



**NC DEPARTMENT**  
**of COMMERCE**  
**RURAL ECONOMIC**  
**DEVELOPMENT**

# 2022 ANNUAL REPORT

ENGAGING | ENHANCING | TRANSFORMING

*Rural North Carolina*





State of North Carolina  
Office of the Governor

Roy Cooper  
Governor

20301 MailService Center  
Raleigh, N.C. 27699-0301



Fellow North Carolinians:

As a native son to rural North Carolina, I know rural communities are a wonderful place to live, work, raise a family, and run a business. I'm also aware of the many opportunities and unique challenges that our rural communities face.

The partnership among the Rural Economic Development Division (REDD) of the North Carolina Department of Commerce, my Hometown Strong initiative, other state agencies, nonprofit organizations and local leaders helps improve our state's economic competitiveness while strengthening our rural communities. This collaboration is vital to North Carolina's economic recovery and future resiliency.

The FY2022 REDD annual report features the partnerships, programs, and state and federal investments that are helping rural North Carolina build stronger, more competitive, and more resilient communities. The Division also launched the new Rural Engagement and Investment program and Rural Transformation Grant Fund, with help from the federal American Rescue Plan, to support economic growth and increase local capacity in rural and distressed communities. The Community Economic Recovery and Resiliency Initiative continues to engage and leverage additional resources for local governments, while new partnerships like the Rural Community Capacity program with Appalachian State University provide educational programming and technical assistance in rural communities across North Carolina.

Additional highlights in this year's report include \$113 million in grant awards that support 198 projects to spur job creation, infrastructure upgrades, downtown revitalization, and access to housing in our state's rural communities. REDD is leading the implementation of the state's \$6.4 Million EDA-ARPA Tourism grant to accelerate the recovery and rebuilding of North Carolina's travel, tourism, and outdoor recreation sectors.

The continued recovery from the pandemic is an opportunity for us to collectively address the needs of rural North Carolina, including availability of reliable high-speed internet, access to health care, and economic opportunity. And together, we can help rural North Carolina thrive.

In partnership,

Roy Cooper

The State Capitol Building | Raleigh, N.C. 27602  
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## The Rural Economic Development Division ENGAGING, ENHANCING, AND TRANSFORMING RURAL NORTH CAROLINA

### From the Secretary of Commerce

Leading the North Carolina Department of Commerce and its work to improve the economic well-being of rural North Carolina is indeed an honor and a priority for our state's future resiliency. As a native of a small, eastern North Carolina town, I know the benefits of the rural spirit and skilled workforce. My vision for North Carolina is an economy that works for all North Carolinians, especially our rural communities. The Rural Economic Development Division continues to develop and lead programs that help local governments prepare to attract companies that will create more jobs and meaningful investments in their communities. With a world-class workforce, improved infrastructure, and equitable and inclusive practices, we can provide more access and opportunity for economic growth for generations to come in every corner of the state.

Machelle Baker Sanders  
Secretary, North Carolina Department of Commerce



N.C. Commerce Secretary Machelle Baker Sanders welcomes attendees to the Wolfspeed announcement, which will locate a Silicon Carbide manufacturing campus in Chatham County. This \$5 billion project, in the Town of Siler City, is North Carolina's largest economic development announcement in terms of investment. The company plans to create 1,800 new jobs for Chatham County. The project will receive a Community Development Block Grant.

### 2022 STRATEGIC PRIORITIES

The Division's 2022 Strategic Priorities focus on statewide collaboration and program enhancements to ensure continued growth and development in rural NC.



Build a Strong Ecosystem  
for Rural Prosperity



Increase Job Growth  
& Investment



Strengthen Capacity of  
Stakeholders & Partners



Statewide Engagement  
& Collaboration



Assistant Secretary Kenny Flowers speaks to local government leaders at the 2022 NC League of Municipalities CityVision Annual Conference in Wilmington. Photo by Ben Brown, NCLM

### Rural Partners,

The Rural Economic Development Division (REDD) remains committed to our mission of engaging, enhancing, and helping transform rural communities. As our state continues to recover in a post-pandemic environment, REDD is focused on advancing the Commerce mission and building strong partnerships to support rural North Carolina. Our top priorities are building a solid foundation for economic development success and expanding rural prosperity. That focus is critical as we help communities recover, increase resiliency, and prepare for economic growth.

In FY 2022, REDD expanded our base of community partners, increased investments in rural communities, elevated our level of engagement with external stakeholders, and added new transformative programs to our portfolio of products, and services. Our new Rural Engagement and Investment program and \$50 million Rural Transformation Grant Fund will support economic growth and increase local capacity in rural and distressed communities across the state. Overall, REDD programs generated over \$113 million in grant awards that support 198 projects and 4,245 new jobs.

REDD activities remain mission-driven and focused on delivering impactful programs. Through continued engagement, investment, and collaboration, we will enhance our state's competitive profile and help create the best environment for economic growth and rural prosperity.

We look forward to continued partnership and collaboration!

Sincerest regards,

Kenny Flowers  
Assistant Secretary, Rural Economic Development

### Rural Infrastructure Authority Results:

The RIA, established by N.C. General Statute in 2013, awards grants from the Rural Economic Development Division's program areas, including Rural Grant Programs, the Community Development Block Grant-Economic Development category, and the Industrial Development Fund Utility Account.

In FY 2022, the RIA awarded more than \$25 million in grant funds that will support the creation of 3,941 new jobs. Since 2013, the RIA has approved grant awards that exceed \$340 million and support 32,669 new jobs.



## APPALACHIAN REGIONAL COMMISSION

Appalachian Regional Commission

The Appalachian Regional Commission (ARC) works to build community capacity and strengthen economic growth for the people in the thirteen-state Appalachian region. Thirty-one counties in North Carolina are eligible to receive ARC funds for economic development activities. ARC counties are Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Cherokee, Clay, Cleveland, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey.

Program Contact: Olivia Collier, Director  
Appalachian Regional Commission | ocollier@commerce.nc.gov

### 2022 ARC RESULTS

33

Grants Approved

1,064

Jobs Created and/or Retained

\$15 M

Amount Granted

569

Businesses Created and/or Improved

1,781

Households Served\*

2,213

Students Improved/Workers Trained

\*Improved Infrastructure, Healthcare, and Educational Services

### Western Piedmont Community College Construction Trades Solution Center

ARC granted \$760,000 to WPCC to establish a Skilled Trades Solution Center to serve as a regional hub for construction trades education.

Supporting highly trained faculty and staff and specialized equipment, the program's focus on awarding industry-recognized certificates will provide students an opportunity for career advancement in an industry with high employment demand.



WPCCC Professor Eric Hurly, teaching construction trades.



The ARC award will allow us to develop innovative programs within our Skilled Trades program that will have a major impact across our region. It empowers us to expand the scope and quality of the training required to prepare new students and existing workers for these critically in-demand positions. ”

Dr. Joel Welch, President  
Western Piedmont Community College

### Town of Holly Ridge, Camp Davis Industrial Park, Phase II

The IDF Utility Account invested \$1.3 million in infrastructure for Camp Davis Industrial Park, Phase II, which began construction in spring 2022. Phase II consists of nine shovel-ready industrial sites and is projected to facilitate the creation of 235 new jobs in several different industrial sectors. These new jobs will average 13% above the county's average wage and include employee benefits. The Town of Holly Ridge worked with the following organizations to secure funding: Jacksonville Onslow Economic Development (JOED), the North Carolina Department of Commerce, the Golden LEAF Foundation, and Duke Energy Progress. If not for the investment from the Industrial Development Fund, this project would not have been possible.



Town of Holly Ridge, Camp Davis Industrial Park, Phase II groundbreaking



The Commerce Funding grant (IDF Utility Account) is allowing our small town to attract large industry to our area, creating jobs. These jobs will pay above average wages for our area. The grant is a blessing to our town and surrounding area! ”

Jeff Wenzel, Mayor, Town of Holly Ridge

## INDUSTRIAL DEVELOPMENT FUND/UTILITY ACCOUNT

The Industrial Development Fund Utility Account (IDF) provides grants to support economic development in the 80 most distressed counties in North Carolina. Grants support publicly owned infrastructure projects that are expected to result in the creation of jobs. Utility Account projects include water, sewer, industrial access, natural gas, and rail. The Utility Account allows the Department of Commerce to consistently invest in rural communities and build a stronger infrastructure grid across our state. The Utility Account is funded by the Jobs Development Investment Grant (JDIG) program.

Program Contact: Heather Sains, Program Manager  
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### 2022 IDF UTILITY ACCOUNT RESULTS

9

Grants Approved

\$8.3 M

Funds Granted

22%

Awarded in Tier 1 Locations

## COMMUNITY DEVELOPMENT BLOCK GRANTS

The State of North Carolina's Community Development Block Grant (CDBG) Program is administered by the Rural Economic Development Division (REDD) within the Department of Commerce. The CDBG Infrastructure Program is administered by the North Carolina Department of Environmental Quality. CDBG funding is available to local government units to spur job creation, job retention, infrastructure, and housing activities. The CDBG Program prioritizes low to moderate-income households and is available to non-entitlement communities in our state.

Program Contact: Valerie Fegans, Director  
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### 2022 CDBG RESULTS

\$351 M

All Open Grants

\$5 M

Infrastructure

\$6 M

Economic Development

292

All Open Grants

\$15 M

Neighborhood Revitalization

### Eatmon Townhomes in Wilson Provides Affordable Housing in Storm-Damaged Community

Eatmon Townhomes, named after Thomas Eatmon, is a 32-unit affordable housing development that replaces homes that Hurricanes Matthew and Florence severely damaged. The units were built outside the 100-year floodplain and included four handicapped-accessible homes.

CDBG Neighborhood Revitalization funds were one of three primary sources for the Wilson Housing Authority's \$5.8 million development.



Thomas Eatmon, WHA Board Chair and Assistant Secretary Kenny Flowers at the Eatmon Townhomes dedication ceremony.



It is critically important that we have public housing that is financed by various partners, by the federal government, by the state government, by local government. All these partners must come together to provide housing. The Eatmon Townhomes project is an example of what can be done when you have committed public servants who work together to make it happen. ”

U.S. Rep. G.K. Butterfield, NC 1st Congressional District  
U.S. House of Representatives

### Vanguard Furniture Company, Inc.

The City of Morganton received \$200,000 to support the reuse of a 350,000 SF building to assist a multi-generational furniture manufacturing company. Vanguard Furniture has been operating in North Carolina for more than 53 years and has over 600 associates throughout six facilities, including those in Hickory, High Point, and Hillsville, VA.



Vanguard Furniture Inc., Morganton, NC



The City of Morganton appreciates the NC Department of Commerce partnership. The Building Reuse Grant Program continues to allow businesses to grow, and Vanguard Furniture is the perfect example of how this Program benefits both the public and private sectors. ”

Sally Sandy, City Manager  
City of Morganton

## RURAL GRANTS

Rural Grant Programs (RGP) administers the Rural Building Reuse, Infrastructure, and Demolition grant programs authorized by the North Carolina General Assembly. Grants to local governments support economic development projects that will transform buildings and develop public infrastructure leading to job creation and private investment. RGP also manages the Housing Infrastructure, Disaster Recovery, Legislatively Directed, and Community Enhancements for Economic Growth grant programs.

Program Contact: Melody Adams, Director  
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### 2022 RURAL GRANTS RESULTS

3,132

Jobs Committed

\$19.2 M

Funds Granted

86

Awarded

90%

Funds to Existing NC Businesses

95%

Funds to Tier 1 & 2 Counties

\$23.3 M

Legislative Grants Administered

## MAIN STREET

The NC Main Street & Rural Planning Center (NC MS&RP) works in regions, counties, cities, towns, downtown districts, and designated North Carolina Main Street communities to inspire placemaking through building asset-based economic development strategies that achieve measurable results such as investment, business growth, and jobs. The NC Main Street program staff provides downtown strategic economic development planning and project-specific technical assistance to 81 communities in the Main Street programs. It offers a robust training calendar, including the country's largest statewide downtown revitalization annual conference. NC Main Street initiatives build local capacity for downtown revitalization, small business development, and the rehabilitation of historic properties.

Program Contact: Elizabeth H. Parham, CMSM, Director  
NC Main Street & Rural Planning Center  
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### 2022 MAIN STREET RESULTS

<b>\$440 M</b> Downtown Investment	<b>360</b> Downtown Facades Improved	<b>303</b> Downtown Buildings Rehabilitated
<b>1,941</b> New Downtown Jobs	<b>301</b> New Downtown Businesses	<b>155</b> Communities Served

## RURAL PLANNING

Part of the NC Main Street & Rural Planning Center, the Rural Planning program works with local governments and other organizations in rural areas to provide strategic economic development planning and implementation services, technical support, and training. These services help communities prepare for and respond to economic growth opportunities to improve quality of life and prosperity, build community capacity, and maintain rural character.

Program Contact: Elizabeth H. Parham, CMSM, Director  
NC Main Street & Rural Planning Center  
lparham@commerce.nc.gov

### 2022 RURAL PLANNING RESULTS

<b>19</b> Strategic Plans	<b>20</b> Market Studies	<b>15</b> GIS Services
<b>4</b> Development Policy Reviews	<b>142</b> Implementation Services	<b>174</b> Communities Served

### The Rehabilitation Equation = Public/Private Investment

The Seven Sounds Brewing Company, an anchor business in downtown Elizabeth City, was the recipient



Seven Sounds Brewing Company, Elizabeth City, NC

of a Main Street Solutions Fund grant. The rehabilitation of the former hardware store, located at 112 North Water Street, was brought to fruition with significant private investment, federal and state historic tax credits, and state and federal grant programs.



It was exciting to watch the transformation of this building from boarded and blighted to a bright, energetic, and active economic driver for our downtown. What an impact it is making in so many ways! ”

Deborah Malenfant, Executive Director  
Elizabeth City Downtown

## CONNECTED, ENGAGED, AND INVESTED IN NC RURAL COMMUNITIES



### Rural Engagement & Investment Program (RE&I)

In February of 2022, the Rural Economic Development Division announced the new Rural Engagement and Investment (RE&I) program that provides new initiatives to help address a wide variety of needs, such as revitalizing downtown districts, building the capacity of local government staff, revitalizing neighborhoods, fostering small business recovery, and generally supporting economic growth in rural areas. The Rural Engagement & Investment (RE&I) program includes the Rural Transformation Grant Fund (RTGF) and the Rural Community Capacity (RC2) program.

### Rural Transformation Grant Fund (RTGF)

The cornerstone of the Rural Engagement and Investment (RE&I) program is the new \$50 million Rural Transformation Grant Fund (RTGF) which supports innovative approaches to increasing local capacity, COVID-19 recovery, building partnerships that help small businesses, leveraging the downtown district as an asset, and developing and implementing transformative local projects that will address critical community and economic development needs. The RTGF grant categories include Downtown Revitalization, Resilient Neighborhoods, Community Enhancements for Economic Growth, and Rural Community Capacity Building.

In May 2022, Governor Cooper announced 30 RTGF grant awards totaling \$21 million in support of rural projects.



The City of Hickory, one of 30 local government 2022 RTGF recipients, was awarded \$900,000 to acquire and prepare land for an Innovation District. Plans for the district include a mixed-use development project located between the ASU Hickory Campus and the Hickory Regional Airport.

### Rural Community Capacity (RC2) Program Support

The Rural Planning program provided training and technical assistance to the 19 local governments engaged in the Rural Community Capacity (RC2) program. The Rural Planning Program led two sessions for RC2 participants: one on asset-based economic development strategic planning, and another on project development. RC2 graduates are eligible to apply for RTGF Community Implementation Grants.



RC2 participants learning together at Appalachian State University



RC2 has been an excellent experience for the Town of Marshville. By meeting with other rural communities, we were able to communicate shared struggles that the RC2 Program was able to address. Especially rewarding were the guest experts brought in to share their perspectives, adding to the staff's extensive knowledge, all delivered in an atmosphere of warmth, humor, and friendship, making the entire experience something that will impact our community. ”

Franklin Deese, Town Manager, Marshville



The first cohort of the Rural Community Capacity (RC2) program completed on-campus coursework and attended graduation at Appalachian State University's Walker College of Business.



We are excited that Appalachian State University (ASU) can partner with the Rural Economic Development Division (REDD) of the NC Department of Commerce to improve the economic well-being and quality of life of North Carolinians. From our unique position within our rural community, we share a common belief that the universities within the UNC system play an important role in supporting and inspiring innovation throughout North Carolina. By working side by side with rural communities, the program is leveraging the talent and commitment of RC2 participants to grow stronger communities and vibrant local economies. We are honored to be selected by Team REDD to design this pilot program and explore what's possible across the state. ”

Carol Kline, Professor; Director, Hospitality and Tourism Management, Appalachian State University  
Erich Schlenker, Director, Center for Entrepreneurship, Appalachian State University

### Rural Community Capacity (RC2)

In March 2022, REDD announced that 19 rural communities from across the state were selected to participate in a unique new program to increase their capacity to plan, implement, and manage economic development programs and opportunities. The Rural Community Capacity (RC2) program, a creative new partnership with Appalachian State University's Walker College of Business, welcomed its first cohort of participants to the Boone campus in May 2022.

The RC2 program provides educational programming, technical assistance, grants, and focused guidance to local government staff in rural and distressed communities. Each of the nineteen jurisdictions identified local representatives to participate in program activities, which included on-campus and virtual classes, community-level engagement, and targeted training programs. The RC2 campus curriculum includes four core courses required by the Department of Commerce and additional targeted courses that the ASU faculty designed.

# STATEWIDE ENGAGEMENT AND IMPACT

**NORTHWEST**  
Morganton



**NC Main Street Award Winner**  
**Best Historic Rehabilitation**

**PIEDMONT-TRIAD**  
Surry County



**Mount Airy**  
**Community Visioning Forum**

**NORTH CENTRAL**  
Oxford

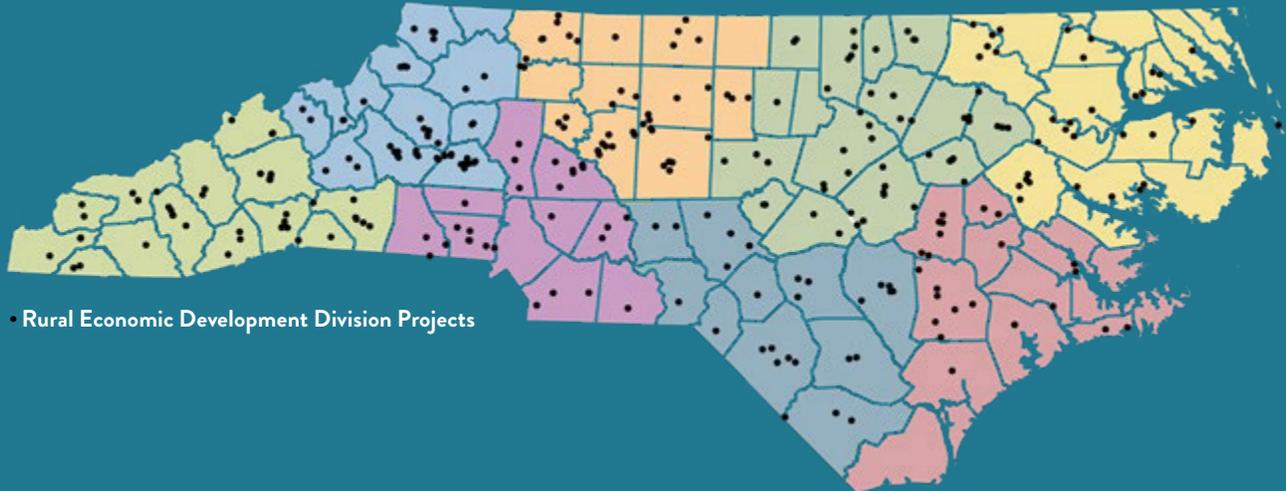


**Strong Arm Bakery**  
**CDBG Recipient**

**NORTHEAST**  
Elizabeth City



**NC Main Street**  
**Directors Meeting**



• Rural Economic Development Division Projects

**WESTERN**  
Flat Rock



**Blue Ridge Community College**  
**ARC Grant Recipient**

**SOUTHWEST**  
Albemarle



**NC Main Street Award Winner**  
**Best Public-Private Partnership**

**SOUTH CENTRAL**  
Biscoe



**CERRI Economic Recovery**  
**Plan of Work**

**SOUTHEAST**  
Jones County



**Pollocksville**  
**Technical Assistance**

## RURAL ECONOMIC DEVELOPMENT DIVISION

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### APPALACHIAN REGIONAL COMMISSION

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### RURAL TRANSFORMATION GRANTS

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For a complete list of contacts | [ncommerce.com/employee-directory](http://ncommerce.com/employee-directory)

**MORE PROGRAM INFO** | [commerce.nc.gov](http://commerce.nc.gov) | [arc.gov](http://arc.gov) | [mainstreet.org](http://mainstreet.org) | [hud.gov](http://hud.gov)



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