly higher than the state per capita income of \$50,305. However, this wealth was not distributed evenly as

59 counties had a lower per capita income than the Region as a whole. Median household income (the income of the household in the middle of the income distribution for all households) may be a more useful measure. In 2020, the state median household income was \$59,616. Fifty-one counties in the Region had a lower median household income than the state; 18 counties had a higher median household income. Union County had the highest median household income (\$90,920), followed by Wake County (\$88,763) and Orange County (\$82,732). At the other end of the spectrum, Scotland County had the lowest household income (\$33,531), followed by Washington County (\$38,704) and Robeson County (\$39,139).

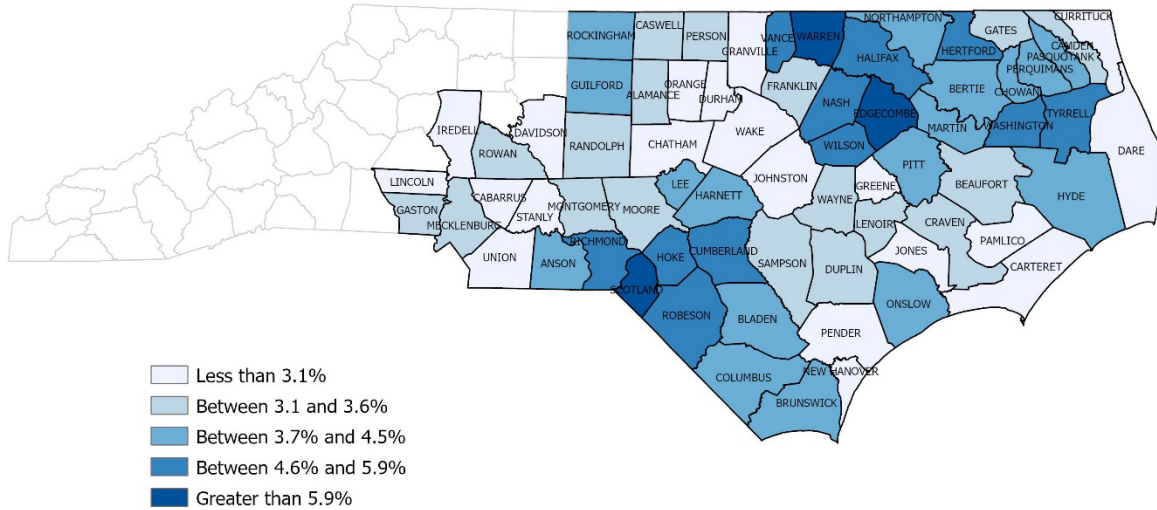
Unemployment, Industry Jobs and Wages

	<u>SEC Region</u>	<u>NC</u>
2020 Unemployment Rate	7.0%	7.1%
2021 Unemployment Rate	4.9%	4.8%
2022 Unemployment Rate (January-September)	3.7%	3.7%

Unemployment rates in the Region and the state have declined steadily since the pandemic recession in the spring of 2020. In September 2022, the Region had 4,161,418 people in the labor force. Of that, there were 4,021,334 people employed and 140,084 unemployed which was an unemployment rate of 3.4 percent, slightly higher than the state average (3.3%, all rates not seasonally adjusted).

In September 2022, 36 counties in the Region had unemployment rates above the state average of 3.3 percent (not seasonally adjusted). Warren County (7.6%), Edgecombe County (6.8%), and Scotland County (6.5%) had the highest unemployment rates, while Orange County (2.6%), Lincoln County (2.7%), Durham County (2.7%) and Chatham County (2.7%) had the lowest unemployment rates. All counties in the Region experienced a decline in their year-over-year unemployment rate (September 2021-September 2022) except for Warren County which increased by 0.6 percent.

North Carolina Unemployment Rates by County, September 2022*



* Not seasonally adjusted

Source: NC Commerce, Local Area Unemployment Statistics.

Total industry employment in the Region grew by 3.8 percent from 2020 to 2021, a lower rate than the state at 4.3 percent. Private Industry, which made up 84.2 percent of total jobs in the Region, grew by 4.9 percent while Government jobs fell by 1.8 percent. Industries that added the most jobs from 2020 to 2021 were Accommodation and Food Services (23,402), Transportation and Warehousing (16,703) and Retail Trade (15,511). The largest job losses occurred in Management (4,482), Public Administration (1,117), and Agriculture (328).

The Region has similar percentage of employment by industry compared to the state as whole. In 2021, the largest industry sectors were Health Care and Social Assistance (14.0% of regional jobs), Retail Trade (11.7%), Manufacturing (9.8%), Accommodation and Food Services (9.0%) and Educational Services (8.0%).

In 2021, Management had the highest average annual wage (\$128,236), followed by Finance & Insurance (\$120,757) and Information (\$108,139). The industries with the lowest average annual wage were Accommodation and Food Services (\$21,482), Retail Trade (\$35,132) and Arts, Entertainment and Recreation (\$39,778).

Industry Employment by 2-digit NAICS Industry, 2020-2021

	SEC						NC	
	2020			2021			2021	
Industry	AVG EMP	% of Total EMP	AVG Annual Wage	AVG EMP	% of Total EMP	AVG Annual Wage	AVG EMP	% of Total EMP
Total Federal Government	65,537	1.9%	\$73,963	64,766	1.8%	\$77,051	76,371	1.7%
Total State Government	150,606	4.4%	\$58,013	149,571	4.2%	\$59,640	176,522	3.9%
Total Local Government	355,015	10.4%	\$51,541	346,683	9.7%	\$53,597	428,188	9.5%
Total Private Industry	2,856,333	83.3%	\$57,288	2,997,111	84.2%	\$60,558	3,825,874	84.9%
Total All Industries	3,427,479	100.0%	\$57,044	3,558,125	100.0%	\$60,141	4,506,954	100.0%
Agriculture	13,643	0.4%	\$39,570	13,315	0.4%	\$43,382	25,060	0.6%
Mining	1,117	0.0%	\$67,837	1,334	0.0%	\$73,781	3,122	0.1%
Utilities	10,912	0.3%	\$98,992	10,979	0.3%	\$97,429	15,718	0.3%
Construction	183,925	5.5%	\$60,381	191,121	5.4%	\$62,678	238,447	5.3%
Manufacturing	330,821	9.8%	\$67,163	345,692	9.8%	\$69,423	463,922	10.3%
Wholesale Trade	136,870	4.1%	\$76,623	141,929	4.0%	\$80,943	190,484	4.2%
Retail Trade	395,136	11.7%	\$32,308	410,647	11.7%	\$35,132	516,771	11.5%
Transportation & Warehousing	147,860	4.4%	\$51,213	164,563	4.7%	\$51,359	199,572	4.4%
Information	61,597	1.8%	\$97,419	64,510	1.8%	\$108,139	78,327	1.7%
Finance & Insurance	154,343	4.6%	\$114,459	162,187	4.6%	\$120,757	207,030	4.6%
Real Estate & Rental and Leasing	50,159	1.5%	\$57,676	53,092	1.5%	\$62,099	63,467	1.4%
Professional/Technical Services	218,985	6.5%	\$91,667	232,544	6.6%	\$100,191	291,463	6.5%
Management	58,956	1.8%	\$123,698	54,474	1.5%	\$128,236	76,594	1.7%
Administrative & Waste Services	222,667	6.6%	\$42,148	237,094	6.7%	\$44,457	313,706	7.0%
Educational Services	268,048	8.0%	\$52,073	281,151	8.0%	\$54,345	369,922	8.2%
Health Care & Social Assistance	482,705	14.4%	\$55,905	491,212	14.0%	\$59,270	627,504	13.9%
Arts Entertainment & Recreation	44,762	1.3%	\$38,421	50,220	1.4%	\$39,778	67,259	1.5%
Accommodation/Food Services	292,814	8.7%	\$19,035	316,216	9.0%	\$21,482	395,544	8.8%
Other Services Ex. Public Admin	86,611	2.6%	\$40,953	92,175	2.6%	\$42,494	116,333	2.6%
Public Administration	201,650	6.0%	\$55,143	200,533	5.7%	\$57,002	246,710	5.5%

Sources: NC Commerce, Quarterly Census of Employment and Wages

Education

The table below indicates the Region was very similar to the in state in educational attainment in 2020. Within counties designated as distressed by the SCRC in FY23, however, the average percentage of individuals aged 25-44 who obtained a Bachelor's Degree was 12% in 2020, significantly lower than the statewide average.

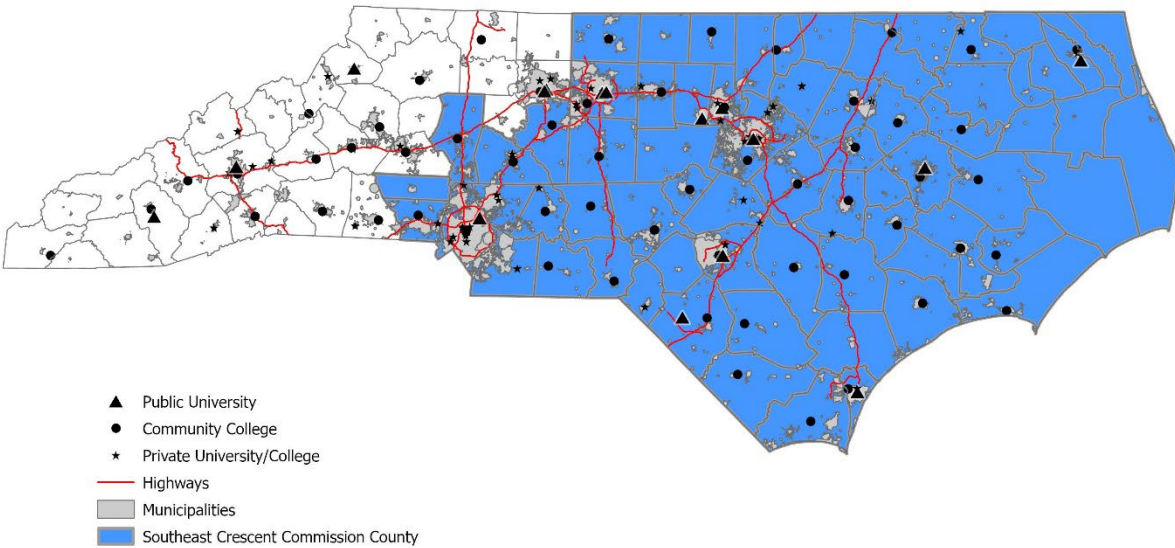
SEC Educational Attainment by Population 25 Years and Older, 2020

Categories	SEC Region	North Carolina
High School Graduate, POP 25+	88.8%	88.5%
Some College, No Degree, POP 25+	21.1%	21.1%
Associate Degree, POP 25+	9.8%	9.9%
Bachelor's Degree, POP 25+	21.3%	20.4%
Graduate or Professional Degree, POP 25+	12.1%	11.6%

Source: U.S. Census Bureau

The Region is served by eleven public state universities in the University of North Carolina System, as well as 44 Community Colleges and numerous private liberal arts colleges. The North Carolina Community College System (NCCCS) is the nation's third-largest community college system, pioneering the nation's most advanced vocational and technical programs. More than 525,000 students enroll at one of NCCCS's 58 campuses each year. According to the NC Economic Development Partnership, every North Carolina resident lives within a 30-minute drive of a community college, making high quality education accessible to the Region's workforce.

North Carolina Southeast Crescent Commission Counties Educational Institutions



Infrastructure

Transportation

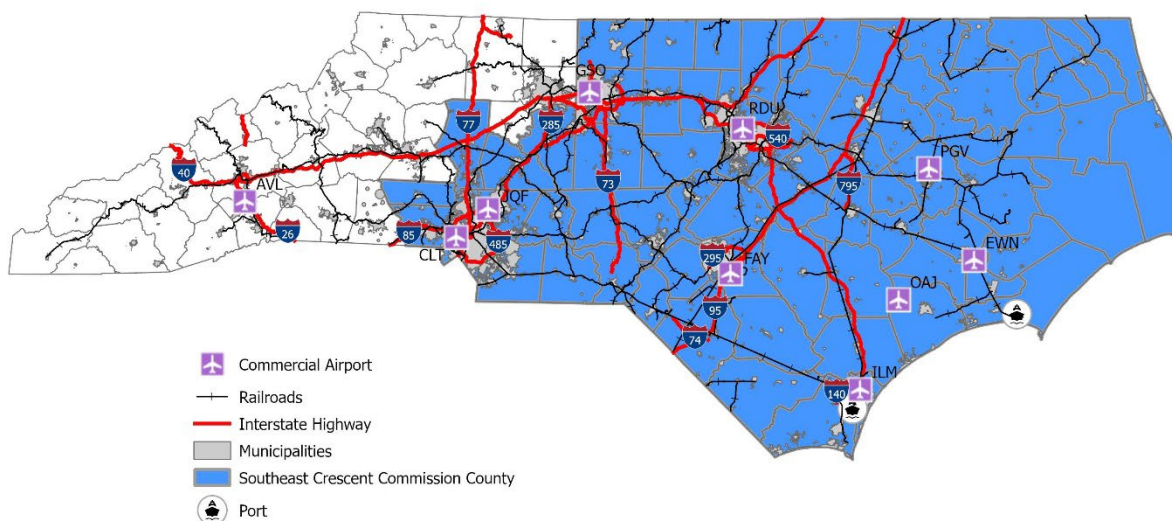
North Carolina boasts over 80,000 miles of state-maintained roads and has the largest state-maintained highway network in the country. This gives the Region excellent access to Interstates 40, 85, 95, 77, 74, and other several major U.S. highways. This highway system puts the Region within a day's drive of almost half of the U.S. population.

The Region is served by two Class 1 rail carriers, CSX Transportation (CSX) and Norfolk Southern (NS), which offer direct service to North American markets and to all major ports along the East Coast, including the state ports in Morehead City and Wilmington.

North Carolina has two modern deep-water ports in Wilmington and Morehead City with the capacity to support more than 320,000 TEU (shipping container) and more than 4 million tons of general cargo annually. In addition, an inland port in Charlotte provides access to numerous manufacturing and distribution sites. The Region also connects to ports in neighboring states such as Norfolk, VA, Charleston, SC and Savannah, GA.

The Region contains the world's fifth-busiest airport, Charlotte-Douglas International Airport (CLT), as well as three other international airports: Raleigh-Durham (RDU), Piedmont Triad (GSO) and Wilmington International Airport (ILM). Numerous smaller regional airports are located throughout the Region.

North Carolina Southeast Crescent Commission Counties Infrastructure

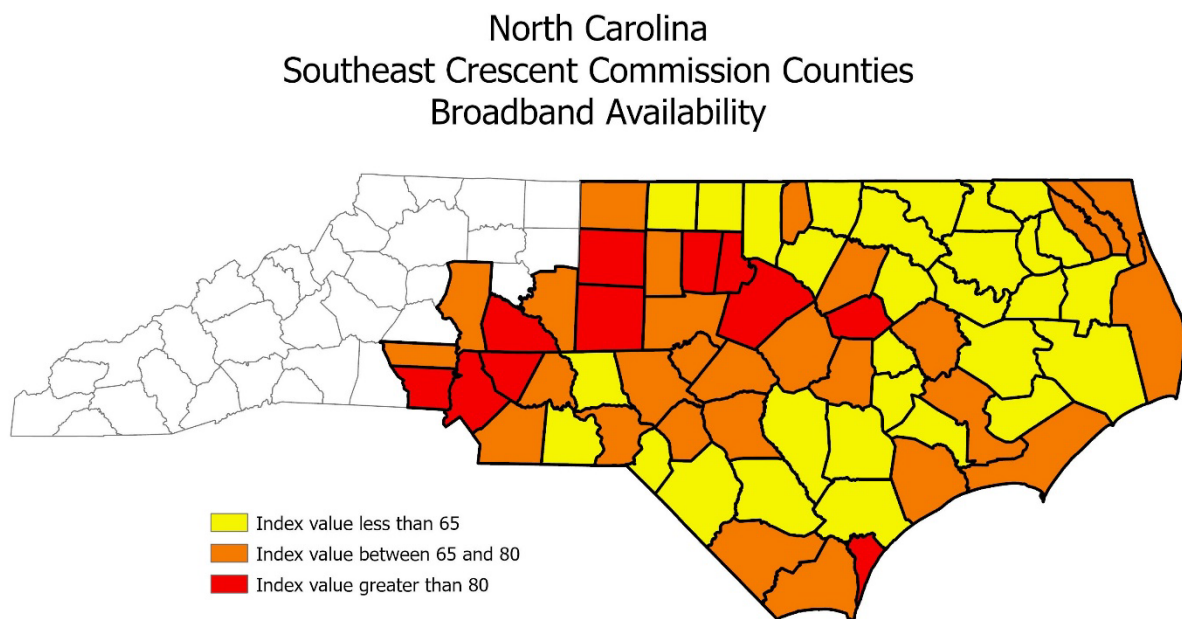


Broadband

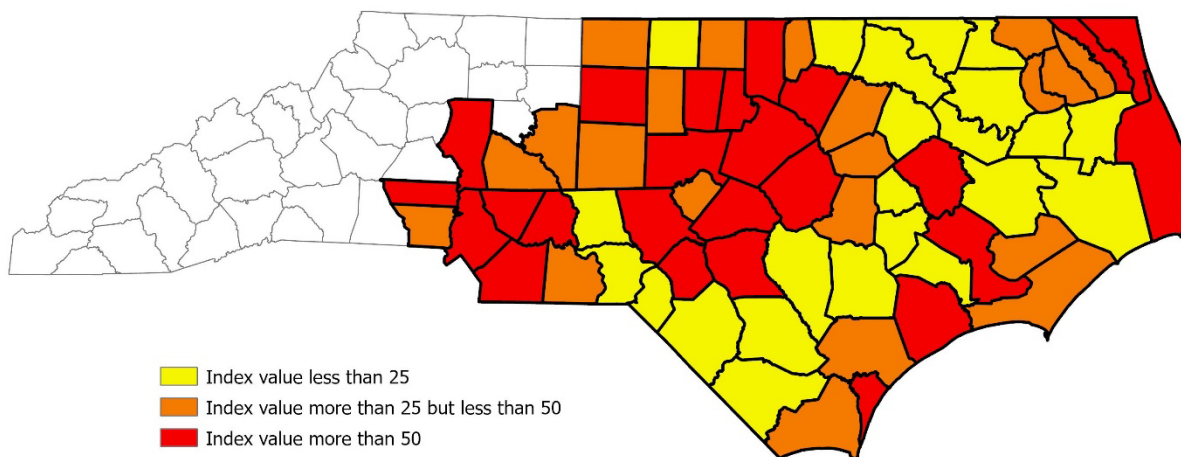
In 2019, North Carolina's Division of Broadband and Digital Equity created two unique broadband indices designed to create a more accurate picture of the state's broadband access, adoption and the resulting digital divide. Together, 19 variables – eight in broadband availability and 11 in broadband adoption – make up the indices which can be applied at both the county and the census-tract levels.

In constructing the availability index, some indicators include access to types of technology, number of providers, access to specific speed thresholds and the quality of service such as slower speeds and large differences between download and upload speeds. Barriers to infrastructure deployment such as the age and density of housing units are included. The adoption index includes variables such as the share of homes subscribing to DSL, cable or fiber or not subscribing at all. Age, income, the presence of children and educational attainment are also included. The adoption index does not include cost of service as this is not available from secondary data sources.

According to the Availability Index, the metro areas of Charlotte, Raleigh, the Piedmont Triad and Wilmington have high levels of broadband availability. However, much of the Region outside of these urban areas has far lower levels of availability. Adoption of broadband shows a similar pattern.



North Carolina Southeast Crescent Commission Counties Broadband Adoption



Source: NC Department of Information Technology, Division of Broadband and Digital Equity

Electricity and Gas

Electric utilities for the Region are served by Duke Energy Carolinas, Duke Energy Progress and Dominion Energy North Carolina and several other electric membership corporations, commonly known as EMCs or Co-ops. Municipal electric providers also serve several communities in part of the Region. According to the US Energy Information Administration, North Carolina's industrial electricity costs are about 14.5 percent below the national average. Natural gas service is furnished by three companies: Cardinal Pipeline, Dominion Energy, and Piedmont Natural Gas.

Water and Sewer

While the Region has an extensive water and wastewater system, there are persistent challenges throughout the state. North Carolina's 2017 Statewide Water and Wastewater Infrastructure Master Plan describes the state's challenges as "a combination of poor water infrastructure condition, the need for modernization and the lack of sufficient revenues that threaten the viability of some water utilities." One issue is the state's large number of small, independent systems; many of which have unique challenges such as small customer bases and limited revenue. According to the Master Plan, of the 2,000 community water systems operating in the state, one-third of these systems have customer bases of 100 people or less. The smallest of these systems serve about 10% of the state's population. In contrast, the ten largest water systems serve 30% of the state's population. In addition, the two main previous funding sources for the construction of these systems—federal grant funds or revenue from large manufacturers—have both declined over time. While new users can help pay for infrastructure in growing communities, paying for aging infrastructure is more difficult in areas with low population growth and a smaller industrial base.

Tourism

According to Tourism Economics, visitors to the Region spent an estimated \$20.8 billion in 2021, roughly 72 percent of the state total. This spending was a 41 percent increase over 2020 levels which saw reduced tourism due to the pandemic. More than 145,000 jobs and \$5.8 billion in payroll were directly attributable to travel and tourism in 2021. State and local tax revenues from travel to the Region amounted to \$1.7 billion.

The Region is home to a wide variety of tourist destinations, from the largest cities in the Piedmont including Charlotte, Raleigh, Greensboro and Durham, to coastal towns like New Bern and Wilmington, and 300 miles of beaches along the coast. Coastal attractions include Cape Lookout National Seashore, Cape Hatteras National Seashore and the islands of the Outer Banks. In addition, the Region contains numerous state parks and trails, the North Carolina Zoo, state historical sites, golf courses, NASCAR and other sports-related attractions, and a variety of museums and other cultural attractions.

Military Presence

The military has a long-standing and prominent presence in the Region. According to the Defense Manpower Data Center, North Carolina currently has the fourth largest military population in the United States. There are five active-duty military bases, a military ocean terminal, a U.S. Coast Guard base, and several National Guard and Reserve installations in the Region:



Currently, over 100,000 active-duty personnel serve in the Region in addition to over 20,000 National Guard and Reserve service members and thousands of civilian support workers. According to the Department of Defense, up to 60,000 individuals are projected to separate from the military over the next three years. This can provide a potential skilled labor pool and an opportunity for new business creation

in the Region. Currently, approximately 678,000 veterans reside in North Carolina — the ninth largest veteran population in the United States—and most live within the Southeast Crescent Region.



Military Family in the City of Raeford (Hoke County)

The military presence also provides opportunities for federal contracting for businesses in the Region. In FY 2020, prime military contracts performed in North Carolina totaled \$6.1 Billion, with 78 percent carried out in the Southeast (\$3.3 billion) and Sandhills (\$1.5 billion) regions of the state. The top two counties — Cumberland and Onslow — accounted for about 55 percent of prime military contracting. Not surprisingly, these counties are home to the state’s two largest military bases, Fort Bragg and Camp Lejeune.

Finally, the Region is home to a robust set of defense-related industries and research capacity at its universities and in the private sector, providing opportunities throughout the region in advanced manufacturing, aerospace and autonomous systems, advanced textiles,

and biotechnology, among other industries.

Economic Challenges

The Southeast Crescent region of North Carolina faces many economic challenges. The SCRC program will work with our partners and grantees to develop solutions to these challenges which include:

Educating and Sustaining a Skilled, Healthy Workforce

The lack of a skilled workforce to meet the needs of a global economy is a challenge in addressing the region’s needs. The State’s Strategic Economic Development Plan, [*First in Talent*](#), describes the workforce challenges in North Carolina in depth. Those challenges include insufficient access to affordable healthcare, housing, childcare, and transportation. These obstacles hinder residents from accessing job opportunities as well as participating in training and educational programs. The region, as well as the State, faces difficulty matching the current workforce with the available jobs. The region also struggles to guarantee that educational (including k-12 schools) programs and workforce training reach the populations in need of skills to gain employment and address skill gaps in the region. Attracting and retaining younger individuals in the local workforce is an additional challenge.

Building and Managing Infrastructure

Outdated and scarce infrastructure continues to be problematic and impedes the region’s ability to retain and grow businesses. Infrastructure requires continual investments and many communities have financial difficulty maintaining and improving systems to meet state requirements and economic development goals.

Access to, maintenance, and expansion of quality infrastructure is an ongoing challenge for many communities in the Southeast Crescent. The full range of infrastructure necessary for economic development includes water, sewer, broadband, transportation, gas and more which need improvement.

Water and Sewer

According to the [Statewide Water and Wastewater Infrastructure Master Plan](#), aging water and sewer infrastructure, maintenance costs, and the need for expansion of services all present a challenge to continued economic development. This often creates a financial burden on local governments. This is particularly true for jurisdictions with small, often declining, populations.

Broadband

Many areas of the region lack access to broadband internet. According to the State Department of Infrastructure Technology, even when broadband is available there is a significant digital divide regionwide. Increased access to adoption of broadband, and improved digital literacy are needed for residents of the region. This will allow them to fully engage in the economic opportunities, education and lifelong learning, civic and cultural participation, and access to essential services that are made possible by the internet.

Natural Disasters



*Flooding from Hurricane Florence in 2018 devastated the Town of Belhaven (Beaufort County)
Credit: USA Today*

North Carolina's extensive coastline makes the region prone to frequent natural disasters. The Region has experienced intense weather events that have caused damage to roads, businesses, and homes. The area has had long term drought that caused water restrictions and increased heat which affects those who work outdoors and affects crops. These natural disasters have devastating impacts on peoples' lives, local economies, and community vitality. Strategies to make communities less susceptible to natural disaster damage and more resilient in

the wake of these disasters are needed. Two recent major hurricanes, Hurricane Matthew (2016) and Hurricane Florence (2018), significantly impacted North Carolina. After each storm, numerous counties across the State were declared [Federal Disaster Areas](#), including 23 of the 26 counties currently designated as economically distressed by the SCRC. In 2019, Governor Cooper created the [North Carolina Office of Recovery and Resiliency \(NCORR\)](#) to focus efforts to rebuild impacted communities that are more resilient to future disasters. These efforts include initiation of a grassroots community planning process in 50 counties to effectively align and structure recovery programs. This organization works to address the housing recovery needs of low to moderate income persons; coordinates local, state, and federal disaster responses; and assists small business and agricultural sectors disaster recovery needs.

Building Local Leadership Capacity

Rural communities face significant systemic and economic challenges that limit their competitiveness and stifle efforts to build strong, vibrant, and sustainable communities. Those challenges have been magnified as shrinking resources, talent drain, and changes in public policy approaches which have fueled an ever widening “rural and urban divide”. Staff at local governments and non-profit organizations are stretched thin with a limited number of personnel often responsible for multiple duties. This places a strain on employees and often does not allow time for staff to engage in additional tasks that are needed for community and economic development.

Access to Affordable Housing

According to the State’s [Consolidated Plan 2021-2025](#), the affordability and availability of quality housing remains a need in North Carolina. The State conducted a Housing Needs Assessment that underscored the need for affordable housing. The Assessment showed that the cost of housing is continuing to rise and is not affordable for many. In addition to housing, communities are struggling to provide public services such as short-term housing, emergency payments for rent, mortgage, and utilities, and food distribution; and preserving and creating public facilities such as community centers, parks, transitional housing, supportive housing, and emergency shelters. There is a growing understanding that access to quality, affordable housing is critical to attracting and retaining adequate workforce.



Community Development Block Grants (CDBG) support affordable housing programs. Before and after photos of Craven County grant recipient's new home

Economic Opportunities

Establishment of Economic Development Products

For communities across the Southeast Crescent Region to be successful in attracting new businesses and supporting expansion of current businesses, they must have sites available for those businesses. Several organizations, including the NC Department of Commerce, Economic Development Partnership of North Carolina and the Golden Leaf Foundation work with communities to support the preparation of sites, extend public infrastructure, site grading, and clearing.



Precision Swiss Products location in Brunswick County

Enhancement of Digital Infrastructure

Expansion of broadband throughout the region will provide access to increased educational and workforce training opportunities and encourage business and industry development. In addition to providing access to the physical infrastructure, communities need support in creating digital inclusion plans designed to deliver appropriate technology, business and funding plans necessary to ensure the



Counties being served by the BAND-NC Program

infrastructure is affordable for all. In addition, communities need support with procurement of devices and digital literacy training. The North Carolina Department of Information Technology and North Carolina State University's Institute of Emerging Issues develop digital inclusion plans for local

governments. This program, [BAND-NC](#), provides technical assistance, training, and mini-grants to communities across the state to develop and implement digital inclusion plans. They are currently working with 64 communities; 39 are from the region.

Growing Workforce Development Opportunities

Economic opportunity is dependent on a highly skilled workforce and the Region proudly boasts eleven public state universities in the University of North Carolina System, as well as 44 Community Colleges and numerous private liberal arts colleges. With a strong network of accessible and customized educational training programs, students and adults who return for further education have access to the resources needed to compete in emerging business and industry opportunities. In July of 2018, Governor Cooper created the Finish Line Grant program, which allows community college students to complete their education when an unforeseen financial emergency occurs. To date, more than 3,000 Finish Line Grants have been awarded statewide to students in need, totaling more than \$3 million. An ongoing priority for the State's Division of Workforce Solutions (DWS) is to support businesses affected by COVID-19. In partnership with local Workforce Development Boards, NCWorks Career Center staff provide virtual and in-person services for job seekers and employers.

There are several efforts underway across the region to provide enhanced recovery supports to individuals with substance use disorder. Recovery networks are designed to help individuals in substance abuse recovery access a diverse array of support services and training needed to maintain recovery and successfully obtain employment. This is a critical solution to workforce availability concerns at a time when many businesses are having trouble filling positions.



*FTCC Career and Education Success Center Staff
Credit: Fayetteville Technical Community College*

A good example of this work is a program at Fayetteville Technical and Community College. ‘Project Cumberland GROW’ provides job training and job placement assistance for individuals considered hard to employ. In conjunction with this program, a network of local county ReEntry Councils provides a comprehensive array of reentry programs, services and resources to help justice-involved individuals rebuild their lives and successfully reintegrate into their communities with assistance to increase employment opportunities.

Transportation

A safe, reliable and strategic multi-modal transportation network is critical to economic development and quality of life. [NC Moves 2050](#), the statewide strategic transportation plan, focuses on the future of transportation in North Carolina. A key objective of the plan is to support a strong economy. Strategies to achieve these goals include connections to statewide opportunities, improved access to regional jobs and services, and links to industry clusters. NCDOT’s [Strategic Transportation Corridors](#) form a well-connected network of multi-modal transportation routes serving nearly all areas of the state’s Southeast Crescent region. These routes can move high volumes of people, goods and services over longer distances and provide high-quality access to principal economic activity centers within and outside of North Carolina.



Halifax-Northampton Regional Airport (KIXA)

Agricultural Economy



Peanuts ready for harvest for in Harnett County

According to the [North Carolina Department of Agriculture and Consumer Services](#), agriculture is the largest industry in North Carolina. It contributes over \$91.8 billion to the state's economy and employs more than 700,000 individuals. The state is the largest producer of sweet potatoes, poultry and eggs, and tobacco in the nation, and ranks highly among the top producers of many other agricultural commodities. Forestry is a major component of the agricultural economy, and the state has a robust forestry industry especially in the Region. According to NCSU Forestry Extension, the forestry industry had total contributions of over 138,000 employment

and industry output of \$32.8 billion for the state in 2020. In addition to commodity agriculture, there are growing opportunities for small-scale agricultural producers and value-added products. The state has university extension offices in every county which provide researched based information, training and resources for production and marketing of local foods and value-added production. A network of local food advocate organizations operate throughout the state to promote economic opportunity, healthy communities, and vibrant farms and fisheries through enhancing the local food system.

Developing Rural Community Capacity

For communities across North Carolina, local community capacity is essential for sustained community economic development. This is especially true for the 69 counties in the Southeast Crescent Region. Communities in the Region have access to several programs that can enhance community engagement with targeted training programs and targeted training programs. These programs can support communities to position themselves for economic growth and prosperity.

Hometown Strong

Governor Cooper has made rural North Carolina a top priority and, in 2018, he launched the Hometown STRONG initiative to leverage local, state, and federal resources to support the needs of local communities. The following 34 SCRC counties are currently participating in this effort: Anson, Beaufort, Bertie, Bladen, Caswell, Chowan, Columbus, Duplin, Edgecombe, Gates, Granville, Greene, Halifax, Hertford, Hoke, Jones, Lenoir, Martin, Montgomery, Nash, Northampton, Pamlico, Pasquotank, Perquimans, Person, Richmond, Robeson, Rockingham, Sampson, Scotland, Tyrrell, Vance, Warren, Washington. The Hometown STRONG initiative provides counties with direct access to state government leaders who work in tandem with local leaders to identify local priorities and work to implement focused projects that boost the economy, improve infrastructure, and strengthen these communities. The state is focused on supporting local priorities and leveraging resources to assist with projects identified in these communities.

Rural Community Capacity (RC2)

The Rural Community Capacity (RC2) program, a creative partnership between the NC Department of Commerce's Rural Economic Development Division and Appalachian State University's Walker College of Business, provides educational programming, technical assistance, grants, and focused guidance to local government staff in rural and distressed communities. The first cohort included 13 rural communities from the SCRC region of the state. The communities participated in program activities, which included on-campus and virtual classes, community-level engagement, and targeted training programs. After completion of the program, each community was given the opportunity to apply for funding to implement a project that they collaboratively developed during the training program.

As a result of this opportunity, the Town of Garysburg is taking steps to renovate the former Garysburg Elementary School to provide a multi-use Town Center. Once completed, the center will provide small business incubator spaces, business development resources, meeting space for area nonprofits and support service groups, event space, and more. Local leaders hope this project will revitalize the community by transforming an underutilized asset, provide a more active community gathering space, and spur economic opportunity.



*Garysburg Community Center Mural, By Napoleon Hill
Credit: Northampton County Tourism Development Authority*

Homegrown Leaders/REDI – NC Rural Center

The NC Rural Center's mission is to develop, promote, and implement sound economic strategies to improve the quality of life of rural North Carolinians. The Center fosters leadership development and capacity building in rural communities as a core building block to fulfill their mission. Their flagship program, Rural Economic Development Institute (REDI), is held annually and has trained over 1,300 individuals statewide to make meaningful impacts in their communities. Similarly, their Homegrown Leaders program provide an abridged, geographically focused training program intent on assembling local leaders from specific areas of the state to equip them with the skills needed to lead to long-term economic advancement in their community. In 2022, the Center trained individuals in the 42 easternmost counties, many of which are designated as distressed by the SCRC.

Supporting Placed Based Economic Development

From quaint coastal communities to the bustling metro cities and everywhere in between, North Carolina's Southeast Crescent region offers outstanding tourism destinations and significant economic opportunities within this sector. According to [VisitNC](#), all 100 counties in NC experienced an increase in visitor spending in 2021. There is significant opportunity to develop new attractions, services, and venues to draw visitors into rural communities. Local culture, arts, food and beverage, history and heritage,

outdoor recreation and much more contribute to a tourism sector that draws individuals from around the state and the country to visit North Carolina. Additionally, strategic planning to leverage the outdoor recreation economy in the region offers opportunities in related industries including manufacturing, small business, hospitality, and more.



*Chowan River in Bertie County
Credit: Bertie County*

A wonderful example of placed based economic development is happening in Bertie County. With a rich natural and cultural landscape, Bertie County, NC assembled a committee to examine how their abundant natural amenities could be utilized for community and economic development, while preserving the environment. This planning process resulted in the 'Tall Glass of Water (TGOW) Master Plan' which outlined the development of their natural and cultural assets centered around educational and recreational opportunities and economic development. One of the first major accomplishments in plan implementation was the purchase of a strategically important 147-acre waterfront parcel of land at the confluence of the Chowan River and the Albemarle Sound. This site will provide the first public beach access to recreational waters within Bertie County. This site will serve as an impetus to a phased implementation of the Master Plan which will increase community amenities and facilities to draw in tourists. The County recently received a Rural Transformation Grant from the NC Department of Commerce to undertake economic development activities that compliments the TGOW project.

The State is leveraging this region's unique assets in several ways that are providing unique economic development opportunities for numerous communities. These opportunities include:

United States Economic Development Administration Tourism Grant

North Carolina was awarded \$6.4 million to establish a new tourism-focused economic recovery initiative. The new program, Supporting and Strengthening Resiliency in North Carolina's Travel, Tourism, and Outdoor Recreation Sectors Initiative. This initiative will develop and implement economic-building strategies for the recovery of North Carolina's travel and tourism industries that suffered economic losses due to the pandemic. As part of this initiative, the following programs will be implemented:

Creating Outdoor Recreation Economies (CORE)

The NC Department of Commerce's Main Street & Rural Planning Center will lead a technical assistance program that offers Outdoor Recreation Economy Strategic Planning and Asset Development services. The outdoor recreation industry is a significant economic driver within North Carolina contributing over \$11 billion in value added economic input to the state's GDP and employing over 130,000 individuals. CORE will offer planning and asset development to leverage the abundant outdoor recreation assets available across the state of North Carolina to bolster local economic vitality. Strategic planning will focus on how communities can leverage outdoor recreation activities to positively impact local economies by: increasing tourism; encouraging small business development; enhancing quality of life for residents; planning for outdoor recreation asset and infrastructure development; and positioning communities to grow and

attract outdoor gear manufacturing industries. The individual planning or asset development process will be tailored to meet the needs and objectives of each specific community.

Main to Main Trail

The NC Main to Main Trail is a community economic development initiative, led by the North Carolina Main Street Program, that leverages North Carolina's regional natural assets for economic prosperity and COVID-19 recovery in North Carolina Main Street communities. Program goals include developing regional connections among neighboring Main Street programs, attracting new and diverse visitors, and enhancing the experiences that both visitors and locals have within each community. Program staff will work with Main Street towns to market and promote the communities' and regions' best assets and attractions, destination creation for small businesses, and regional itinerary development.



UPLIFT

This program, led by Appalachian State University, will work with rural and under-resourced communities to strengthen and connect tourism sites, services, and businesses in targeted regions across the state. Program partners will work with tourism practitioners and local leaders to improve local economies with opportunities to leverage natural, recreational, cultural, agricultural, culinary, and other physical assets. UPLIFT will bring together several multi-county cohorts to collaborate regionally. The UPLIFT regions include the following counties, many of which are designated as distressed by the SCRC:

- Caswell, Granville, Person
- Montgomery, Richmond, Stanly
- Bladen, Columbus, Robeson, Sampson
- Bertie, Edgecombe, Martin

Southeast Crescent Regional Commission Strategic Goals and Objectives

Goal 1: Invest in Critical Infrastructure

- Objective 1.1 – Expand the region’s basic water and sewer infrastructure to be more resilient.
- Objective 1.2 – Expand and improve access to affordable and reliable digital infrastructure (e.g., broadband, cellular).
- Objective 1.3 – Support expanded regional transportation infrastructure systems and transit services.

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

Goal 2: Improve Health and Support Services Access and Outcomes

- Objective 2.1– Support initiatives that expand access to affordable, high-quality healthcare and services that support overall mental and physical health.
- Objective 2.2– Provide support to build capacity for navigating and accessing support services.

Examples of potential projects include telehealth programs, peer support programs, health care training programs, and rural health care clinics.

Goal 3: Strengthen Workforce Capacity

- Objective 3.1– Promote workforce development programs (e.g., apprenticeships, internships, on the job training, programs at technical and community colleges) for local high-demand job opportunities (e.g., plumbers, electricians, etc.).
- Objective 3.2– Increase enrollment in and completion of critical training programs by investing in wrap-around services.

Examples of potential projects include k-12 education programs, career pathway program development, college access programs, supporting programs that offer employees wrap-round services and workforce development programs.

Goal 4 – Foster Entrepreneurial and Business Development Activities Objectives

- Objective 4.1– Support the expansion of access to business capital (e.g., micro loans) to support innovation, entrepreneurship, and economic equity.
- Objective 4.2– Invest in programs and business opportunities that address critical challenges facing SCRC communities while providing opportunities to attract and retain talent locally.

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

Goal 5 – Expand Affordable Housing Stock and Access

- Objective 5.1– Increase access to wrap-around services and legal assistance to resolve title, heirship, land tenure, and eviction issues.
- Objective 5.2– Support enrollment in and access to homebuyer programs.
- Objective 5.3– Invest in efforts to improve the affordability and availability of quality housing across the region.

Examples of potential projects include programs that provide services on title, heirship, land tenure and eviction issues, support programs that provide homebuyer education and training and regional planning projects, community economic development planning efforts. Programs benefitting under this goal should aid a wide-ranging population and strive to build capacity to provide these services over a long period of time.

Goal 6 - Promote Environmental Conservation, Preservation, and Access

- Objective 6.1– Invest in air, water, and soil clean-up efforts that impact historically disadvantaged communities.
- Objective 6.2– Preserve and expand access to the SCRC region’s natural resources to increase outdoor recreation and tourism opportunities.

Examples of potential projects include regional planning projects, community economic development planning, local food, farm and forestry programs, downtown streetscape projects, downtown revitalization, agritourism development, establishment of gateway community programs, and outdoor recreation economy planning and development.

Southeast Crescent Regional Commission Investment Focus for North Carolina

Governor Cooper will engage the resources provided by the SCRC to attract more jobs, improve higher educational attainment rates, and support investments that improve the region's health status. The state will utilize SCRC resources to provide technical assistance and, when appropriate, financial investments in the 69 SCRC counties with a special emphasis on isolated areas of distress.

Governor Cooper will utilize SCRC resources to support the region's ability to respond to the challenges of the 21st century workplace and keep pace with advances in technology. SCRC investments in North Carolina 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 SCRC resources that will allow them to prepare for and then compete for economic development. All SCRC investments in North Carolina will assist communities moving towards economic success and support efforts to create more equity across the region.

The North Carolina SCRC Program will also support the implementation of the *First in Talent: Strategic Economic Development Plan for North Carolina*. In July of 2021, the North Carolina Department of Commerce released the Economic Development Strategic Plan for the State of North Carolina. The plan, titled *First in Talent*, recognizes that investment in North Carolina's workforce is the key to building a more prosperous and resilient economy for all North Carolinians.

The plan highlights three key goals critical to the state's economic development strategy:

- Prepare North Carolina's workforce for career and entrepreneurial success.
- Prepare North Carolina's businesses for success by growing and attracting a talented workforce.
- Prepare communities across North Carolina to be more competitive in growing and attracting a talented workforce and businesses.

The NC SCRC program will support the implementation of the plan by focusing on the following Investment Priorities:

- Projects that enhance long-term infrastructure commitments that allow for the 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 k-12 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
- Encourage project design and development to specifically target Distressed Counties and Areas that will help improve economic conditions
- Support the strategic deployment of digital infrastructure that promotes conditions that allow individuals to access educational and job opportunities

State Program Operations

The Governor, as the State's member of the Commission, establishes the program's direction and priorities. North Carolina's SCRC 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 of the 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 within the Rural Economic Development Division of the North Carolina Department of Commerce. Policy and program direction are provided by the senior staff in the Governor's Office.

The North Carolina SCRC Program partners with several organizations both at the state and federal level, along with a number of nonprofits. Staff work daily with colleagues in the Rural Economic 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 Division's Rural Grants Program. These programs provide assistance for building reuse and restoration, water and sewer infrastructure, and economic innovation in rural communities. Other Commerce ties include all elements of business and industry development, tourism, and workforce development. Coordination also occurs with other state agencies include:

- 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, including 5 historically black colleges and universities.

The program continues has 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.

Program staff relies extensively on state and federal agencies for technical review of proposed project activities and request their aid in assessment of project readiness, if a potential project duplicates already existing efforts, and for joint funding of projects, when applicable. Close cooperative relationships also are maintained with several non-profits such as the Economic Development Partnership of North Carolina, the North Carolina Rural Center, the National Institute of Minority Economic Development, the Carolina Small Business Development Fund and the Golden LEAF Foundation. Contact with and information shared among the agencies and partners promotes a coordinated development effort for the state and can

resolve problems as well as meet the needs of its communities, especially in efforts to support or develop local capacity.

The 11 LDDs serving North Carolina's SCRC region are agents of their member governments. They maintain constant contact with the state and provide feedback, suggest areas of 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 of projects to the packaging of applications and in some cases, includes aid in bidding, administering, and closing out projects. The state relies heavily on input from the LDDs to develop new project directions and solicit input from other organizations in the region.

Public input comes in many forms. Contacts may be made:

- Through the LDDs;
- Directly with the Governor, their Alternate, or members of the Governor's staff;
- Through local government associations (the NC League of Municipalities and the NC Association of County Commissioners);
- Through referrals from other agencies and partners; 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 SCRC funds requested may not exceed 50% of the total project cost except: 1) in designated distressed counties where the state determines the project is not feasible without the injection of a higher percentage of Southeast Crescent dollars and 2) in multijurisdictional projects that meet requirements set out in the [2008 Farm Bill](#) which generally involve the participation of distressed counties.

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 SCRC 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 others to continue efforts to obligate the State's SCRC allocation in a timely manner and to achieve dual objectives of better serving applicants and more efficiently initiating SCRC's investments in North Carolina.

General Information

- Higher priority is given to projects that are deemed ready to go. To meet this requirement, the applicant should have all other funding for the project committed.

- Both the worth of the individual project in achieving the State's objectives and the level of assistance are determined on a case-by-case basis.
- Projects that support activities in a Distressed County will receive a higher priority.

Initial screening of proposals focuses on the following elements:

- Feasibility of the project approach;
- Eligibility under [2008 Farm Bill](#);
- Consistency with State and Commission goals and strategies;
- Economic impact within the context of the region and the area to be served;
- 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 SCRC funds.

Funding and Match Guidance

The SCRC has set general guidance that assistance will not exceed \$350,000 for infrastructure projects and \$200,000 for non-infrastructure projects. Special consideration will be given to projects serving multiple counties and/or states. Assistance may not exceed \$500,000 for infrastructure and \$350,000 for non-infrastructure projects.

Cost overruns and significant changes of project scope on previously approved SCRC 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.

SCRC funds cannot supplant or diminish the level of other funds (federal, state, or local) going into the region or the project area. SCRC funds cannot replace other funds to continue a project. Nor may SCRC 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.

To comply with Congressional instructions, the matching requirements for SCRC projects vary depending on the county served and the number of counties served. Projects located in distressed counties may request up to 20% match. The maximum SCRC contribution can be increased to 90% when the projects involved three or more counties or two or more states. Projects located in transitional counties or isolated areas of distressed will be required to provide 50% match. The match rate can be reduced to 40% if the project involved three or more counties or two or more states. Projects in Attainment Counties are not eligible for funding.

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