



---

**Appalachian Regional Commission**

**State of Alabama  
STRATEGY STATEMENT  
2016**

**Robert Bentley  
Governor**

**Alabama Department  
of  
Economic and Community Affairs**

---

The Appalachian Regional Commission (ARC) is a regional economic development agency, representing a partnership of federal, state, and local governments, designed to address local needs. The Commission was established by Congress as part of the Appalachian Regional Development Act (ARDA) of 1965 and works to enhance economic and community development and improve the quality of life for the residents of Appalachia.

Governor Robert Bentley serves as Alabama's ARC Commission Member and has assigned the administration of Alabama's ARC Program to the Alabama Department of Economic and Community Affairs (ADECA). ADECA Director Jim Byard, Jr. serves as the Governor's Alternate State Member and is the state-level contact for those seeking ARC funding.

Each year, in accordance with Section 5.3 of the ARC Code, the thirteen member-states of the ARC publish strategy statements outlining their plans for the use of ARC funds in designated ARC service areas of their respective states. This document serves as Alabama's ARC Strategy Statement for Fiscal Year 2016. Programs and Activities benefiting the residents of the counties in Alabama's Appalachian footprint are eligible to receive consideration for funding from congressionally designated allocations. The Strategy Statement also outlines the State's commitment for the use of ARC funds.

Thirty-seven (37) of Alabama's sixty-seven (67) counties are located within the Appalachian Region. These counties are: Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, DeKalb, Elmore, Etowah, Fayette, Franklin, Hale, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Macon, Madison, Marion, Marshall, Morgan, Pickens, Randolph, St. Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston.

The goals of Alabama's ARC Program are implemented through collaborations and partnerships with federal, state, and local economic and community development organizations and multi-county development organizations called local development districts (LDDs). Alabama's LDDs, or Regional Councils of Local Government, play a key role in the implementation of Alabama's ARC program. Governed by boards comprised of elected officials, business people and other local leaders, the LDDs provide invaluable local support and technical assistance.

Alabama's ARC Program staff are privileged to work with eight (8) **Local Development Districts** in ARC project development and implementation. The Executive Directors and staff of Alabama's ARC LDDs work with their board members, elected officials, economic development professionals and citizens to identify priority needs of their local communities. In turn, the LDDs develop and implement plans for economic development in their communities which empower local leadership and foster and sustain economic development.

*The LDDs which cover Alabama's ARC region are:*

- **Northwest Alabama Council of Local Governments (NACOLG):** Colbert, Franklin, Lauderdale, Marion and Winston Counties;
- **West Alabama Regional Commission (WARC):** Bibb, Fayette, Hale, Lamar, Pickens and Tuscaloosa Counties;
- **Regional Planning Commission of Greater Birmingham (RPCGB):** Blount, Chilton, Jefferson, St. Clair, Shelby and Walker Counties;
- **East Alabama Regional Planning and Development Commission (EARPDC):** Calhoun, Chambers, Cherokee, Clay, Cleburne, Coosa, Etowah, Randolph, Talladega and Tallapoosa Counties;
- **South Central Alabama Development Commission (SCADC):** Macon County;
- **Central Alabama Regional Planning & Development Commission (CARPDC):** Elmore County;
- **North Central Alabama Regional Council of Governments (NARCOG):** Cullman, Lawrence and Morgan Counties;
- **Top of Alabama Top of Alabama Regional Council of Governments (TARCOG):** DeKalb, Jackson, Limestone, Madison and Marshall Counties.

g the feasibility of project ideas an

Collaborative partnerships among federal, state and local partners allow for the leverage of resources for a concerted, innovative and accelerated execution of Alabama's ARC program. The program works with federal agencies such as the United States Department of Agriculture, the Economic Development Administration, the Environmental Protection Agency and the Department of Housing and Urban Development. State agency partners include the Department of Commerce, Department of Public Health, Department of Transportation, Conservation and Natural Resources, Labor, Tourism and the Alabama Historical Commission.

## **Economic Challenges and Opportunities**

Alabama's economy continues to recover from the recession, and although slower than anticipated, business executives and industry analysts remain solidly optimistic about the prospects for Alabama's economy for 4<sup>th</sup> quarter 2015 and for 2016. The state's economy is estimated to grow by approximately 2.2 percent and state tax revenues are expected to grow around 4 percent. Appalachian Alabama faces challenges as it moves into 2016, as primary and fabricated metals manufacturers and coal producers have experienced significant job losses. Walter Energy works to emerge from Chapter 11 bankruptcy as the industry and workers contend with jobs lost in the closure of coal-fired power plants. Conversely, other areas and business sectors, particularly automobile and parts manufacturers, continue to remain the region's and the state's major economic drivers. The State of Alabama produced nearly one million automobiles worth approximately \$6 billion in 2014. These contrasting circumstances provide timely opportunities to pursue Governor Bentley's design for sustained economic growth and community development.

Employment of Governor Bentley's concept of "*Local Leadership–State Partnership*" will utilize ARC funds to provide communities in Appalachian Alabama:

*ACCESS* to the necessary resources and technical assistance to

*ADVANCE* efforts to build community capacity for strategic planning and collaboration in order to

*ACCELERATE* the implementation of plans and initiatives which particularly provide infrastructure; improve education, skills and health of community residents; and leverage cultural and natural assets to allow the people to compete in the global economy.

Alabama's ARC Program will help *advance* the efforts of Governor Bentley's recently established Alabama Small Business Commission and Alabama Workforce Council, whose work aligns with ARC goals and objectives. The Alabama Small Business Commission (ASBC) encourages innovation, collaborates on critical issues to the growth of small businesses, and promotes policies to assist new business start-ups and expansion of existing businesses. The ASBC provides business owners *access* resources through its Atlas Alabama website <https://atlasalabama.gov> and provides information and links to city, state, federal and other resources for businesses and entrepreneurs. Created at the recommendation of Governor Bentley's Career Readiness Task Force, the Alabama Workforce Council (AWC) fosters collaboration between government, industry and education. Composed of Alabama's world-class industry leaders from companies such as Airbus America and Mercedes-Benz, as well as innovate educators, the Alabama Workforce Council works to harness and maximize expertise and resources to deliver an *advanced* and well-trained workforce that will power Alabama's economic future. Appalachian Alabama has some of the top business incubators in the country, such as the Shoals Entrepreneurial Center, Bessemer Business Incubation System and the Innovation Depot in Birmingham. ARC resources will be used to partner with these innovative programs and work with other programs such as The EDGE in Tuscaloosa to provide opportunities to grow and *accelerate* new and innovative businesses in emerging sectors.

#### **Targeted Investment Priorities**

- Access to advanced placement, STEM and STEAM programs, and Advanced and Innovative skills training for a highly skilled, healthy and ready workforce in Appalachian Alabama
- Investment in critical infrastructure to provide for sustained economic growth, including water, sewer and wastewater projects and broadband and technological infrastructure
- Investment of resources in projects which preserve, strengthen and sustain natural, historical and structural assets for community revitalization and growth of the local and regional economies
- Provide communities access to resources that will enable them to build local leadership capacity, strategically utilize existing assets and partner with regional efforts to grow local and regional economies

Targeted investment priorities will work with established partners, such as Beville State Community College, Wallace State-Hanceville, A+ Education Partnership, and others to prepare students for postsecondary education and the workforce. Investment in programs which develop and support career specific education and skills training, in growing employment sectors such as *advanced* manufacturing, will prepare students for a successful transition from secondary school to the workforce. Projects which offer *access* to STEM and STEAM training will equip students for successful post-secondary education and allow them to take advantage of job opportunities in Alabama's growing aerospace, health, and research and development sectors. Eligible projects could include programs that provide students and workers with cutting-edge technological training, to prepare them for either successful post-secondary education or direct placement into high-wage and high-demand careers in Alabama's *advanced* manufacturing industry.

Investments in infrastructure projects, to include basic infrastructure such as water and sewer, as well as technological infrastructure including telecommunications and broadband, will ensure that communities in ARC counties will be able to implement community objectives which will *advance* and *accelerate* economic growth. Priority investments will provide for the development of new jobs from existing industries, recruitment of jobs from new industries, and, pursuant to the ARC Residential Service Policy, demonstrate a compelling need such as the location of the project in a distressed area of the county, disaster relief, or to address a mandate of the Federal EPA or a state health or environmental agency. Eligible products would retain or create new jobs and have a direct impact on the local and regional economy and might include site preparation or installation or extension of water, sewer or gas lines for the expansion of an existing industry or for a new industry.

Alabama's ARC program will invest resources in plans and projects which preserve and strengthen Appalachian Alabama's natural and cultural assets. The program will continue to work with partners such as Alabama Mountain Lakes Tourism in providing *access* to resources for the growth of local and regional economies and utilization of these assets in educational and stewardship programs. Investments in projects which help sustain and grow agriculture and integrate production into the local economy will continue as will investments which revitalize communities and enrich local economies, such as gateway communities and downtown revitalization, preservation for development, and streetscape projects. Eligible projects could include programs which combine

and integrate the ecological, environmental, economic, and sustainability components of a natural asset such as a canyon, forest or river; or the preservation of a historic downtown building which might house an educational program or business incubator to spur economic growth.

Established partnerships and further collaboration will maximize ARC resources to enhance existing programs that develop, support and enhance community development and leadership. Priority investment consideration will be given to programs that *access* innovative and relevant curriculums and components and include strategic thinking, leadership skills and problem-solving. Efforts will focus on approaches that build the capacity of community organizations to develop and support networks and partnerships which are tied to a county, regional or state plan. Eligible projects could include training for a multi county strategic plan or age-integrated community leadership training which that maximizes the experience, life lessons and best practices of baby-boomers with the innovation, creativity and *accelerated* foresight of millennials.

The Alabama ARC program will work to expand essential economic and community development strategies in its two *Distressed* counties, Hale and Winston. ARC resources will be used to fully engage the LDDs which serve these counties and strengthen partnerships with existing regional and local partners to develop projects which profoundly and fully impact the citizens. Specific strategies and objectives for *Distressed* counties will include:

**Provide crucial infrastructure for economic development and access to an adequate, affordable and safe water supply:**

- Invest in projects and partnerships that fully leverage local, state and federal support for infrastructure provision or improvement

**Strengthen Workforce Development and Enhance Educational Opportunities:**

- Continue and expand local and regional partnerships which provide students access to advanced placement courses, including A+ Education Partnership and accessing resources of the Appalachian Higher Education Network.
- Provide students and incumbent workers advanced manufacturing and other skills training for high-skilled/high-pay careers in growing sectors through continued collaboration with Beville State Community College, the University of Alabama HERO, Shelton State and The Edge in Tuscaloosa

- Work with community and regional partners to provide access to quality health care through community health organizations and educational programs such as Diabetes Coalitions and Rural Health Scholars and Resident programs

**Leverage Natural, Cultural, Historical and Structural Assets to Revitalize downtowns and grow the local economy**

- Work with organizations such as HERO, Project Horseshoe Farm, Rural Studio, and others to continue their efforts in the restoration of existing historic structures for retail development, business incubators, and business growth and development
- Engage LDDs and other state and federal partners in exploring opportunities to capitalize on natural assets in these distressed counties, such as Bankhead National Forest and Moundville State Archeological Park.

**Grow and build community capacity to conduct and implement strategic economic and community plans for sustained growth:**

- Support innovative and progressive leadership and community training programs that include strategic and critical thinking, problem-solving skills and best practices.
- Grow and support youth and adult community and leadership programs, such as YouthBuild, which build community capacity and provide a sustainability and Train the Trainer component for future generations.

**Socio-Economic Status of ARC Alabama**

*Ranking System for ARC Counties*

ARC funds are allocated to counties within Appalachia using an index-based county economic classification system. This system involves the creation of a national index compiled by comparing each county's averages for three economic indicators: the three-year average unemployment rate, per capita market income, and poverty rate. Each of the 420 counties in Appalachia is classified into one of five economic status designations, based on its national ranking. These designations include *Distressed, At-Risk, Transitional, Competitive, and*

*Attainment.* The County Economic Classification for Alabama’s ARC counties can be found at <http://www.adeca.alabama.gov/Divisions/ced/Pages/Appalachian-Regional-Commission.aspx>

### State ARC Program Policies

The State’s maximum investment for counties as designated by the ARC are as follows:

- |                       |                              |
|-----------------------|------------------------------|
| • <i>Distressed</i>   | 80% of Total Project Cost    |
| • <i>At-Risk</i>      | 70% of Total Project Cost    |
| • <i>Transitional</i> | 50% of Total Project Cost    |
| • <i>Competitive</i>  | 30% of Total Project Cost    |
| • <i>Attainment</i>   | Not eligible for ARC funding |

### General Information

- Proposals for the construction of schools, libraries, community centers, government offices, or other facilities which are customarily provided by local governments are not eligible for ARC funding.
- The maximum investment of ARC funds in a project is \$200,000. This ceiling may be waived in certain critical and compelling circumstances.
- ARC funds will not be used for workforce development projects if it is a duplication of funding through other established Workforce Development programs.
- Project overruns will not generally be considered for additional ARC funding.
- When project under runs occur, ARC funds will generally be de-obligated, returned, and made available for other eligible projects. A request for proportional reduction will be given consideration in projects with under runs.
- Generally, ARC projects are funded for one year, but may be funded up to three years, depending on the project performance, expansion of services or added components. Funding is reserved and allocated for one year, and grantees must submit a proposal each year.
- Construction project should include a preliminary commitment of jobs, a preliminary engineering report and an economic impact summary.
- All project applications must include achievable and measurable performance outputs and outcomes and must address ARC Goals and Investment priorities.

### **General Funding Timelines and Procedures**

- Generally, Pre-Applications are due during the month of September or by October 1.
- Applications are reviewed and rated by Alabama ARC staff according to ARC guidelines. Projects selected for reserved funding are recommended to ADECA management for further review and the Governor makes final recommendations for full project submissions.
- Proposals which are reserved for funding and invited to submit full applications are usually notified during the first week of November.
- Full ARC project submissions are generally due in mid-January.
- Applicants are strongly encouraged to work with your local LDD or Regional Council of Government for Technical Assistance with Pre-Applications or Full Submissions.

The Alabama ARC Program will conduct either a Pre-Application Workshop during the summer or a Full Application/Compliance Workshop in early December.

All project applications submitted must include achievable performance measures, including output and outcome measures, and must address ARC Goals and Investment priorities.

**All required forms and information related to Alabama ARC funding** can be found at:

<http://www.adeca.alabama.gov/Divisions/ced/Pages/Appalachian-Regional-Commission.aspx>

For questions or additional information, please contact Alabama ARC Program Manager, Al Jones at 334-353-2028