SOUTHEAST CRESCENT REGIONAL COMMISSION

STATE OF ALABAMA

ECONOMIC AND INFRASTRUCTURE DEVELOPMENT PLAN
2023-2026

KAY IVEY
GOVERNOR

ADECA
Alabama Department of Economic and Community Affairs

OFFICE OF THE GOVERNOR

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STATE OF ALABAMA

February 2, 2023

Dr. Jennifer Clyburn Reed, Federal Co-Chair
Southeast Crescent Regional Commission
1901 Assembly Street
Suite 370
Columbia, South Carolina 29201-2439

Dear Dr. Reed:

Please find attached the State of Alabama's 2023-2026 Southeast Crescent Economic and Infrastructure Development Plan. The document outlines our economic development priorities and strategic agenda for Southeast Crescent development in the state over the next four years. It is consistent with the authorizing language in Public Law 110-246, the Food, Conservation, and Energy Act of 2008, the "Farm Bill" and the Southeast Crescent Regional Commission: Strategic Plan (2023-2027).

If you need additional information, please do not hesitate to contact my Alternate State Member, Mr. Kenneth W. Boswell, at (334) 242-8672 or our SCRC Program Manager, Ms. Crystal G. Talley, at (334) 353-2630.

Sincerely,

Kay Ivey

Kay Ivey
Governor

KI:KWB
Attachment

In accordance with 40 U.S.C. §15502(2), this document will serve as the State of Alabama's Southeast Crescent Regional Commission (SCRC) Four-Year Economic and Infrastructure Development Plan. This plan identifies the needs and sets forth the goals, objectives, priorities and policies for Alabama's Southeast Crescent Region. It further identifies the Governor's economic development priorities and how they will address the unique needs of this region.

SCRC Overview

The SCRC is an economic development partnership agency of the federal government and seven State governments. The SCRC's mission is to build sustainable communities and strengthen economic growth across the Southeast Crescent region. The SCRC was created by Public Law 110-246, the Food, Conservation, and Energy Act of 2008 (as amended, the "Act") to focus on addressing issues related to economic development and poverty in its 428 counties across Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia.

The Commission is composed of the Governors of the seven Southeast Crescent states and a Federal CoChairperson, who is appointed by the president and confirmed by the Senate. Governor Kay Ivey serves as Alabama's SCRC State Member and has assigned the administration of Alabama's SCRC Program to the Alabama Department of Economic and Community Affairs (ADECA). Kenneth W. Boswell, ADECA's Director, serves as the Governor's SCRC State Alternate Member and is the state-level contact for those seeking SCRC funding.

ALABAMA

SOUTHEAST CRESCENT REGIONAL COMMISSION COUNTIES

Thirteen of Alabama's 67 counties are located with the Southeast Crescent Region.

- Autauga
- Baldwin
- Coffee
- Covington
- Crenshaw
- Dale
- Geneva
- Henry
- Houston
- Lee
- Mobile
- Montgomery
- Pike

Federal-State-Local Partnership

The goals of Alabama's SCRC Program will be implemented through collaboration and partnerships with federal, state and local economic and community development organizations and multi-county development organizations call Local Development Districts (LDDs). Alabama's LDDs, or Regional Councils of Local Government, will play a key role in the implementation of Alabama's SCRC Program. Governed by boards comprised of elected officials, and business and other local leaders, the LDDs will provide invaluable local support and technical assistance to communities seeking SCRC funding.

Alabama's SCRC Program staff work with five LDDs in the development and implementation of projects designed to meet the needs of communities in the Southeast Crescent Region of Alabama. The Executive Directors and staff of Alabama's LDDs work closely with their board members, elected officials, economic developers and citizens to identify priority needs within their local communities. Equally important, the LDDs develop and implement Comprehensive Economic Development Strategies (CEDS) in their regions which empower local leadership and foster and sustain economic development. Citizen participation in the development of local and regional strategies is achieved through public hearings conducted by the LDDs.

Alabama's Southeast Crescent Region LDDs

- Central Alabama Regional Planning and Development Commission (CARPDC): Autauga and Montgomery Counties
- Lee-Russell Council of Governments (LRCOG): Lee County
- South Alabama Regional Planning Commission (SARPC): Baldwin and Mobile Counties
- South Central Alabama Development Commission (SCADC): Crenshaw and Pike Counties
- Southeast Alabama Regional Planning and Development Commission (SEARP&DC) Coffee, Covington, Geneva, Dale, Henry, and Houston Counties

Collaborative partnerships among federal, state and local partners allow for the leveraging of resources for a concerted, innovative and accelerated execution of Alabama's SCRC Program. The program will work 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, Department of Conservation and Natural Resources, Department of Labor, the Alabama Historical Commission and the Alabama Community College System.

SCRC Economic Status

The SCRC's primary objective is to help "distressed" counties generate sufficient economic development to stabilize their respective economies. The SCRC uses an index-based county economic classification system which compare the average economic vitality for each of the region's counties with the national average. Three economic indicators – three-year average unemployment rate, the poverty rate and per capita market income – are used in determining the designations of the economic classification of its counties. A composite index for each county is created by adding and averaging the resulting values. This method of designation provides a composite measure of economic vitality for each SCRC county, while allowing a comparison of the region's vitality to that of the nation. The economic classification or designation of counties is made on an annual basis at the national level.

Each of the counties in the Southeast Crescent is classified into one of three economic status designations based on its national ranking. The designations include ***Distressed, Transitional and Attainment.***

Distressed counties are the most economically depressed counties and rank in the lowest 25 percent of the nation's counties.

Transitional counties are considered to be transitioning between strong and weak economies. They make up the largest economic status designation and rank between the lowest 25 percent and the highest 25 percent of the nation's counties.

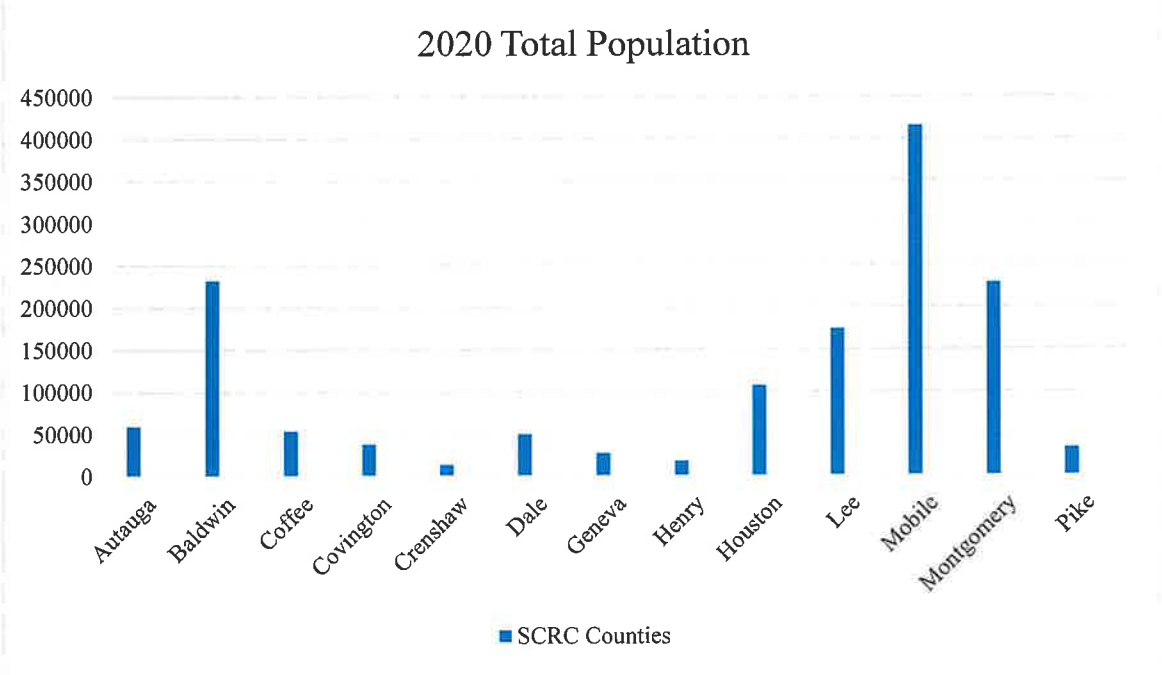
Attainment counties are considered to be the strongest economically and rank in the highest 25 percent of the nation's counties.

Isolated Areas of Distress are areas located in counties designated as attainment counties that have high rates of poverty, unemployment or outmigration.

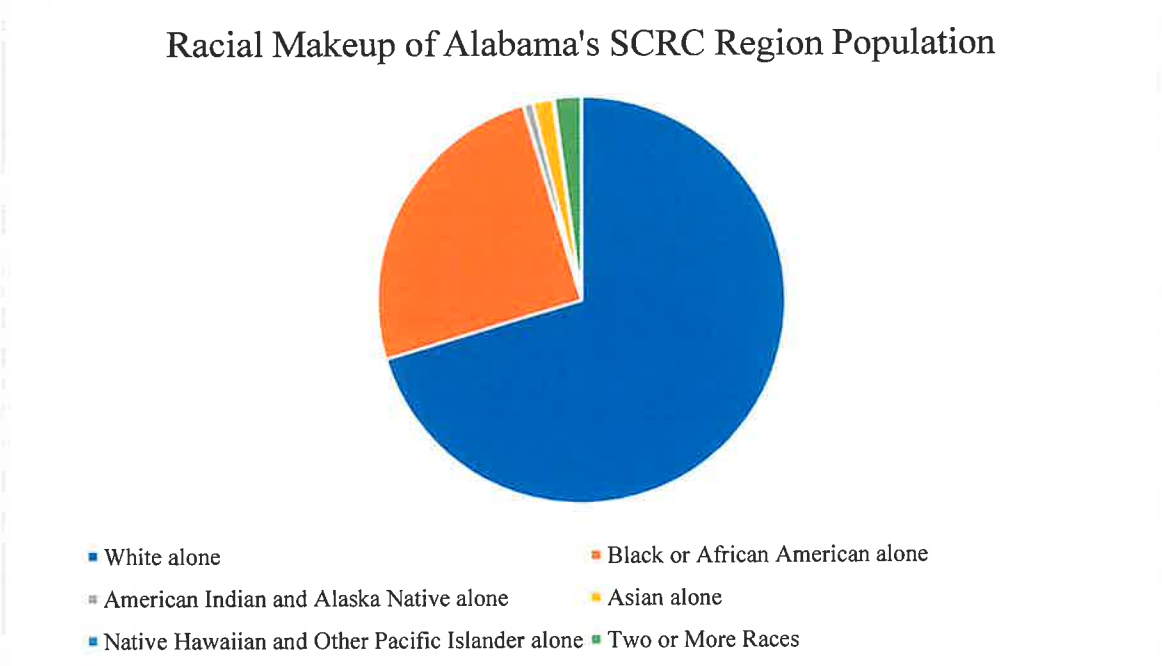
Isolated Areas of Distress are identified using three factors and applying them to attainment census tracts. Those factors include the U.S. medial poverty rate, the U.S. median household income and census tracts designated as historical disadvantaged communities.

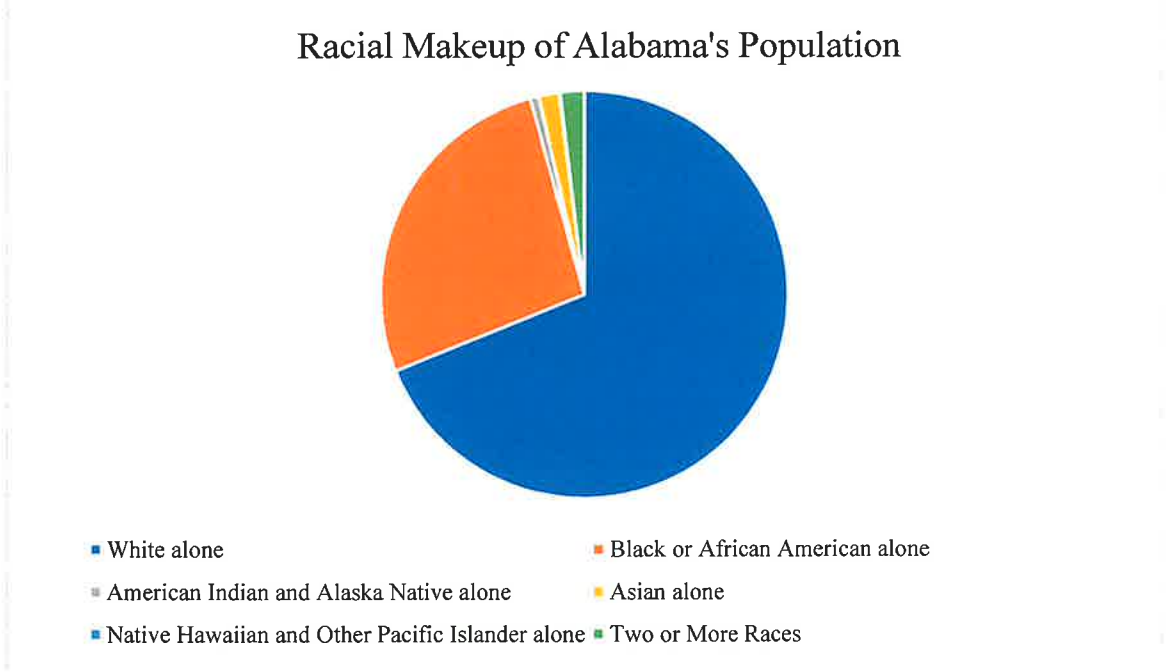
Regional Profile

Land and Population: According to the Unites States Census Bureau Population Estimates (July 1, 2021), the Southeast Crescent Region of Alabama covers 10,074.25 square miles and has a population of 1,454,846 which is 29 percent of Alabama's total population of 5,049,846. Alabama's Southeast Crescent population represents approximately 2.9 percent of the 7 state Southeast Crescent Region population of more than 51,000,000. Although approximately 51.76 percent of the region is rural it does include the following Alabama Metropolitan Areas: 1) Auburn-Opelika, 2) Daphne-Fairhope-Foley, 3) Dothan, 4) Mobile and 5) Montgomery.



In Alabama's SCRC Region, individuals over the age of 65 account for 18 percent of the population on average and the average percentage of individuals below the age of 18 is approximately 22 percent. As you can see from the charts below, the racial makeup for the region nearly mirrors that of the state overall.





Seven of the counties experienced an increase in the population from April 1, 2010, to April 1, 2020 (Autauga, Baldwin, Coffee, Houston, Lee, Mobile and Pike) and in six counties the population declined during that same period (Covington, Crenshaw, Dale, Geneva, Henry and Montgomery). The largest increases were in Baldwin and Lee Counties at 27.2 percent and 24.2 percent respectively.

Healthcare and Health Outcomes: Health and healthcare outcomes are growing concerns for the citizens of Alabama's Southeast Crescent as it is for all of Alabama and is a priority of this Administration. Nine of the thirteen Alabama SCRC counties have a ratio of population to primary care physicians significantly above the state ratio and eleven with a ratio higher than the national ratio (2019). The sufficient availability of primary care physicians for preventative and primary care, and specialty care referrals is essential to the health of a community. Although the lack of sufficient dental care providers is only one barrier to accessing oral health care, much of the country suffers from provider shortages. According to the Health Resources and Services Administration, as of December 2020, there were 6,559 Dental Health Professional Shortage Areas (HPSAs), with 60 million people residing in them. Alabama's Southeast Crescent Region, similarly, is experiencing a shortage with all but one county experiencing a higher population to provider ratio than the national average (2020). The shortage of healthcare providers is most prevalent with regard to mental health providers. The national average ratio of population to mental health providers is 350:1, the state is 850:1, and the average for the 13-county region is approximately 1,685:1, with all 13 counties being higher than the national average (2021). – County Health Rankings & Roadmaps, University of Wisconsin Population Health Institute

Workforce: The average percent of individuals in the civilian labor force in Alabama's Southeast Crescent Region age 16+, 2017-2021 totaled 54.78 percent. The total number of individuals employed in the 13-county region, 676,031, represents roughly 46 percent of the total population (U.S. Census 2020). More than 30,500 employers are located within the region. Two of the counties in the region are unique as they are the home of U.S. Military

Bases – Maxwell-Gunter Air Force Base (Montgomery County) and Fort Rucker (Dale County). Employment opportunities related to these Federal establishments increase the need for workers with post-secondary degrees or post-graduate degrees. Alabama's Southeast Crescent Region is home to four major universities and a host of smaller universities and two-year community colleges. Access to higher education, workforce development and training opportunities is essential for creating a strong workforce in the region.

Education: Education attainment comparisons show that 13.5 percent of the population in the Southeast Crescent Region of Alabama have less than a high school diploma, as compared to 14.7 percent nationwide. Those with a bachelor's degree or higher was 24.2 percent as compared with the State of Alabama's 27.4 percent and the national figure of 35 percent (U.S. Census 2020). The average gap in dollars between actual and required spending per pupil among public school districts for the region was $-5,431.23. The required spending is an estimate of dollars needed to achieve U.S. average test scores in each district (2019). – County Health Rankings & Roadmaps, University of Wisconsin Population Health Institute

Income: The median household income in the Southeast Crescent Region of Alabama is $52,002.38, compared to $70,784 for the United States. Alabama's SCRC population living in poverty is 17.5 percent which is slightly higher than the state of Alabama's rate of 16.1 percent. Over the 2017 – 2021 period, three counties had poverty rates 20 percent or greater: Geneva, Montgomery and Pike. During the same period, only two counties experienced poverty rates of 14.5 percent or less: Autauga and Baldwin.

Unemployment: Under Governor Ivey's leadership, Alabama has seen some of the lowest unemployment rates in decades. The average unemployment rate of the region in the state is 2.26 percent. This is slightly lower than the state average of 2.8 percent and the national average of 3.5 percent. However, one of the highest city unemployment rates is Prichard, Mobile County at 5.2 percent. – Alabama Department of Labor, Labor Market Information Division and Bureau of Labor Statistics

Broadband: The Alabama Digital Expansion Division has launched the Alabama Broadband Technical Assistance Program that will provide technical assistance engagements in all 67 counties. As a result of these engagements, a profile will be developed for each county which will include statistics on broadband speed and availability. The information is anticipated to be available in June 2023. – ADECA DED Division

Economic Outlook – Recent Achievements and Opportunities

The Alabama economy recovered by 5.1 percent (about $10.1 billion) in 2021 due to abundant access of COVID-19 vaccines that allowed more businesses to reopen and the injection of stimulus funds into the economy. Alabama's economic output growth tapered off to 1.3 percent (about $2.7 billion) in 2022. Economic growth was inhibited by the resurgence of Omicron COVID-19 variants in the first quarter of 2022, decreases in government pandemic assistance payments, pandemic-related supply chain bottlenecks, labor shortages, wide-spread inflation, and the effects of the Ukraine-Russian war. As inflation persists, the state's economy is expected to decline by 0.1 percent to $212.3 billion in 2023. The previously mentioned issues along with high prices are likely to continue wielding downward pressure on the economic outlook.

Nonfarm employment is projected to decline by 0.3 percent in 2023, compared to the 2.3-percent increase seen from October 2021 to October 2022. However, manufacturing employment is expected to rise 0.6 percent, a decrease from the 2.6-percent growth that was observed during the twelve months ending in October 2022. – The University of Alabama, Culverhouse College of Business, Center for Business and Economic Research, Alabama Economic Outlook 2023

Education: Education is a major component to workforce development. Having access to educational opportunities helps ensure that Alabamians are prepared to meet the needs of a growing workforce. In 2017, Governor Kay Ivey launched the Strong Start, Strong Finish (SSSF) Initiative. This initiative works to integrate Alabama's early childhood education, K-12 education and workforce development. The SSSF incorporates three major strategies: Pre to Three (P-3), Computer Science for Alabama (CS4AL), and Success Plus (SUCCESS+). P-3 focuses on securing statewide saturation for the Alabama First-Class Pre-K Program and ensuring that all of Alabama's third graders are proficient readers by 2022. The CS4AL helps ensure that a rigorous computer science course is offered at all of Alabama's middle and high schools by 2022, and Success+ will prepare 500,000 more Alabamians to enter the workforce with high-quality postsecondary degrees, certificates and credentials by 2025. Making education more accessible and attainable helps ensure that Alabamians are able to compete for employment that offers sustaining wages. The SCRC Region of Alabama is home to three Historic Black Colleges and Universities: 1) Alabama State University (Montgomery), 2) Bishop State Community College (Mobile) and 3) Trenholm State Community College (Montgomery). Lack of education and sustainable wages are two major causes of poverty.

Aerospace and Aviation: With a more than 100-year history in the state, the broad and vast aerospace and aviation industries sustain a healthy commerce by offering high-paying jobs, with activities in nearly every segment of the sector. Companies in the state employ more than 61,000 individuals in aerospace and defense. Aerospace manufacturing accounted for approximately 12,600 jobs in the state (December 2021) with Alabama ranking among the top five states for aerospace engineers. Employment in Aerospace Engineering exceeds 3,600 in the state. More than $1.4 billion in aerospace equipment and parts were exported from the state in 2021.

Over 300 aerospace companies from more than 30 different countries have located businesses in Alabama. Lockheed Martin's Pike County Operations facility is a manufacturing, final assembly, test and storage operation for many of the missile programs supported by Lockheed Martin Missiles and Fire Control (MFC). The site has 4,000 acres of land with 52 buildings and employs nearly 600 individuals. GE Aviation, in Auburn, produces fuel nozzles for next-generation Leading Edge Aviation Propulsion "LEAP" engines using additive manufacturing. Collins Aerospace is one of the world's leading providers of aerospace systems and services for large commercial aircraft and is located in Foley. Airbus, which produces A320 Family and A220 passenger jets at its only U.S. manufacturing facility in Mobile is another industry giant in which an aerospace cluster is developing. In addition to private companies, Alabama also has a strong military aerospace/aviation presence. Located in Southeast Alabama, Fort Rucker serves as the training center for U.S. Army helicopter pilots. Alabama boasts an extensive list of training programs and assets due to the extensive presence of the aerospace/aviation industry within the state. Some partners include the Alabama Industrial Development Training (AIDT) which operates an aviation training center in Mobile. In

addition, the Alabama Community College System's Alabama Aviation Center, which has several locations across the state, offers FAA-certified training in airframe and engine maintenance. – Alabama Department of Commerce

Automotive: Accelerating growth in the automotive industry sector has greatly impacted the state's economy, turning Alabama into an important production hub. Alabama is the number four auto-exporting state, and vehicles have become the state's number one export with shipments to over 70 nations around the world. Exports of Alabama-made vehicles and parts totaled more than $8.5 billion in 2021. The automotive manufacturing sector accounts for nearly 40,000 jobs in the state. Of those, approximately 24,000 are in the state's growing automotive supplier network which now includes more than 150 Tier 1 and 2 suppliers. The production of more than 1.5 million automotive engines is another indicator of the strength of the sector's impact on the economy. In Southeast Alabama, several Hyundai suppliers are located across Covington and Coffee Counties. Hyundai Mobis, one of the world's largest auto suppliers will be expanding its already large presence by investing $205 million to open an Electric Vehicle battery module plant in Montgomery that will employ at least 400 people. – Alabama Department of Commerce and Grow Southeast Alabama

ADECA worked with an advisory group of stakeholders to develop the Alabama Electric Vehicle Infrastructure Plan. ADECA administers the Electric Vehicle (EV) Charging Infrastructure Program. Per the Alabama Volkswagen Settlement Beneficiary Mitigation Plan, fifteen percent of the available funding has been allocated for Light-Duty Zero Emission Vehicle Supply Equipment infrastructure. The state will initially focus on a high impact corridor that will allow for targeted funds to have a concentrated impact on EV adoption in the state. As the cost of building out the EV charging infrastructure will exceed funding available through the Volkswagen Mitigation funds it will be critical to seek opportunities for deploying the EV charging infrastructure throughout Alabama. This endeavor is an infrastructure challenge as well as an opportunity. In 2021, ADECA awarded the first round of grants for direct current (DC) fast chargers at sites across the state. The application period for the second round closed on June 10, 2022. Eligible projects include both DC fast chargers and alternating current Level 2 chargers. – ADECA Energy Division

Bioscience: The bioscience sector in Alabama has a $7.3 billion annual economic impact. The state is home to 780 bioscience companies, 54 medical device companies and has a track record for breakthrough discoveries. Pharmaceutical and medical device manufacturing is expanding across the state. In Auburn, SiO2 Materials Science invested $163 million to ramp up production of its patented vials for the federal government COVID-19 vaccine program. One of the most important impacts of this sector is the high level of employment that it has created. Just under 18,000 Alabamians work in life science or biotechnology jobs with an average annual income of approximately $67,000.00 which is significantly higher than the overall state average and the average in Alabama's Southeast Crescent Region. – Alabama Department of Commerce

Forestry Products: Alabama's forest products industry is expanding its base, with the state already having the second largest timberland base in the United States. Alabama has nearly 23 million acres of timberland with forests that are so fertile, the growth of softwood and hardwoods consistently exceeds their removal rate. Alabama has more than 110 manufacturing facilities that include sawmills, paper mills and other production sites. Almost

37,000 individuals are employed in the forest product sector. In 2021, Alabama exported $1.5 billion of forest products with new capital investment by forest-product companies totaling over $600 million in 2021, creating more than 720 new jobs. Alabama is the second largest producer of pulp and paper in the United States and ranks seventh in lumber production and eighth in wood panel production. – Alabama Department of Commerce

Agriculture: Alabama's agriculture industry is one of the state's top industries and entrepreneurship is beginning to play a vital role in its continued growth. Around 39,000 farms on 8.3 million acres in the state yield a bounty of agriculture products. Alabama ranks second among the states in freshwater fish production, third in poultry production, third in peanut production and in the Top 10 for cotton production. Agricultural cash receipts totaled an estimated $4.7 billion in 2020, with the top commodities being broilers and chicken eggs.

The state's industry employed approximately 40,000 individuals supporting $800 million worth of exports in 2021, including $341 million in food products, $326 million in agricultural products and $133 million in livestock and related products. – Alabama Department of Commerce

Although agriculture is most often associated with rural areas of the state, urban agriculture is also equally important and can play a role in food justice and equality. Educating, innovating and bringing communities together to improve nutrition and food access while increasing local food production in urban areas is crucial. – U.S. Department of Agriculture

Tourism: Tourism in South and Southeast Alabama is a thriving industry. A variety of attractions can be found in the area, including Alabama State Parks, where visitors can enjoy fishing, golfing, dining, ziplines and trails. A wide selection of camping and lodging options are available at Alabama State Parks such as chalets, cabins, hotels, pet friendly facilities, primitive campgrounds and semi-primitive campgrounds. More than 6 million people visited the state's 21 state parks in 2021. Each year, the 32 miles of white sand beaches along the Alabama Gulf Coast attract nearly 8 million visitors, injecting more than $7.3 billion into the local economy. The Southeast Crescent Region counties are home to numerous historic, cultural, educational, recreational, artistic and natural attractions alike. – Alabama Tourism Industry Economic Impact Report 2021, Alabama Tourism Department Annual Report and City of Gulf Shores, Alabama

The state ranked in the top six in the nation for the smallest percentage drop in travel expenditures during the pandemic. An estimated 28.2 million visitors to Alabama spent $19.6 billion in 2021 in the state. Direct travel expenditures in Alabama in 2021 ranked in the following order: Eating and Drinking Establishments, Auto Transportation, Public Transportation, Lodging Facilities, General Retail and Entertainment. Tourism helped fund 227,334 jobs in 2021. For every $128,231 of expenditures in the travel industry, one direct job was created in the state. For every two direct jobs created, one additional job was indirectly created. – Alabama Tourism Industry Economic Impact Report 2021, Alabama Tourism Department Annual Report

Data Centers, Cyber Security and Information Technology: Data centers in the state employ nearly 25,000 persons. Alabama has a higher data center job growth rate than

neighboring states. AUBix has opened a data center in Auburn which acts as a high-tech catalyst for the region. State laws provide competitive incentives for data center projects.

Alabama's huge modern manufacturing base makes it ideal for partnership possibilities for work in critical infrastructure protection, cloud security, forensics, big data, mobile device security, informatics, virtualization, and robotics. This sector has seen a 73 percent job growth from 2007-2013 which is more than twice the growth rate for all other IT jobs combined. There are seven governmental agencies in the state involved in ongoing cyber security research and ten cyber security startups located in Alabama. Twenty-five community colleges in the state offer IT programs, with 15 covering cyber security topics and seven universities offering PhDs.

Computer systems design and management services are projected to increase employment in the state by more than 650,000 jobs in the next five years. Maxwell Air Force Base's Gunter Complex is home to approximately 2,500 IT professionals and Equifax established a Global IT Talent Center at Auburn University. – Alabama Department of Commerce

Metal and Advanced Materials: Although Alabama is not new to manufacturing metals, the state is creating a new base in the production of advanced materials to include titanium and carbon composites. More than 1,100 primary metal manufacturing companies are located in the state and include some of the biggest names in steel, water and sewer pipe, specialty metals and composites. As of December 2021, more than 45,000 Alabamians were employed in the primary and fabricated metal manufacturing industry. Exports of primary metal manufactured goods in 2021 were valued at more than $1.3 billion with this industry accounting for approximately 16,300 jobs. Fabricated metal manufacturing exports in 2019 were upwards of $453 million with this industry accounting for nearly 29,000 jobs. In February 2021, ArcelorMittal started construction on a $775 million electric arc furnace steelmaking facility at its AM/NS Calvert mill near Mobile. – Alabama Department of Commerce

Broadband: On April 26, 2017, Governor Kay Ivey issued Executive Order 704. This order established ADECA as the agency to assume all powers, duties, responsibilities, authority, and obligations belonging to the Office of Broadband Development. On March 28, 2018, Governor Kay Ivey signed the Alabama Broadband Accessibility Act. Because the availability of high-speed broadband services in unserved rural Alabama is important for economic development, education, health care, and emergency services, the Alabama Broadband Accessibility Act established the Alabama Broadband Accessibility Fund. On May 30, 2019, Governor Ivey signed Act #2019-327 which provided numerous amendments to the original Act. On May 17, 2021, Governor Kay Ivey signed the Connect Alabama Act. The Act created three entities: 1) the Alabama Digital Expansion Authority to advise, review, and approve the statewide connectivity plan, among numerous other duties; 2) the Alabama Digital Expansion Division of ADECA to develop and begin executing a statewide connectivity plan, among other duties; and 3) the Alabama Digital Expansion Finance Corporation to administer the Connect Alabama Fund, among other duties.

Since 2018, Alabama has invested $37.5 million of state dollars through grant awards and has committed to over $300 million more in state and federal funding for broadband expansion. Through the Alabama Broadband Accessibility Fund, more than 90 projects totaling about

$37.5 million have been awarded since 2018. These projects will make broadband service available to 46,000 potential homes and businesses if they choose to subscribe. Additionally, ADECA implemented the Alabama Broadband Connectivity for Students program during the COVID-19 outbreak. Utilizing $50 million in CARES Act funding, ADECA provided internet access for approximately 200,000 low-income students. More than 40 internet service providers participated in this unique program that has been recognized nationally. ADECA is also responsible for the online Alabama Broadband Map and the Alabama Connectivity Plan released in December 2021.

Upcoming ADECA broadband initiatives include deploying up to $85 million in federal American Recovery and Reinvestment Act funds for statewide Middle Mile project (applications are in review and grading process now), rolling out more than $191 million in Capital Projects Fund, also from Recovery and Reinvestment Act for Last Mile projects, and implementing programs funded through the Infrastructure Investment and Jobs Act (Alabama is expected to receive more than $100 million in formula funds).

Alabama has made great progress; however, current funds won't be enough to cover the estimated $4 billion to $6 billion cost of providing highspeed internet to every household in Alabama. – ADECA Digital Expansion Division

Chemicals: Since 2019, new capital investments have approached $690 million in the state's chemical industry. Chemicals rank second in the state's largest export category with shipments overseas totaling $2.3 billion in 2021. The right reagents are the catalyst for the state's production of caustic soda, oxidants, light stabilizers, emissions catalysts, phenol, acetone and a variety of specialty chemicals. The Alabama Gulf Coast Chemical Corridor, known as MAST, is home to a cluster of companies, stretching 60 miles through the Mobile Area. MAST is home to 25 chemical manufacturers and a total of 27 facilities that collectively employ approximately 3,300 and have an annual economic impact of $1.9 billion. Chemical operations there include chlor-alkali production, resins and synthetic rubbers, specialty chemicals, synthetic fibers and filaments, coatings and adhesives, and refinery operations. Statewide there are more than 200 chemical companies employing over 10,000 individuals. – Alabama Department of Commerce

Distribution & Logistics: Alabama is a prime hub for distribution and transportation logistics by land, sea and air, both nationally and globally. As the central location in the heart of the U.S.'s fastest growing economy, and only a day's drive from half of the U.S. population, Alabama is positioned to ship products anywhere in the world at a competitive cost and in a short time frame. Furthermore, Alabama has no inventory tax. The state is home to six interstate highways totaling 1,060 miles, five Class I railways totaling 2,000+ miles, 19 U.S. Highways totaling 3,852.85 miles and the Port of Mobile (9th largest seaport in the U.S.). – Alabama Department of Commerce

Economic Challenges

Infrastructure: Many areas in Alabama's Southeast Crescent Region lack proper infrastructure. Increased investments in critical infrastructure are necessary to improve educational opportunities, provide safe methods of transportation, and to attract new businesses to help grow the state's economy. Additionally, assisting communities with

deficient, aging or altogether lacking basic infrastructure is a priority in the Southeast Crescent Region of the state. Improving infrastructure not only improves the future of the Region, but it improves the future of the entire state.

Transport Infrastructure

The conditions of the state's ports and harbors, roads and bridges, alternative transportation routes, airports, and rail services significantly impact decisions for businesses to locate in the state. Many of the state's ports need assistance with improving, promoting, and developing the ports and maintaining and operating harbors. Ports located on rivers or streams navigable for commercial traffic, or those that can be made so, lack needed facilities such as warehouses, water and rail terminals, and facilities needed for the convenient use of the port to aid in commerce. Additionally, dredging is a fundamental activity for most ports and harbors. Alabama's ports and harbors must be prepared to accommodate the newest generation of ships and other cargo vessels.

A national transportation research group, TRIP, released a report on February 26, 2019, stating that deteriorated roads and bridges, congestion and lack of desirable safety features are costing Alabama motorists $5.3 billion per year in extra vehicle operating costs due to the cost of lost time waiting in traffic, wasted fuel due to congestion and the financial cost of traffic crashes. The report, "Alabama Transportation by the Numbers: Meeting the State's Need for Safe, Smooth and Efficient Mobility", indicated that 30 percent of major roads and highways in the state are in poor or mediocre condition and approximately the same with locally and state-maintained roads. The report states, "In urban areas, drivers lose up to $990 and nearly one full work week per year sitting in congestion." That same report identifies seven percent of Alabama's bridges as structurally deficient and while most bridges are designed to last 50 years before major overhaul or replacement work is required, nearly half of the state's bridges were built in 1969 or earlier. As the state's road transportation system significantly contributes to the health and growth of the economy, Alabama's roads and bridges need significant improvements. Not only will the citizens of the state benefit but also tourists, existing businesses and businesses considering locating in the state will reap the more efficient, safe, and reliable mobility.

Alternative methods of transportation are also a priority when attracting businesses to the state and improving the lives of Southeast Crescent Region Alabamians. Some benefits of these alternate transportation methods include cost savings, reduction in congestion, less carbon pollution and travel productivity. Multimodal transportation needs such as transit and intercity bus, passenger rail, bicycle and pedestrian mobility, and aviation were addressed in the Alabama Department of Transportation's Alabama Statewide Transportation Plan Summary dated July 31, 2017. Air freight and rail services also provide much needed transportation for the export of goods produced in the state.

Wet Infrastructure

Clean water is a basic necessity for an overall good quality of life. Inadequate and deteriorating water supply systems, water, and wastewater treatment systems and ineffective or a lack of flood management planning can significantly hinder economic progress in the Southeast Crescent Region of Alabama. In addition, failing and inadequate systems can affect

the health and safety of the workforce reducing job productivity. Finding ways to better allocate water resources will also help facilitate economic growth in Alabama's Southeast Crescent Region.

Information Infrastructure

Basic communication and network services, specifically broadband, is a unique challenge for the Southeast Crescent Region of the state. Businesses rely heavily on sending and receiving data at all hours and require a high-capacity transmission medium that can carry signals from multiple independent network carriers. In order for businesses to realize true benefits, broadband infrastructure and digital technologies must be available at a level that meets the user's demand.

Much of Alabama's SCRC Region is unserved or underserved with respect to broadband access. The U.S. Census Bureau estimates that 22 percent of Alabama households did not have internet access in 2018. Additionally, as many as 17 percent of households do not have a computer of any kind and another eight percent only have access to a smartphone but no other type of computer/device. Although rural areas are typically thought to have less access, there are several census tracts in some of the state's largest cities, in which 50+ percent of households do not have internet access.

The need for access to high-speed broadband internet is vital to the success of the Southeast Crescent Region counties in the state. COVID-19 further amplified the need for broadband internet access, mobile hotspots, and other equipment in the Region. Educational institutions and businesses were unprepared when the need to provide virtual learning and remote or distance employment opportunities due to COVID-19 arose. Broadband internet and the availability of digital devices and software to support and facilitate virtual learning and training are key to economic development and continued educational opportunities as well as the continuation of business activities.

Health: The Governor's four-year strategic plan dated February 4, 2020, identified the need to improve health care in Alabama. The plan states, "Ensuring access to life-saving health care no matter where someone lives in Alabama is a high priority for Governor Ivey." She plans to improve emergency-medical services, foster quality and efficiency at rural hospitals and offer incentives for medical professionals willing to practice in underserved rural areas. Per the Alabama Department of Public Health (ADPH), Alabamians identified access to care as the greatest current health concern in the state. Moreover, as a result of the Coronavirus pandemic, the need to strengthen telehealth capabilities is also crucial. Increasing the accessibility of broadband and mobile hotspots in Alabama's Southeast Crescent Region will enable increased access to telehealth. The pandemic along with other barriers such as lack of transportation and mobility, significantly increases the need for access to these services. It is vital for citizens to have the ability to communicate with doctors remotely via phone or other internet connected device. Telehealth availability and access in Alabama's SCRC Region will help bridge some healthcare gaps.

Not only physical health but mental health is a real concern for Alabama's Southeast Crescent counties. In 2019, Alabamians identified mental health and substance abuse as the second greatest current health concern in the state. Each year, 20-25 percent of the population meets

the criteria for a mental health diagnosis. Suicides in Alabama increased by 21 percent between 1999 and 2016, according to the Center for Disease Control. There is a great need to build a more complete range of care for people facing mental-health crises. Behavioral health crisis services have emerged as one of the most effective tools within the larger system of care for improving the lives of individuals struggling with mental health or substance abuse issues (Alabama Department of Mental Health). Thus, the expansion of telehealth availability for mental health care services is vitally important to the state.

Citizens in the Southeast Crescent Region deserve access to quality and affordable health care. As a way to improve health care access, the J-1 Visa Waiver Program recommends waivers for physicians that agree to practice primary medical care at least 40 hours a week at a site in a health Professional Shortage Area, as designated by the Health Resources and Services Administration (HRSA), within the legislatively defined SCRC service area for a minimum of three years or longer, as a specific state policy may require.

Labor Shortage, Skilled Labor Shortage and Decline in Labor Productivity: The U.S. has too many people without a job and too many vacant jobs without skilled labor to fill them which results in employers' inability to optimally thrive in the present business environment. According to the Pew Research Center (2022), between February 2020 and 2021, a net of 2.4 million women (with Hispanic and Black women accounting for 46 percent of this total decrease) and 1.8 million men left the workforce with no intent to actively seek out reemployment. Additionally, the workforce system is not responsive enough to changing jobs and evolving skill requirements; workforce training programs are not aligned to industry needs and workforce data infrastructure is outdated which causes a shortage in needed skilled labor. – HR Professionals Magazine

The Bureau of Labor Statistics reported a 7.3 percent decline in labor productivity during the first quarter of 2022, the steepest decline since 1947. Productivity can be used as a metric for assessing the economy because it reflects the economy's ability to generate goods and services from the same amount of work. Productivity growth can simultaneously benefit businesses through increased profits, consumers through increased availability of goods and services, and workers through increased compensation. Researchers at Smartest Dollar divided each state's total value-added output by its total annual hours worked for private nonfarm industries in 2021. The analysis found that labor productivity in Alabama amounts to $63.12 per hour worked, compared to $82.89 nationally. Overall, Alabama ranks 45th among all U.S. states in labor productivity. – Huntsville Business Journal, August 1, 2022

Workforce Development: Having a well-educated workforce that is equipped with the skills and knowledge to support future economic development is crucial to Alabama's Southeast Crescent Region. Governor Ivey is working to align Alabama's high schools, community colleges, and adult education programs to career pathways in high-demand fields. Governor Ivey tasked the Alabama Attainment Committee to develop a statewide goal for postsecondary attainment so that Alabamians are prepared to meet current and future workforce demand. The Alabama Attainment Committee has mapped out Alabama's future workforce needs and recommended adding 500,000 high skilled employees to Alabama's workforce by 2025.

Talent Retention: The Governor's Office of Minority Affairs (GOMA) implemented the Alabama Historically Black Colleges and Universities (HBCU) Co-Op Program. The purpose of this program is to establish a pipeline for diverse talent between Alabama's HBCUs and employers. The HBCU Co-Op Program is a three-way partnership between the GOMA, participating Alabama HBCUs, and public and private sector employers. The program will place HBCU students in leadership positions to provide students with hands-on experience in their areas of study, to provide Alabama employers with a trained, diverse talent pool and to retain students after graduation. There is a plan to expand the program to allow participation for additional students, extend leadership development and soft skills training to students and diversify training for participating employers. Retention of trained and educated talent is required to help move the Southeast Crescent Region of Alabama closer to a self-sustaining economy and improved quality of life.

Opioid and other Drug Addiction: Combating the opioid crisis, and substance abuse in general, in the Region is essential to improving the quality of life and the ability of our citizens to become productive members of the workforce. The opioid/substance abuse crisis effects every area of the economy. According to the Alabama Department of Mental Health, the number of overdose deaths in Alabama increased 82 percent from 2006 to 2014. According to the National Institute on Drug Abuse, nearly half of the 775 reported drug overdose deaths in Alabama in 2018 involved opioids – a total of 381 fatalities. Additionally, in 2018, Alabama health providers wrote 97.5 opioid prescriptions for every 100 persons, the highest prescribing rate in the country and almost twice as many as the U.S. average rate of 51.4.

Although efforts have been made to control the opioid addiction and there are currently 73 certified providers of substance abuse treatment services in the state, the range of services only typically includes early intervention services, outpatient services, residential services, and withdrawal management services. However, there is a clear disconnect between services for intervention and recovery and the need to provide workforce services and the creation of a recovery ecosystem. These are critical components impacting individuals' ability to remain in recovery while participating in the workforce and positively impacting the state's economy. In August 2017 Governor Ivey, by an executive order, created the Alabama Opioid Overdose and Addiction Council. The council was tasked with developing a strategic plan to establish recommendations for policy, regulatory, and legislative actions to address the overdose crisis in Alabama. The final plan focuses on four overarching goals: 1) Prevention, 2) Intervention, 3) Treatment, and 4) Community Response. Education, stigma reduction, interagency collaboration and workforce readiness are all addressed in the plan.

Food Insecurity and Access to Healthy Foods: Poverty, food insecurity, and poor nutrition have serious consequences for the health and well-being of children, adults, and older adults, including a greater risk for chronic disease and poor mental health (Alabama Department of Public Health, 2022). Alabama is the fifth poorest state in the nation, with 17 percent of adults and 23 percent of children (1 out of 4) facing food insecurity, or lack of regular access to enough nutritious food for an active, healthy life. For those with low or no income, rent or mortgage and medicine are usually covered first, leaving little for the food budget and other, more flexible expenses (Alabama Department of Public Health, 2022). Eleven of the 13 Alabama SCRC counties rank in the top 50 of Alabama's 67 counties, with Montgomery County (#13) in the top 20 (Stacker, 2022). COVID-19 has led to an increase in food

insecurity in Alabama due to job instability, rising food costs and public safety (National Food Access and COVID research Team, 2021).

Regional Priorities

Targeted Investment Priorities: Funding provided by the Southeast Crescent Regional Commission will support and promote the following priorities for Alabama's Southeast Crescent Region:

1. Economic development and job creation in distressed counties and isolated areas of distress
2. Expand broadband access throughout the Region
3. Assist in the response and recovery from the COVID-19 pandemic
4. Promote Governor Ivey's priorities for Alabama's Southeast Crescent Region, which include:

Alabama's "Strong Start, Strong Finish" Education Initiative

- Prioritize science, technology, engineering, and mathematics (STEM) with a focus on computer coding to ensure Alabama's students receive education required for a successful career
- Advocate for at least one computer science course to be available in every high school
- Provide advanced training that will lead to better jobs
- Ensure continuous lines of communications between Alabama's HBCUs and the State of Alabama by supporting the Minority Affairs' Alabama HBCU Initiative

Workforce Development

- Continue to work toward achieving the Success Plus Postsecondary Education Attainment Goal
- Utilize and grow the Alabama Industry-Recognized and Registered Apprenticeship Program (AIRRAP)
- Interlace federal education and workforce funding mechanisms

Job Creation

- Continue to recruit job-creating industries to the state
- Ensure Alabama's workforce is well-educated and ready for new industries that create jobs in the state

Infrastructure

- Ensure that Alabama's infrastructure keeps up with the needs of our growing economy, to include a modern transportation infrastructure, which helps create jobs by recruiting industry
- Ensure that rural Alabama has access to high-speed broadband internet
- Ensure that Alabama citizens have access to telehealth services and other necessary infrastructure related to health and safety

Healthcare

- Combat the opioid/substance abuse crisis
- Adequate healthcare facilities
- Expand behavioral-health services

To implement the target priorities, the Governor's Office will partner with the Alabama Workforce Council, Alabama State Department of Education, Alabama Commission on

Higher Education, Alabama Community College System and others to prepare students for postsecondary education and the workforce. Investments 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.

Many areas in Alabama's SCRC Region lack proper infrastructure. Increased investments in critical infrastructure are necessary to improve educational opportunities, provide safe methods of transportation, and to attract new businesses to help grow the state's and region's economy. 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 SCRC 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 demonstrate a compelling need. Eligible projects 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.

Established partnerships and further collaboration will maximize SCRC resources to enhance existing programs that develop, support and enhance community development and leadership. Priority investment consideration will be given to programs that utilize 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 that maximizes the fusion of the experience, life lessons and best practices of baby-boomers with the innovation, creativity and accelerated foresight of millennials.

Investing in projects that increase access to and improve the quality and methods of providing healthcare for Alabama's SCRC Region is critical. It is a vital need which will assist in job retention, possible job creation, and the overall health of the citizens. Combating the opioid crisis, and drug addiction in general, in the region is essential to improving the quality of life and the ability of our citizens to become productive members of the workforce. The opioid and addiction crisis affect every area of the economy. According to the Alabama Department of Mental Health, from 2006 to 2014 there were 5,128 deaths from overdose in Alabama. In 2017 alone, the Opioid & Health Indicators Database reported 835 drug-related deaths in Alabama. A critical component to fighting the opioid and drug addiction epidemic is providing access to treatment and follow through with wrap around services. This includes changing the climate and stigma that surrounds addiction in the workplace. Supporting the workforce and employers and creating new jobs in the healthcare area for the 13-county

region will strategically help with the opioid crisis. Governor Ivey created the 40-member Alabama Opioid Overdose and Addiction Council. The Council will propose ways to address the overdose crisis in Alabama.

The Alabama SCRC Program will work to expand essential economic and community development strategies in distressed counties. SCRC resources will be used to fully engage the LDDs which serve this county and strengthen partnerships with existing regional and local partners to develop projects which profoundly and fully impact their communities.

State Strategic Goals and Objectives

The following is Alabama's integration of its objectives and strategies to further SCRC's goals:

A. **SCRC Investment Goal 1:** Invest in critical infrastructure (transportation, basic public, telecommunications and energy).
   State Objective 1.1: Assist in the development of a modern communications/broadband network that includes voice, data and video.
      State Strategy 1.1.1: Assist in providing the basic infrastructure necessary for the public and private sector to work together in developing and maintaining a communication/broadband network.
      State Strategy 1.1.2: Support efforts to link new and existing telecommunications networks.
      State Strategy 1.1.3: Support training in the public, private and non-profit sectors in the Southeast Crescent Region of Alabama in the use of new technologies and applications.
      State Strategy 1.1.4: Encourage strategic investment in telecommunications infrastructure, including the use of fiber optic cable in basic infrastructure projects that increases local, regional and global connectivity.
   State Objective 1.2: Assist in the development of a balanced transportation system, which reduces isolation in the region.
      State Strategy 1.2.1: Work with state and local partners to identify and develop intermodal transportation facilities.
      State Strategy 1.2.2: Support programs to encourage expanded use of existing intermodal transportation facilities.
      State Strategy 1.2.3: Extend rail spurs into industrial areas, with a priority on those that serve multiple sites.
      State Strategy 1.2.4: Support airport improvements projects related to economic development and job creation/job retention.
      State Strategy 1.2.5: Support port improvement projects related to economic development and job creation/job retention.
   State Objective 1.3: Support building and enhancing basic infrastructure including water and sewer.
      State Strategy 1.3.1: Support job creation and retention in water, sewer, site development, industrial access roads and other physical infrastructure to serve new and expanding industrial and commercial development.
      State Strategy 1.3.2: Ensure public health, regulatory compliance and economic opportunity by assisting in providing new and existing customers

with safe drinking water. The state will give priority to water projects that serve areas with documented health hazards.

State Strategy 1.3.3: Ensure public health, regulatory compliance and economic development by assisting in providing new and existing customers with wastewater disposal and treatment services. The state will give priority to sewer projects that serve areas with documented health hazards.

State Strategy 1.3.4: Support the development and construction of strategic public facilities to include business incubators and accelerators that will enhance opportunities for job creation and retention.

State Strategy 1.3.5: Encourage and support the use of the latest technology upgrades for schools and other eligible facilities.

B. **SCRC Investment Goal 2:** Improve health and public service access and outcomes

State Objective 2.1: Promote healthcare initiatives.

State Strategy 2.1.1: Support educational programs that train healthcare professionals who will locate in the Southeast Crescent Region of Alabama.

State Strategy 2.1.2: Support programs to provide primary health care to the region's citizens.

State Strategy 2.1.3: Support the development of health career education pathways linking students at all grade levels – primary, secondary, post-secondary, and post-graduate – and encouraging them to pursue health career training in the region.

State Strategy 2.1.4: Pursue healthcare workforce development initiatives that tailor training programs to the needs of workers, patients, and healthcare institutions in rural communities and other underserved areas.

State Strategy 2.1.5: Invest in the physical infrastructure needed to expand and sustain primary healthcare services, including equipment, telemedicine facilities, and electronic medical records systems.

State Strategy 2.1.6: Support programs to prevent teen pregnancy.

State Strategy 2.1.7: Support projects that expand access to health services through telemedicine applications.

State Strategy 2.1.8: Support and expand efforts to increase the effectiveness of community coalitions and partnerships which address regional and community healthcare issues.

State Objective 2.2: Support capacity building and training opportunities to enhance the leadership skills of local officials and private nonprofit groups tasked with providing services to the community.

State Strategy 2.2.1: Assist in development of programs that provide training in leadership development to residents and community leaders in the region.

State Strategy 2.2.2: Support local entities to develop and maintain economic and community development plans.

C. **SCRC Investment Goal 3:** Strengthen workforce capacity.

State Objective 3.1: Increase educational attainment and achievement.

State Strategy 3.1.1: Support programs that reduce the school dropout rate.

State Strategy 3.1.2: Support initiatives that utilize telecommunications, computers, distance learning and other technological capabilities to deliver education and training programs.

State Strategy 3.1.3: Support programs that teach and encourage youth entrepreneurship.

State Strategy 3.1.4: Strengthen programs that provide or enhance science, technology, engineering, arts, and mathematics (STEAM) training.

State Objective 3.2: Increase educational attainment and achievement.

State Strategy 3.2.1: Strengthen programs that provide basic skills and workforce training to increase employee capabilities, improve job skills, and upgrade marketable skills especially in the field of advanced manufacturing.

State Strategy 3.2.2: Support workforce readiness programs that provide skills necessary to acquire jobs with emphasis on preparedness for high growth/high demand industries to include internships and on-the-job training.

State Strategy 3.2.3: Strengthen basic skills programs in public schools including opportunities for dual enrollment and apprenticeships.

State Strategy 3.2.4: Support programs increasing adult literacy.

D. **SCRC Investment Goal 4:** Foster entrepreneurial and business development activities.

State Objective 4.1: Stimulate growth of the region's businesses.

State Strategy 4.1.1: Support efforts to improve access to capital for small and medium-sized businesses including entrepreneurial activities.

State Strategy 4.1.2: Support new education programs providing skills needed by industries.

State Strategy 4.1.3: Assist in the provision of infrastructure to support the development of new industry or expansion of current industries.

State Strategy 4.1.4: Invest in capacity and leadership building to diversity and grow the local/regional economy.

State Objective 4.2: Increase international exports from the SCRC region.

State Strategy 4.2.1: Support programs that will increase goods and services exported from the Southeast Crescent Region of Alabama.

State Objective 4.3: Assist redevelopment of central business districts (CBD) and support projects which will enhance the long-term development of the CBD areas.

State Strategy 4.3.1: Develop projects that encourage the reuse and/or the redirection of the use of downtown areas.

State Strategy 4.3.2: Assist in the provision of necessary infrastructure for reuse and/or improvement of downtown areas.

State Objective 4.4: Support business expansions, start-ups and entrepreneurship.

State Strategy 4.4.1: Support businesses through Small Business Development Center programs.

State Strategy 4.4.2: Support programs that do not duplicate existing services but fill gaps in the existing entrepreneur network.

State Strategy 4.4.3: Support programs that assist entrepreneurs in market/business development including business incubators and accelerators.

State Strategy 4.4.4: Support projects that increase access to investment capital.

E. **SCRC Investment Goal 5:** Expand affordable housing stock and access through training and technical assistance.

State Objective 5.1: Increase available affordable housing stock through infrastructure assistance

State Strategy 5.1.1: Support local infrastructure projects to support new housing development.

F. **SCRC Investment Goal 6:** Promote environmental conservation, preservation, recreation, and tourism.
State Objective 6.1: Support the increase of employment and sales in the travel and heritage tourism industry, particularly in the areas of outdoor recreation, convention attractions, and historical interest.
State Strategy 6.1.1: Support strategic marketing programs for the travel and tourism industry.
State Strategy 6.1.2: Support the strategic development of heritage tourism by investing in downtown redevelopment, gateway communities, historic districts and other unique local community features.

Alabama's SCRC Grant Program

The Alabama Department of Economic and Community Affairs (ADECA) will solicit applications for SCRC funding from LDDs, educational institutions, non-profit organizations, and governmental entities. ADECA will notify the public when SCRC funding is available via the ADECA website, social media and through an email distribution list. An application workshop will be held (in-person and/or virtually) and application assistance materials will be provided to those interested in applying for funding. Applications will be accepted for a period of approximately six to eight weeks. Applications for SCRC funding must be submitted as required by the SCRC grant program requirements.

Applications will be reviewed by ADECA staff in the Federal Initiatives and Recreation Division for eligibility and alignment with SCRC goals and state priorities. Applications will be ranked based on impact to the community, alignment with goals of the SCRC and state priorities, project feasibility, community capacity and performance measures. Applications that promote economic development and job creation in distressed counties will be prioritized. Additionally, applications that promote the Governor's priorities will be given special consideration. After the review process, recommendations for funding will be submitted to the Director of ADECA and Governor Ivey for review and approval before the final submissions are made to the SCRC.

The state's maximum investment for counties as designated by the SCRC are as follows:

- Distressed — 80 percent of total project cost
- Transitional — 50 percent of total project cost
- Attainment — Not eligible for SCRC funding

The maximum investment of SCRC funding for infrastructure projects is $350,000 and $200,000 for non-infrastructure projects. However, the ceiling may be raised in certain critical and/or promising circumstances. Special consideration may be given by the Director of ADECA for infrastructure projects in a distressed county or projects that will result in economic development and the creation of jobs.

General Information

Cost overruns on previously approved projects will generally not be considered for funding. However, overrun requests may be considered if additional jobs will be created by the

modification. Projects completed at a cost underrun will be evaluated on a case-by-case basis when determining how the remaining balance of funds will be used.

Proposals for the following activities are not eligible for SCRC funding: construction of schools, libraries, government offices, community centers, social services facilities or law enforcement facilities. Investment opportunities outside of the state's targeted priorities may be considered for SCRC funding if they are consistent with the goals and objectives outlined in this Plan.

SCRC funds will not be used for projects that duplicate services available from other established state funded programs. No financial assistance will be used to assist any relocation from one area of the region to another. SCRC investment funds cannot be used to "supplant" existing federal programs. Funds may be used to match other federally funded projects (when both federal agencies allow) only when the total grant funds from all federal entities do not exceed 80 percent of the total project budget. SCRC funds may not be used for projects that promote unfair competition between businesses with the same immediate service area.

Eligible applicants include state and local governments, other political subdivisions of the state, Indian Tribes and non-profit entities.

SCRC funds are available annually. Funding agreements will stipulate the time period for completion of projects. All projects must be completed within two years from the date of award, and may be eligible for an extension of one year if reasonable progress is demonstrated. All extensions must be granted by the member state(s) where the project is located and the SCRC Federal Co-Chair.

Grantees with open SCRC projects may not apply for additional SCRC funding unless they have requested reimbursement of funds totaling 75 percent or more of the grant funds and demonstrated that 75 percent or more of the match has been expended.

Applications for construction projects should include a preliminary commitment of jobs provided by the employer, a preliminary engineering report and an economic impact study.

Consultation with Interested Local Parties

Notification of the preparation of the plan and a request for input was posted on ADECA's SCRC website. Additionally, emails were sent directly to the following individuals/entities in Alabama's Southeast Crescent Region:

- City and county boards of education
- Colleges and universities
- Town, city and county officials
- State legislators
- LDDs