

Appalachian Regional Commission POWER Initiative

ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS
KELLY CHASTEEN, ARC PROGRAM COORDINATOR



About ARC

- Special state-federal regional partnership:
 - Created 50 years ago in 1965 as part of LBJ's "War on Poverty"
 - 13 member states with 420 counties total in the Appalachian Region
 - States' Co-Chair is one of the 13 governors on a rotating basis
 - Federal Co-Chair is appointed by the President & confirmed by the Senate
 - 13 member states collectively have co-equal power with the Federal Co-Chair
- Addresses disparities between the region and rest of the country:
 - Demonstration grants (ideally 1-3 funding cycles per grant)
 - Research & program evaluations (sustainability, replicability, & scalability)
 - Advocacy & partnership (leverage White House, Congress, & other agencies)
 - Appalachian Development Highway System (ADHS)



ARC Partnership

- Federal Co-Chairman– Presidential Appointee -Earl Gohl
- State – Governor Robert Bentley
 - Alternate – Jim Byard, Jr.
 - Program Manager - Al Jones
 - Program Coordinator – Kelly Chasteen
- Local – Local Development Districts (LDDs)
 - Northwest Alabama Council of Local Governments (NACOLG)
 - West Alabama Regional Commission (WARC)
 - Regional Planning Commission of Greater Birmingham (RPCGB)
 - East Alabama Regional Planning and Development Commission (EARPDC)
 - South Central Alabama Development Commission (SCADC)
 - Central Alabama Regional Planning & Development Commission (CARPDC)
 - North Central Alabama Regional Council of Governments (NARCOG)
 - Top of Alabama Regional Council of Governments (TARCOG)

ARC Partnerships State Agencies

- Alabama Department of Commerce
- Alabama Department of Public Health
- Alabama Department of Transportation
- Alabama Department of Conservation and Natural Resources
- Alabama Department of Labor
- Alabama Department of Tourism
- Alabama Historical Commission

ARC Partnership Federal Agencies

- US Department of Agriculture
- Economic Development Administration
- Environmental Protection Agency
- Department of Housing and Urban Development

ARC Funding Allocations FY 16

- \$70 million in base level funding allocated to all states based on a formula:
 - Number of counties in the region
 - Economic status of those counties
- \$76 million in special funding allocated to part of the region:
 - \$10 million for high speed broadband deployment
 - \$16 million for workforce development programs in Southern Appalachia (MS, AL, SC & GA) focused on the automotive and aviation supplier sectors)
- ➔ **\$50 million in POWER funding to coal impacted counties across the region.**

Special Southern/ South Central Appalachian Automotive & Aviation Workforce

- **Jefferson State Community College**
 - “Jefferson State’s Automotive Industry Partnership Initiative”
 - ARC Funding \$510,000.00
- **Central Alabama Community College**
 - “ARC Automotive Manufacturing Training Opportunities “
 - ARC Funding \$696,894.00
- **Tuscaloosa County School System**
 - “Automotive Logistics Center at Brookwood Technical High School
 - ARC Funding \$125,000.00

ARC Application Process and Timetable

- Design local project initiatives
- Coordinate with LDDs
- Develop applications
- July - September – Applicants submit ARC pre-applications to ADECA
- November – Deadline for final applications to ADECA.
- Fall/Winter – Compliance Workshop
- ARC HQ awards grants

State of Alabama
 APPALACHIAN REGIONAL DEVELOPMENT PLAN
 2016-2019

“Investing in Appalachia’s Future”

State of Alabama
 2016-2019 Appalachian Development Plan

- Identifies broad issues and needs that the Governor plans to address with ARC investments
- Provides a comprehensive framework to enhance economic and community development
- Improve the quality of life for residents of Appalachian Alabama

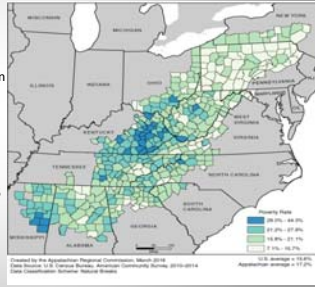
<http://www.arc.gov/images/grantsandfunding/StatePlans/AlabamaAppalachianDevelopmentPlan2016.pdf>

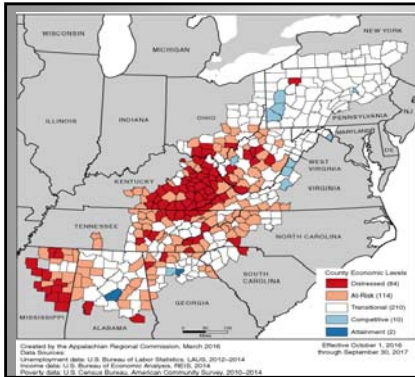
Governor Bentley’s Priorities

- Ensure Alabama remains a leader in recruiting new industry
- Prepare the Region’s current and future workforce to succeed in high technology, advance manufacturing and other highly skilled job opportunities
- Build and Maintain basic and high technology infrastructure
- Preserve and strengthen the community and economic development potential of the Region’s natural and cultural heritage
- Assist in the creation and enhancement of programs that provide training in leadership development to residents to ensure the long-term viability of Appalachian communities

Regional Profile of Appalachian Alabama

- 25,673 square miles
- Population of 3,074,826 (64% of Alabama's total population)
- Healthcare/ Health outcomes are a growing concern
 - HPSAs
 - First responders
 - ARC's "Diabetes Belt"
- Educational Attainment
 - < HS Diploma 16.9% vs.14% (nation)
- Income
 - Median Household Income \$44,456 vs. \$53,046 (nation)
 - Poverty (all ages) 17.3% vs. 15.4% (nation)
 - Poverty (< age 18) **25.3% vs. 24.1% (Appalachian Region) vs. 21.6% (nation)**





ARC Region with County Economic Status FY 17

- Match Rates
- Distressed 20%
- At-Risk 30%
- Transitional 50%
- Competitive 70%
- Attainment (Not Eligible)

Alabama ARC Strategic Goals

- Economic Opportunities
- Workforce Development
- Critical Infrastructure
- Natural & Cultural Assets
- Building Leadership & Community Capacity

Alabama Strategic Goals and Objectives

- **ARC Investment Goal 1:** Economic Opportunities- Invest in entrepreneurial and business development strategies that strengthen Appalachia’s economy.

- Stimulate growth of the region’s businesses
- Increase International exports from the ARC Region
- Assist in the provision of necessary infrastructure for reuse and/ or improvement of downtown areas

Alabama Strategic Goals and Objectives

- **ARC investment Goal 2:** Ready Workforce- Improve the education, knowledge, skills and health of residents to work and succeed in Appalachia.

- Increase Educational Attainment and Achievement
- Increase Workforce Skills through Training
- Promote Healthcare Initiatives
 - Support programs that train healthcare professionals who will locate in Appalachia Alabama
 - Pursue healthcare workforce development initiatives that tailor training programs to the needs of rural communities and other underserved areas
 - Support projects that expand access to health services through telemedicine

Alabama Strategic Goals and Objectives

- **ARC Investment Goal 3:** Critical Infrastructure- Invest in critical infrastructure- especially broadband, transportation, and water/wastewater systems.

- Support efforts to link new and existing telecommunication networks
- Support training in the public, private and non-profit sectors in Appalachian Alabama in the use of new technologies and applications
- Assist in the development of a balanced transportation system that reduces isolation in the region
- Support building and enhancing basic infrastructure including water and sewer

Alabama Strategic Goals and Objectives

- **ARC Investment Goal 4:** Natural and Cultural Assets – Strengthen Appalachia’s community and economic development potential by leveraging the Region’s natural and cultural heritage assets.
 - Support strategic marketing programs for the travel and tourism industry.



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Alabama Strategic Goals and Objectives

- **ARC Investment Goal 5:** Leadership and Community Capacity- Build the capacity and skills of current and next generation leaders and organizations to innovate, collaborate and advance community and economic development.
 - Enhance the capacity of local municipalities to plan for economic and community development
 - Support provision of training opportunities to enhance the leadership skills of local officials and private nonprofit groups tasked with providing services to the community.

General Information

- Proposals for the construction of facilities that are customarily provided by local governments are not eligible for ARC funding.
 - Schools
 - Libraries
 - Community Centers
 - Government Offices
 - Correctional Facilities
 - Cemeteries

Strategies that address gaps in:

- Healthcare and Health Outcomes
- Education Attainment
- Alignment of Workforce Training w/ Business and Community Needs
- Income levels
- Poverty Levels- Particularly in rural, isolated areas

Will also help further economic growth of the Appalachian Alabama Region

ARC Strategic Plan Priorities

- Economic Opportunities
- Ready Workforce
- Critical Infrastructure
- Natural & Cultural Assets
- Leadership and Community Capacity



**PARTNERSHIPS FOR OPPORTUNITY
AND WORKFORCE AND
ECONOMIC REVITALIZATION
(POWER)**

WHAT IS THE POWER INITIATIVE?

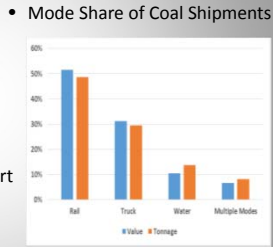
- **BACKGROUND**
- Ongoing transitions in the United States coal industry and energy markets resulting from a combination of factors, including:
 - booming natural gas production
 - declining costs for renewable energy
 - accelerating advances in energy efficient technology
 - flattening demand for electricity

WHAT IS THE POWER INITIATIVE?

- This has resulted in job losses across all sectors of the coal economy, including:
 - Coal mining
 - Coal-fired power generation
 - Related transportation, logistics, and supply chain businesses

Related transportation, logistics, and supply chain businesses

- Consider the indirect effects of coal suppliers
- Coal plays an oversized role in rail movements in Appalachia
- Port of Norfolk largest port for coal exports
- Port of Mobile second-largest coal port in the US



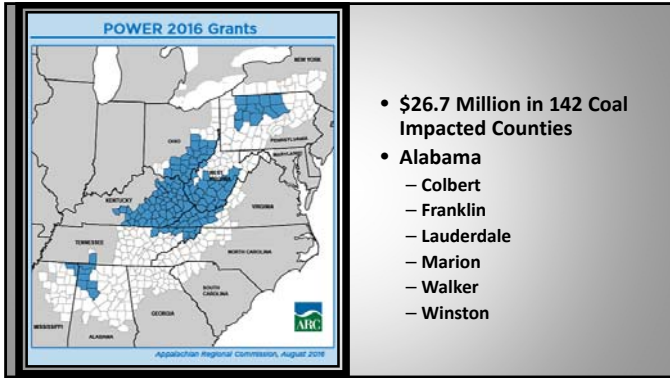
POWER IS...

POWER projects will be

- Regional
- Large scale
- Include assessment and planning
- Targeted to economic restructuring
- Collaborative
- Highly leveraged
- Outcome driven

Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative

- "Investing in Appalachia"
- Transform Appalachia's Economic Future
- Federal Resources and Programs to Revitalize Coal Impacted Communities
- **\$65.4 MILLION available for Economic Diversification, Workforce Development and Job Creation in Coal Impacted Communities**
 - \$45 Million **ARC** to Support Implementation in Appalachia
 - \$1.2 Million **ARC** for Technical Assistance
 - \$19.2 Million **EDA** to Support Implementation efforts Nationwide



ARC POWER 2016 Funding priorities

- Building a competitive workforce
- Enhancing access to and use of broadband services
- Fostering entrepreneurial activities
- Developing industry clusters in communities

It is anticipated that projects receiving ARC funding will include one or more of the following as their primary outcomes:

- Jobs created: New, high-quality jobs that did not exist in the locale prior to the activity.
- Jobs obtained: Workers are assisted in securing employment in existing high-quality jobs; may involve training and other services.
- Businesses created: Any new business started in the locale, both by local entrepreneurs and start-ups and new facilities located in the community by existing businesses.



Coal Impacted Community

- Third Party Research (<http://www.bls.gov/>)
- “Regional”= Cross County Lines
- Direct Job Losses and Economic Strain
 - Coal Mines
 - Coal Fired Power Generation
 - Related Transportation, Logistics and Supply Chain Businesses
 - Rail Activity
 - Port Activity
 - Administrative personnel (Accountants, HR, Janitorial Staff, etc)

OTHER DATA SOURCES

- Energy Information Administration (EIA)
 - Coal Industry Data, Reports, etc. <http://www.eia.gov/coal/>
 - Electricity generation mapping: <http://www.eia.gov/state/maps.cfm?v=Electricity>
 - Annual Energy Outlook: <http://www.eia.gov/forecasts/aeo/>
- State Coal Industry Resources
 - Kentucky Coal Facts (annual report) <http://kentuckycoal.com/>
 - West Virginia Coal Facts (annual report)
 - <http://www.wvcoal.com/docs/Coal%20Facts%202015.pdf>
- State Data Centers, Departments of Labor
- County-level economic data from US Bureau of Labor Statistics (BLS), Bureau of Economic Analysis (BEA) and County Business Patterns

POWER Objectives and Priorities

- Diversify Economies
- Creating New JOBS in New or Existing Industries
- Attract New Sources of Job Creating Investments
- Invest in a Competitive Workforce
- Access to Broadband and Communications
- Foster Entrepreneurial Activity
- Grow Industry Clusters

Applicant Eligibility

Eligible Applicants: EDA EDAP

- 1. District Organization;
- 2. Indian Tribe or a consortium of Indian Tribes;
- 3. State, county, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions;
- 4. Institution of higher education or a consortium of institutions of higher education;
- 5. Public or private non-profit organization or association acting in cooperation with officials of a political subdivision of a State

Eligible Applicants: ARC

- 1. Local Development Districts;
- 2. Indian Tribe or a consortium of Indian Tribes;
- 3. State, county, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions; or
- 4. Institution of higher education or a consortium of institutions of higher education;
- 5. Public or private non-profit organization or association.

ARC Funding Preferences

- **Regional Focus** – Targeted areas should be regional, defined minimally as multi-county, with potential investment amounts scaled upward as the size and complexity of the region increases to include multi-state areas.
- **Large-Scale Projects** – To maximize impact and minimize administration costs, projects should be large in scope with budgets that, in many cases, are expected to range from \$500,000 to \$1.5 million.
- **Include Assessment and Planning** – Communities receiving money for activities should have a well-articulated **analysis of why and how the local and regional economy has been negatively impacted by the downturn in the coal industry** and demonstrate how the proposed effort adds value to a larger, more long-term vision and action plan being implemented in the Region (e.g., alignment with Comprehensive Economic Development Strategies (CEDs) and other regional strategic plans).

ARC Funding Preferences

- **Targeted to Economic Restructuring** – Communities must have assessed their assets and opportunities and have formulated a plan that focuses on restructuring the economy (e.g. sector strategies, entrepreneurial development) and identifies both short-term (1-2 years) and long-term (3 years and beyond) anticipated outcomes.
- **Collaborative** – Investments should have multiple stakeholders engaged in project implementation from the private, public, and nonprofit sectors, and from multiple disciplines; there should be evidence of strong input and engagement of the broader community in planning and project design.

ARC Funding Preference

- **Evidence of Leverage** – Investments should demonstrate community and regional commitment to the proposed project by combining ARC resources with other public, private, and philanthropic resources.
- **Outcome-driven** – Communities should define specific output and outcome measures, demonstrate how the project is designed to achieve those outcomes, and commit to capturing and sharing those measures over the life of the investment. Given the urgency in addressing needs in coal-impacted communities and regions, anticipated outcomes or both the short- and long-term should be clearly articulated.

Successful POWER Grant Applications

- Transformative
- Focus on Job Creation
- Regional
- Collaborative (Many organizations with a common vision)
- Large Scale (\$500k- \$1.5 Million)
- Outcome Driven
- Accompanied by Significant Leverage
 - Matching Funds, Private Investment Funds, other Capital Investments
- ROI

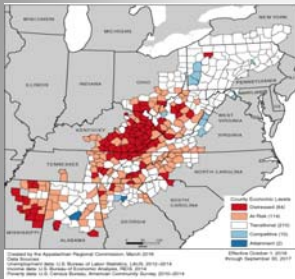
POWER TA Grants

- \$1.2 Million
- Streamlined Application Process
- Assist communities in developing a plan that will lead to a POWER implementation project.
- Communities just beginning to think about POWER
- Feasibility Studies
- Evaluate current economic conditions
- Conducting Strategic Planning
- Grant Writing

POWER Applications

- Align with the Goal of the ARC
- Potential Match Partners
 - EDA
 - US Dept of Interior, Office of Surface Mining
 - Abandoned Mine Reclamation Funds
 - US Dept of Energy
 - US Dept of Labor
 - Small Business Administration
 - EPA
 - Brownfield Reclamation Program Funding

POWER (Local) Match Amounts



- Distressed 20% Match
- At-Risk 30% Match
- Transitional 50% Match
- Competitive 70% Match
- Attainment Not eligible

West VA POWER Award

- **\$2,500,000** total (a \$1,500,000 ARC grant and a \$1,000,000 EDA grant) to the Bluewell Public Service District in Bluefield, WV for the *Mercer County Regional Airport Development and Diversification Initiative*. POWER funds will be used to extend public water service along Route 52 and Airport Road to the Mercer County Regional Airport. In addition to providing essential infrastructure to the regional airport, the project will create 38 new jobs, and will capitalize on an existing regional asset by providing funding for a strategic plan that will position the airport and its adjoining 200 acres of flat, developable land as an economic driver for four counties in Southern West Virginia and Southwestern Virginia.

Virginia POWER Award

- **\$1,500,000** ARC grant to Appalachian Sustainable Development in Abington, VA for the *Central Appalachian Food Enterprise Corridor*. This 5-state, 43-county project will develop a coordinated local foods distribution network throughout Central Appalachia, and will connect established and emerging producers in Ohio, West Virginia, Tennessee, Southwest Virginia, and Eastern Kentucky to wholesale distribution markets. The ARC award will support planning, partner convening, and capacity building, as well as production and processing equipment, supplies, and labor costs, and will be supported by funding from the Just Transition Fund. The strengthened food corridor will act as regional economic driver -- creating 120 jobs, retaining 250 jobs, and ultimately creating 95 new businesses.

Alabama POWER Awards

- **\$997,150** ARC grant to the Shoals Entrepreneurial Center in Florence, AL for the Shoals Shift project. The funds will be used to offer a wide range of entrepreneurial programming, including improved access to capital and credit and development of strategies to increase the profitability of the region's start-ups and existing businesses through more efficient use of broadband technologies. The programming includes training and activities for community members and student entrepreneurs from middle schools all the way to the university level. Activities will take place in a nine-county region covering parts of northwest Alabama, northeast Mississippi, and south central Tennessee. The project is expected to help create or retain 110 jobs, start 20 new businesses, and leverage \$10,000,000 in private investment.


Alabama POWER Awards

- **\$60,202** ARC grant to the Southern Research Institute in Birmingham, Alabama, for the development of a strategic plan focusing on entrepreneurship in coal-impacted counties in the Appalachian part of Alabama. Innovation and increasing business startup activity will be the primary focus.

POWER Initiative

- Submit POWER Pre-App at WWW.POWER.ARC.GOV
- Accepted and reviewed on a rolling basis
- Successful Pre-apps will be invited to submit a full application
- First Round of POWER Awards were announced August 24, 2016

POWER TA Grant

- Develop COALITIONS  Transform the COAL ECONOMY
 - Develop partnerships, bring others to the table
 - Community College, Chamber of Commerce, etc... (Specific Roles)
 - Include Private Business
 - Match
 - ID Workforce Development needs

Transforming the coal economy will require innovation and new ideas.

POWER Resources

- POWER Website www.arc.gov/POWER
- Webinar Series (Youtube)
 - What is the POWER Initiative?
 - Research and Data: What is a Coal-Impacted Community?
 - POWER Implementation Grants: The Application Process
 - POWER Technical Assistance Grants: The Application Process
 - A Guide to Matching Funds
 - FAQ about the POWER Initiative
- Dedicated email address for questions about the POWER Initiative Power@arc.gov
