



The Georgia Appalachian Regional Commission Program
2016 Strategy Statement

Georgia and the Appalachian Regional Commission

As a member state of the Appalachian Regional Commission, Georgia participates in providing technical assistance and area development funding to its 37 counties spanning the northern third of the state. Our state plan for responsible investment of Georgia's community and economic development funds provides guidance to communities and organizations seeking funding for projects meeting the goals of the Appalachian Regional Commission.

Governor Nathan Deal serves as Georgia's Commission member and Department of Community Affairs Commissioner Camila Knowles serves as his alternate. The Georgia Department of Community Affairs manages the administration of our state's ARC program.

Five of Georgia's Regional Commissions serve these 37 counties, all of which act as partners with the Department of Community Affairs, providing technical and project development assistance for local governments and other eligible organizations.

Atlanta Regional Commission serves three ARC counties: Cherokee, Douglas, and Gwinnett

Georgia Mountains Regional Commission is completely within Georgia's ARC service area and serves 13 counties: Banks, Dawson, Forsyth, Franklin, Habersham, Hall, Hart, Lumpkin, Rabun, Stephens, Towns, Union, and White

Northeast Georgia Regional Commission serves four ARC counties: Barrow, Elbert, Jackson and Madison

Northwest Georgia Regional Commission is completely within Georgia's ARC service area and serves 15 counties: Bartow, Catoosa, Chattooga, Dade, Fannin, Floyd, Gilmer, Gordon, Haralson, Murray, Paulding, Pickens, Polk, Walker and Whitfield

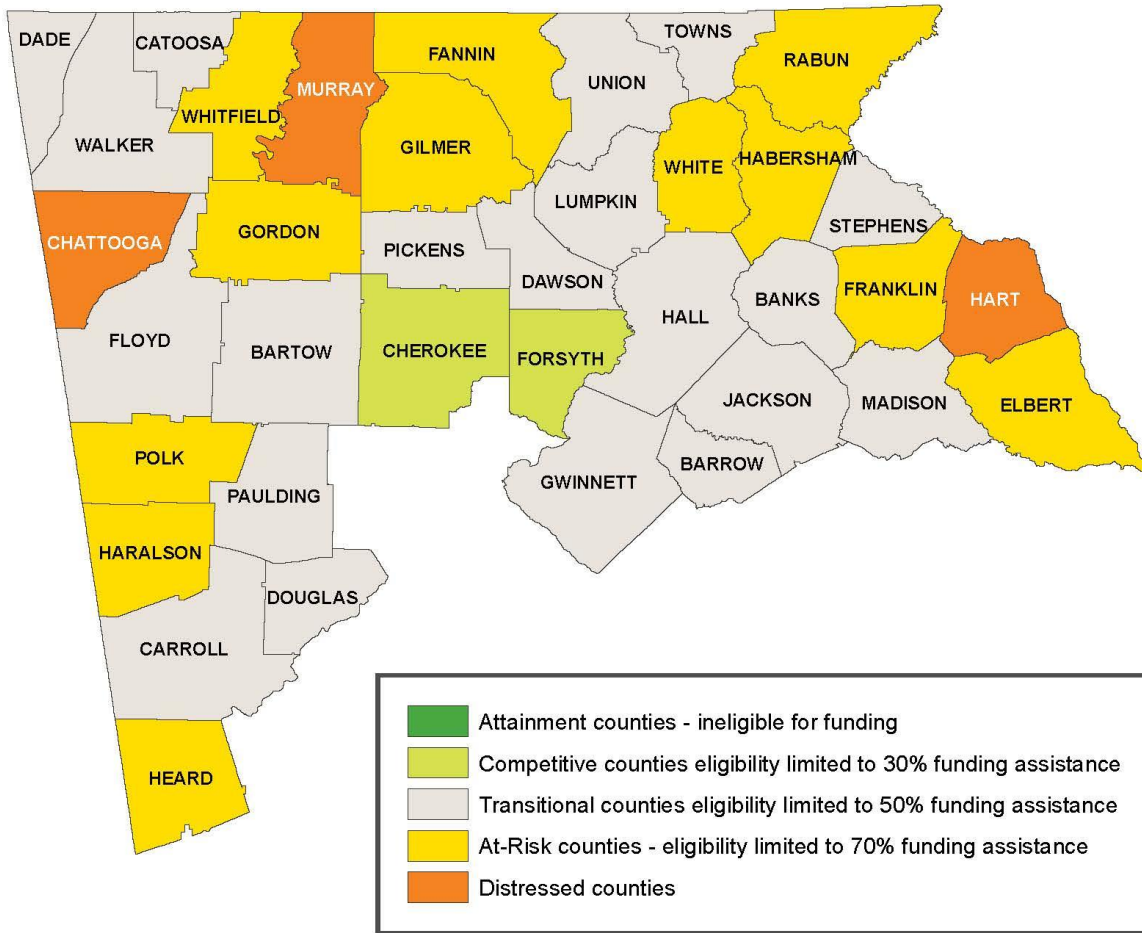
Three Rivers Regional Commission serves two ARC counties: Carroll and Heard

County Economic Status

Each year, the Appalachian Regional Commission ranks its participating counties based on national data for three economic indicators—three-year average unemployment rate, per capita market income, and poverty rate. This data determines a county's economic status, and thus, the percentage of investment ARC will make into projects in each county. Georgia's county rankings in 2016 are indicated on the map on the following page.

Appalachian Regional Commission

Georgia County Designations 2016



Source: Appalachian Regional Commission, 2015
Effective October 1, 2015 through September 30, 2016

Other Partners

In addition to administering Georgia's ARC program, the Department of Community Affairs (DCA) provides community and economic development financing, housing financing and technical assistance for community development throughout the state. The ARC program leverages the expertise of all other programs and resources, specifically including:

- Georgia's Main Street program and the Office of Downtown Development
- Georgia's PlanFirst program (rewards planning and implementation excellence)
- Georgia's WaterFirst program (rewards planning related to water conservation, stormwater management, and wastewater treatment)

Georgia's ARC program also works closely with the following state agencies:

- Georgia Environmental Finance Authority
- Georgia Department of Agriculture
- Georgia Department of Economic Development
- Georgia Department of Public Health
- Technical College System of Georgia
- The University System of Georgia

Our primary federal partners include USDA and HUD. DCA is always seeking additional partners to meet the goals of ARC, the State of Georgia, and the communities we serve.

Economic Opportunities and Challenges in Appalachian Georgia

Home to nearly 3 million citizens, Georgia's Appalachian region offers natural beauty, a distinct cultural heritage, and relative proximity to metropolitan Atlanta, the leading economic driver in the region. Our investment strategy seeks to capitalize on the assets of Appalachia and work with communities and organizations to achieve goals important to ARC, the State of Georgia, and its citizens.

Opportunities in Georgia's Appalachian Region

Georgia's Appalachian Region is rich in cultural, natural, historic resources and is home to nearly one-third of Georgia's population. While much of the region is rural, it is home to a variety of economic engines and population centers to drive economic growth and community development. The following list represents investment opportunities for Georgia's ARC fund that can help the region reach its economic potential and improve the quality of life for all its citizens.

- **Workforce Development** – Georgia's strong network of technical colleges and universities includes seven technical colleges and four universities located in Georgia's Appalachian Region. These institutions provide opportunities for Georgians to develop skills and knowledge to meet the needs of the 21st century workforce. Georgia's ARC program may fund local activities that enhance access to educational opportunity through apprenticeships, mobile learning, work-study programs and partnerships among school systems and potential employers.
- **Investing in Manufacturing Community Partnerships** – As one of the original 26 **IMCP** regions nationwide, Northwest Georgia has the potential to increase and diversify its manufacturing base

dedicated to the flooring industry. Northwest Georgia's IMCP strategy has fostered open and honest dialogue about the future of advanced manufacturing in the region. In the process, this effort has created a partnership among manufacturers, suppliers, industry partners, elected officials, and leaders in education and infrastructure, among others. Current IMCP initiatives include:

- Export and trade assistance for manufacturers: Working with Georgia Ports Authority to develop an inland port for the region, and highway expansions to support key manufacturing corridors
 - Support for new technologies: Alliance for Innovation and Sustainability Manufacturers Forum
 - Preparing a pipeline of ready and skilled labor: Advanced Manufacturing career-based courses at Northwest Georgia College and Career Academy and Georgia Northwestern Technical College
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- **Local food economies** – Georgia's strong agriculture base provides enormous opportunities to cultivate local economies around food production that can benefit the health and wealth of small communities across Appalachia. The rise in popularity of farmers' markets, farm-to-table restaurants and small, sustainable, organic agriculture has provided new opportunities for agriculture business in the 21st century.
 - **Tourism product development** – Georgia's Appalachian Region boasts mountains, whitewater, biking trails, the Appalachian Trail and multiple adventure opportunities as well as the scenic beauty and small town charm that attract young entrepreneurs and retirees alike. Georgia's Wine Trail has proven that agritourism can be a successful business model that benefits business owners, the community and a greater region. Many small Appalachian towns have historic and cultural assets that, with planning and investment, can provide positive returns on investment.
 - **Healthcare delivery in rural areas** – 21st century technology and innovation have changed our healthcare service delivery models, and we now have the opportunity to more effectively serve rural populations. The health and well-being of Georgia's citizens remains a top concern for our state. Georgia's ARC communities can play a role in innovative healthcare methods and serve as a model for the rest of the state and region.

Challenges in Georgia's Appalachian Region

Like much of rural America, parts of Georgia's Appalachian region are less competitive economically, which in turn hinders progress in community development, educational outcomes, and health outcomes. The Department of Community Affairs aims to invest strategically to minimize barriers to community and economic development and improve the health, education and quality of life for its Appalachian region citizens.

- **Lack of skilled workforce and demand for skilled jobs/Higher than average unemployment rates:** Georgia has worked to increase manufacturing and other highly-paid job sectors in the Appalachian region, and now seeks to provide its citizens the appropriate opportunities in education and training to work in these sectors.
- **Infrastructure:** Georgia has invested in basic infrastructure for our communities, and will continue to do so to maximize job creation efforts. Many smaller communities have built-out their original industrial parks and will need help with infrastructure for new development. Local governments are

seeking best practices for cleaner, more efficient water and sewer infrastructure. Rural Georgia also has significant technology needs in order to maximize economic potential. Exploring options to provide 21st century services throughout Georgia's ARC region will remain a priority.

- **Organizational Capacity/Leadership:** Small, rural governments generally have fewer professional staff members to “do the work,” and fewer citizens upon whom to call for volunteer functions. Additionally, they must address the issue of delivering necessary services to a spread-out population. Providing training and capacity-building opportunities to small communities remains a critical need.

Distressed Counties

In 2016, Georgia has three distressed counties: Chattooga, Hart and Murray. These counties are eligible for additional technical assistance for project planning and implementation. The Department of Community Affairs works closely with the two regional commissions, Northwest Georgia and Georgia Mountains, that serve these three counties, and communicates frequently regarding potential opportunities for these smaller governments.

These three counties automatically receive first consideration for ARC funding, and are given bonus points on applications for their economic status.

Georgia's Targeted Investment Priorities

Governor Nathan Deal's number one priority for his administration has been job creation. Georgia will continue to dedicate funding through the Appalachian Regional Commission to those projects that promote job growth:

- Infrastructure or other business development activities that support industry location or expansion in Georgia's Appalachian region:
 - Water and sewer projects to support new or expanding industry
 - Transportation projects that continue to expand accessibility in and to the Appalachian region
 - Technology projects that will facilitate/expand communications access to businesses, downtown areas, and underserved regions of Appalachia
- Activities that support entrepreneurship and economic development, especially those promoting new product and technology development
 - Business incubation or business mentoring/coaching services
 - Activities that assist the citizens of Appalachia access higher-paying jobs
 - Activities that assist businesses make use of new technology; especially those activities that will result in job creation

Georgia ARC Investment Policies

The Department of Community Affairs seeks to invest responsibly and fairly. We work to meet the goals of the Appalachian Regional Commission, the State of Georgia, and the communities in which we invest. To these ends, we adhere to the following policies:

- Maximum investment amount is \$300,000. This maximum may be waived at the discretion of the Governor only.

- Georgia places priority on projects “ready-to-go,” meaning that projects should have other funding in place for proposed investments when submitting an application.
- Eligible applicants include:
 - Local governments
 - Development Authorities
 - Non-profit organizations (must provide certification of 501(c)-3 status)
 - Educational institutions
 - Public healthcare institutions
 - Public-private partnerships are eligible, but applicant must be a public entity or non-profit entity
- Each proposal is scored according to the following criteria:
 - Consistency with Appalachian Regional Commission goals and strategies
 - Consistency with Georgia Department of Community Affairs’ investment requirements
 - Identified in a local comprehensive plan
 - Identified in a regional plan including CEDS or a Regional Comprehensive Plan
 - Meets all Service Delivery Strategy requirements/stipulations for the local government(s) applying for funding
 - Economic impact within the community and region
 - Return on investment via economic or community development standards
 - Projects must include measurable outputs and outcomes consistent with federal performance measure requirements.
 - Projects that are identified as strategies in larger local or regional strategic plans should indicate their ability to meet goals in said plans
 - Innovation: we recognize that some projects may be untried in Georgia, so may not be addressed in a regional or local planning document. The review committee will consider applications that propose an innovative approach to meeting one or more of the ARC Strategic Plan.

Construction Projects

- Construction projects should have preliminary commitment of jobs and a preliminary engineering report prior to funding request.
- In the case of tourism-related construction projects, include forecasts for increased business activity from a credible source.
- DCA or the Georgia Environmental Finance Authority will serve as the Registered State Basic Agency for the administration of construction projects (GEFA will administer water/sewer projects and DCA all others that qualify as construction). DCA leadership may choose to grant an exception to this policy only in the case of another federal agency participating in the project that is willing to administer ARC funds.
- All construction projects must obtain all reviews and approvals pertaining to federal financing PRIOR to project start dates. These include, but are not limited to:
 - Environmental assessments

- Wage and labor rate approvals
- Procurement approvals
- Contractor approvals
- **Organizations making construction proposals should be especially aware of time constraints associated with federal financing. All activities associated with construction projects must adhere strictly to these requirements.**

Non-construction or Operating Projects

- ARC funding is limited to start-up costs and two years of operation costs MAXIMUM
- No project is guaranteed more than one year of support and applicants should be aware that projects requesting multiple years' funding are generally of lower priority in Georgia.
- Projects requesting start-up funds should identify sources of funding to continue the project upon cessation of ARC investment, or indicate a plan for cultivating future funding.
- In most cases, operating proposals should indicate an 18-month initial start-up phase. New projects generally meet unexpected delays, and this 18-month window can help alleviate the need to extend a project to meet its initial objectives.
- Any project seeking continuation funding (second or third year) should contact Georgia's ARC office at least one month prior to the pre-application deadline to discuss additional funding. These projects must provide evidence of satisfactory performance in meeting first-year objectives in order to be considered for any additional funding.
- ARC will serve as the administering agency for all non-construction projects.

Ineligible Activities

Georgia's ARC program does not generally fund the construction of schools, places of worship or government buildings.

General Information

Pre-applications for investment are due June-July each year (exact date is announced online)

- Communities invited to make a full application are notified upon approval by the Governor (date varies)
- Full applications are due February-April (date varies, is announced online)
- Awards are made June-September each year
- Application materials are available at: <http://www.dca.ga.gov/economic/financing/programs/arc.asp>