

N.C. Rural Economic Development Center Annual Report



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N.C. Rural Economic Development Center

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INTRODUCTION

The North Carolina Rural Economic Development Center Inc. respectfully submits this report of activities to the Legislative Commission on Governmental Operations and the General Assembly's Fiscal Research Division. As required, this report details the Rural Center's work during the period July 1, 2010, through June 30, 2011.

All programmatic activity described here has been carried out in accordance with the center's mission, which is to develop, implement and promote sound economic strategies that improve the lives of rural North Carolinians, with a special focus on individuals with low to moderate incomes and communities with limited resources.

To accomplish its mission and comply with the funding requirements of the General Assembly, the center operates a multifaceted program that includes: conducting research into rural issues; testing promising rural development strategies; advocating for policy and program innovations; and building the productive capacity of rural leaders, entrepreneurs and community organizations.

Oversight for the annual development of the Rural Center's plan of work, for all funding decisions and for program implementation comes from the center's 50-member board of directors. (See Appendix B for a summary of board meetings.)

Summarized below are major initiatives of the Rural Center during the period covered by this report. These initiatives required substantial time and leadership by the board of directors, president and center staff.

Major Initiatives

Job-creating Infrastructure: Created 1,250 rural jobs with \$10.7 million in grants for water, sewer and other infrastructure enabling new business locations and expansions.

Critical Water Needs: Invested in water and sewer infrastructure projects that address issues related to human health and the environment, awarding \$4.3 million in grants.

Building Reuse and Restoration: Awarded \$10.7 million to help communities return vacant buildings to productive use and create 1,315 jobs.

Rural Health Care Initiative: Awarded \$1.8 million to build or renovate 14 health care facilities, leading to 210 jobs in health care.

Rural Business Finance: In a tight lending market, made or leveraged 73 business loans totaling \$2 million and creating 260 jobs. Using federal funding, the center also relaunched the N.C. Capital Access Program to increase the availability of business capital.

Entrepreneurship Development: Through a collaboration, operated a successful federally funded project helping laid-off rural workers start their own businesses. The project has led to the creation of 114 businesses and 227 jobs since April 2009.

Recession Response: Led a federally funded program to bolster assistance for laid-off workers in 15 counties hard hit by the recession. Through the program, over 900 unemployed or underemployed workers participated in education or job-related training programs and nearly 600 earned a job-related credential.

Strengthening N.C. Agriculture: Partnered with state and federal agencies to provide grants and training to increase farm profitability and established a working group to facilitate the location and expansion of food processing facilities in North Carolina.

RURAL CENTER APPROPRIATIONS: AN OVERVIEW

The N.C. General Assembly appropriates funds to the Rural Economic Development Center to support a variety of activities designed to improve the economic vitality and quality of life in North Carolina's 85 rural counties. This money is channeled directly into those communities, largely through grant programs, with the majority supporting projects that will lead directly to job creation.

This report describes the programs and initiatives the center has carried out as a result of these appropriations and certain other activities the center undertook by leveraging state funding with additional investments by federal, private and nonprofit sources. The bulk of the report is organized along programmatic lines to provide the clearest explanation of the center's activities and accomplishments. Appropriations sometimes cross programmatic areas, and some programs receive funding through more than one channel. For this reason, it is useful to begin with an overview of state appropriations, the activities they support and where additional details may be found.

Base Appropriation Continuation Budget	FY11	FY11 Adjusted*
Center Administration, Technical Assistance and Oversight	\$1,446,850	\$1,396,210
Research and Demonstration Grants	\$326,800	\$315,362
Institute for Rural Entrepreneurship	\$127,300	\$122,844
Community Economic Development Grants	\$938,064	\$905,231
Microenterprise Loan Program	\$172,900	\$166,848
Water/Sewer/Business Development Matching Grants	\$779,950	\$752,651
Statewide Water/Sewer Database	\$88,350	\$85,257
Agricultural Advancement Consortium	\$101,650	\$98,092
Economic Infrastructure Program	\$18,339,750	\$17,697,858
Subtotal	\$22,321,614	\$21,540,355
Administered Funds		
Opportunities Industrialization Center Funds	\$319,200	\$308,028
Nonrecurring Items		
Homegrown Jobs	\$3,125,000	\$3,015,625
Small Business Assistance Fund	\$1,000,000	\$965,000
Family Farm Innovation Fund	\$1,000,000	\$965,000
Subtotal	\$27,765,814	\$26,794,006
e-NC Authority	\$442,035	\$426,564
Total	\$28,207,849	\$27,220,570

* Figures under FY11 Adjusted reflect reversions ordered as a result of a shortfall in state revenues.

Center Administration, Technical Assistance and Oversight: This appropriation supports the center's general operating costs, including the work of the board of directors, the president's office and the fiscal staff (for more details, see page 10); technical assistance and oversight of the Research and Demonstration Grants Program and Office of Workforce Development (pages 22 and 47); administration of the Community Economic Development Grants Program (page 38); and administration of the Agricultural Advancement Consortium (page 40).

FY11 Adjusted Allocation

Technical Assistance and Center Administration of R&D Grants: \$379,536

General Administration: \$910,332

Administration of Community Economic Development Grants Program: \$42,170

Administration of Agricultural Advancement Consortium: \$64,172

Research and Demonstration Grants: These appropriations support Rural Center-directed research and demonstration projects. Priority is awarded to projects that focus on critical issues identified by the Rural Center board of directors. For more details, see page 22.

Institute for Rural Entrepreneurship: Established in 2003, the institute works to create a culture of entrepreneurship in communities across rural North Carolina. It is a part of the center's Office of Business Development. This appropriation supports the overall work of the institute. For more details, see page 42.

Community Economic Development Grants: One of the longest-running programs of the Rural Center, this program provides grants for operational and staff support for community development corporations working in low-income and minority communities. The organizations raise additional money to carry out projects that encourage home ownership, promote small business development and provide educational and civic programming. For more details, see page 38.

Microenterprise Loan Program: In operation since 1989, the North Carolina Microenterprise Loan Program provides rural people with small business loans to help them become self-sufficient through business ownership. It operates in all 85 rural counties. Loans are capped at \$25,000 and combined with business planning and technical assistance. The program is capitalized at \$2.3 million. Capital was provided by early appropriations and earnings on those funds. Annual appropriations support ongoing operations. For more details, see page 36.

Water/Sewer/Business Development Matching Grants: This money supports two programs.

FY11 Adjusted Allocation

Water and Sewer Supplemental Grants Program: \$575,719

Supplemental Grants for Infrastructure and Business Development: \$176,932

The *Water and Sewer Supplemental Grants Program* enables local governments and qualified nonprofit corporations to improve water and sewer systems by providing funds to match grants and loans from other sources. It was established by the General Assembly in 1993-94. For more details, see page 11.

Supplemental Grants for Infrastructure and Business Development provide grants to worthy emergency projects that might otherwise be outside the timeline or geographic area of a specific Rural Center grant program. For more details, see page 49.

Statewide Water/Sewer Database: The Rural Center's Water 2030 Initiative collected extensive documentation on water and sewer infrastructure throughout North Carolina and identified \$16.6 billion in investments needed by 2030. It also assessed the availability and adequacy of the state's water resources. Mapping and condition assessments were completed in 2005. Continuing appropriations cover maintaining and upgrading the water resources database and additional mapping efforts. For more details, see page 18.

Agricultural Advancement Consortium: Established by the General Assembly and housed at the Rural Center, the consortium promotes the benefits of a strong farm sector and considers ways to increase farm profitability. It conducts original research and provides grants to promising research and demonstration projects. For more details, see page 40.

Economic Infrastructure Program: The General Assembly created the Economic Infrastructure Fund in 2004 in response to significant job losses from recession and economic restructuring. It provides a multifaceted approach to encourage business growth and create jobs in struggling rural communities.

FY11 Adjusted Allocation

Job-Generating Infrastructure Grants: \$7,720,000

Economic Innovation Grants: \$2,702,000

Building Reuse and Restoration Grants: \$4,882,900

Rural Hope (Rural Health Care) Grants: \$1,930,000

Small Towns Program: \$110,010

Administration: \$352,948

Job-generating infrastructure grants assist communities with infrastructure projects tied directly to new business locations or expansions and related job growth. These funds are administered through the center's Physical Infrastructure Office. For more details, see page 16.

The Economic Innovation Grants Program is designed to test innovative approaches to stimulating the economies of small towns and rural communities. Grants are intended to spur business activity, job creation and public/private investment. These funds are administered through the center's Office of Research and Innovation. For more details, see page 26.

The Building Reuse and Restoration Grants Program helps communities create jobs through investments in real property. Building reuse grants help prepare vacant buildings for new, private-sector businesses. For more details, see page 29.

Rural Hope (Rural Health Care) grants assist in the construction and/or renovation of rural health care facilities if those projects create jobs. For more details, see page 29.

The *North Carolina Small Towns Economic Prosperity Program* combines grantmaking and technical assistance to encourage economic revitalization of small towns. For more details, see page 23.

Opportunities Industrialization Centers: The Rural Center administers funds appropriated to the Opportunities Industrialization Centers on behalf of the General Assembly. A brief explanation of the program may be found on page 50 with additional details on funded centers in Appendix N.

Homegrown Jobs: To provide further economic stimulus, the General Assembly appropriated additional funds for the Building Reuse and Restoration Grants Program. For more details, see page 29.

Small Business Assistance Fund: In FY11, the General Assembly appropriated funds to continue the Small Business Assistance Fund, a loan loss reserve pool to support existing small businesses. The program is operated in conjunction with Self-Help. For more details, see page 37.

Family Farm Innovation Fund: This appropriation supported a partnership of five state and federal programs helping farmers lower energy costs or implement renewable energy projects; develop and implement value-added production; and develop other new sources of farm income. For more details, see page 40.

e-NC Authority: The e-NC Authority is a state authority housed and staffed by the North Carolina Rural Economic Development Center. The authority is governed by its own board of directors and reports separately to the General Assembly on the use of state appropriations.

This report also covers progress in some ongoing programs not funded through FY11 appropriations:

Clean Water Partners Infrastructure Program: The General Assembly created the Clean Water Partners Program in FY08 as part of its continuing commitment to help rural and low-wealth communities finance critical water and wastewater projects. It has made two one-time appropriations, totaling \$150 million, for this purpose. For more details, see page 11.

Rural Venture Fund: The Rural Venture Fund offers flexible financing options for qualified businesses in economically distressed rural counties of North Carolina, with an emphasis on Tier 1 counties. The fund was created in 2007 and capitalized in part by \$3.8 million in state funds. For more details, see page 35.

Each chapter of this report includes a program description and a summary of activity for Fiscal Year 2011. For grant programs with multiple awards, the narrative is followed by a table listing all grants awarded during the fiscal year. A corresponding appendix offers a brief summary of each grant. Rural Center budget and audit reports and other background material are included in the appendices.

RURAL CENTER GENERAL ADMINISTRATION

The General Assembly allocated \$1,396,213 to the center in FY11 for center administration, technical assistance and oversight. These funds, augmented by approximately \$1.5 million from other sources, have supported the work of the board of directors, administrative management, the fiscal, research and communications staff as well as standard administrative operating costs.

For FY12, the center's adjusted appropriation for these purposes of \$1,302,165 must again be supplemented by approximately \$1.4 million from other sources for the center to continue to provide high-quality oversight and administrative support services as the reach of the center's programs expands and its policy efforts generate visible statewide impact.

WATER AND SEWER GRANTS PROGRAMS

Program Statement: The Physical Infrastructure Office operates grant programs designed to address water and sewer infrastructure problems affecting public health and the environment or to assist in the construction of water, sewer and other types of infrastructure that will lead to job creation in the private sector. The office also engages in water resource data and policy development.

CRITICAL NEEDS GRANTS PROGRAMS

Critical needs grant programs include those funded from the Clean Water Partners Infrastructure Program, from a recurring appropriation to the center and from the 1998 Clean Water Bonds. These programs were developed to help mitigate public health threats and environmental contamination caused by failing private wells and septic systems or by failing public water and sewer systems.

Clean Water Partners Infrastructure Program

The Clean Water Partners Infrastructure Program was first capitalized in FY08 with a \$100 million appropriation. A second cash infusion of \$45.5 million, reduced from \$50 million, came in FY09. It provides for two types of grants: supplemental (construction) and planning.

Supplemental Grants. Supplemental grants are designed to complement other local, state or federal funds for infrastructure construction projects. Eligible applicants are rural counties or communities in rural counties. In addition, the applicant must pass a resolution to set the household user fee for water and sewer service in the area to be served by the project at least equal to 1.5 percent of the median household income. Grants are capped at \$500,000. A dollar-for-dollar match is required unless the applicant meets certain criteria. For applicants meeting the criteria, the grant cap also may be waived if:

1. The applicant is an economic Tier 1 county or is a community in a Tier 1 county
2. The applicant's poverty rate is 150 percent of the state's poverty rate or higher

FY11 Summary. Many construction bids came in below projections throughout 2010, and money was deobligated back to the center. This allowed grants for five new construction projects and additional grants for six previously funded projects that incurred cost overruns. (Four planning grants also were funded with deobligated money. See next section.) Reviews and recommendations for these projects were consistent with all Clean Water Partners guidelines.

These 11 grants totaled \$2.7 million and leveraged more than \$7 million in additional funding. The projects eliminated a failed septic system at a school in Robeson County, extended a water line to a community center in Granville County for fire protection and made critically needed repairs to a sanitary district's long neglected infrastructure, eliminating sources of inflow and infiltration and reducing energy costs.

Clean Water Partners—Supplemental Grants—FY11

County	Grantee	Project Title	Award	Leveraged
Cleveland	City of Shelby	Keeter Stadium Improvements	\$147,079	\$51,477
Edgecombe	Edgecombe Water & Sewer District No. 4	Phase III Water Distribution System - Edgecombe Water and Sewer District No. 4	\$1,000,000	\$6,188,000
Graham*	Town of Robbinsville	Drought CRISIS - Well Drilling, Chlorination Equipment and Distribution Lines	\$67,500	\$51,000
Granville	Granville County	Community Convention Center Water Line	\$187,000	\$187,000
Macon*	Macon County	Little Tennessee River / Cartoogechaye Creek Trunk Sewer	\$250,000	
Madison*	Town of Mars Hill	Town of Mars Hill Water Transmission Lines Phase III	\$500,000	\$500,000
Pitt*	Town of Bethel	Phase II - Water Distribution System Improvements	\$72,250	
Robeson	Town of Pembroke	Union Chapel Pump Station & Force Main	\$407,290	\$275,000
Rutherford	Rutherford County	Cliffside Sanitary District Infrastructure Improvements	\$25,926	\$9,074
Surry*	Town of Elkin	Water System Improvements	\$31,032	\$8,540
Wayne*	Town of Fremont	Phase 2 Sewer Rehabilitation	\$44,000	\$36,000
Total FY11 Clean Water Partners / Supplemental Awards			\$2,732,077	\$7,306,091

* Additional grant for previously funded projects
Please refer to Appendix C for project descriptions.

Planning Grants. Planning grants assist rural communities in funding activities that must occur prior to construction. Examples include feasibility studies for a new sewer system, leak detection in water lines, preliminary engineering reports and smoke testing in sewer lines.

Eligible applicants for planning grants are economically distressed rural counties and economically distressed units of local government in rural counties. Regional councils of government and regional planning commissions also are eligible for planning grants for regional projects.

The maximum award for a planning grant is \$40,000. A dollar-for-dollar match is required unless:

1. The applicant is an economic Tier 1 county or is a community in a Tier 1 county
2. The applicant's poverty rate is 150 percent of the state's poverty rate or higher
3. The applicant is in a county that experiences an actual or imminent loss of jobs equal to or greater than 5 percent of the total number of jobs in that part of the county

FY11 Summary. Four planning grants totaling \$90,600 were made in FY11. These grants were made possible by the deobligation of previously funded construction projects, as explained in the previous section.

Clean Water Partners—Planning Grants—FY11

County	Grantee	Project Title	Award	Leveraged
Alleghany	Alleghany County	Piney Creek Sewer Improvements	\$20,000	\$10,000
Craven	Town of Vanceboro	Phase I Sanitary Sewer Evaluation Survey for the Gravity Sewer Collection System Located within Town Limits	\$30,000	\$20,000
Jackson	Tuckaseigee Water and Sewer Authority	Conduct a Financial & Organizational Assessment of the Whittier Sanitary District	\$18,000	\$9,000
Wayne	Town of Eureka	2010 Sanitary Sewer Infiltration / Inflow Study	\$22,600	\$25,400
Total FY11 Clean Water Partnership / Planning Awards			\$90,600	\$64,400

Please refer to Appendix D for project descriptions.

Recurring Appropriations

The General Assembly appropriates funds annually to the Rural Center to make matching grants to local governments and nonprofit organizations for water and sewer projects. The grants can fund necessary economic development projects in economically distressed counties, water and sewer projects needed to address public health or the environment, or projects that demonstrate alternative water and sewer management processes for local governments. Funds can be committed to planning or construction projects.

FY11Summary. The Rural Center held one competitive round for planning grants in FY11. In August 2010, the center awarded 44 grants totaling nearly \$1.4 million. This funding will allow several towns to develop capital improvements plans or preliminary engineering reports. Other projects will address water line leaks and inflow and infiltration into sewer lines. All of the projects address a documented critical need.

The center also commissioned one demonstration project. The Department of Civil, Construction and Environmental Engineering at N.C. State University is investigating the use of powdered kenaf, a fibrous, highly absorbent plant material, as a filtering agent in wastewater treatment plants. Anecdotal reports have suggested that powdered kenaf, added to the usual activated sludge treatment mixtures, increases the efficiency and lowers costs of wastewater treatment. This project will measure the results from wastewater treatment plants using kenaf and examine the chemical and microbiological changes that are occurring.

Recurring Appropriation Grants—FY11

County	Awardee	Project Title	Award	Leveraged
Ashe	Town of West Jefferson	Sewer System Video Inspection, Sewer System Evaluation Study	\$40,000	\$40,000
Avery	Town of Beech Mountain	Water and Sewer Master Plan	\$40,000	\$20,000
Bertie	Town of Windsor	Sanitary Sewer Evaluation Survey	\$26,600	\$13,400
Bladen	Town of Elizabethtown	Elizabethtown WWTP PER & White Lake Regionalization Evaluation	\$40,000	\$20,000
Bladen	Town of White Lake	Water System Consolidation Feasibility Study	\$40,000	\$20,000

County	Awardee	Project Title	Award	Leveraged
Burke	Town of Valdese	Hydraulic Models for the Triple Community Portion of the Valdese Water Distribution System	\$20,000	\$10,000
Caldwell	Town of Granite Falls	Wastewater Treatment Plant Expansion/Upgrade Analysis and W&S Rate Study	\$39,000	\$20,000
Chatham	Town of Siler City	2010 Water System PER and Hydraulic Model	\$37,500	\$20,000
Columbus	Town of Chadbourn	Southwest Basin I&I Study	\$40,000	\$20,000
Columbus	Town of Lake Waccamaw	Lift Station #13 Basin I&I Study	\$20,000	\$10,000
Columbus	Town of Tabor City	Water and Sewer Regulatory Update and CIP Update	\$40,000	\$20,000
Craven	City of New Bern	PER for Phase III of the Township No. 7 Sewer Improvements Project	\$40,000	\$40,000
Dare	Town of Manteo	CIP and Water and Sewer Rate Study	\$40,000	\$23,000
Duplin	Town of Rose Hill	PER for Wastewater Treatment System Upgrades and Sanitary Sewer Rehabilitation	\$28,550	\$17,130
Franklin	Town of Franklinton	Sanitary Sewer Flow Monitoring Study	\$27,800	\$27,800
Franklin	Town of Louisburg	Pilot Study for Ground Water Supplementation of Water Plant Raw Water for TTHM/HAA5 Reduction	\$15,000	\$15,000
Greene	Town of Hookerton	Water and Sewer System Evaluation	\$20,000	\$10,000
Halifax	Roanoke Rapids Sanitary District	Development of CIP	\$40,000	\$54,392
Haywood	Town of Clyde	Wastewater System Master Plan and PER	\$40,000	\$40,000
Hertford	Town of Ahoskie	Ahoskie Water Audit	\$16,000	\$8,500
Johnston	Town of Selma	Wastewater Master Plan	\$20,000	\$10,000
Lenoir	Town of La Grange	Water and Sewer CIP and PER	\$40,000	\$21,500
Macon	Town of Highlands	Sewer System CIP and Financial Plans	\$35,750	\$35,750
Martin	Town of Robersonville	Sanitary Sewer Evaluation Survey	\$37,300	\$18,700
Martin	Town of Williamston	Phase II Sewer System Evaluation Survey	\$40,000	\$40,000
McDowell**	City of Marion	Water Treatment Plant Evaluation & Source Alternatives	\$37,200	\$22,800
Montgomery	Montgomery County	WTP - Sludge Processing/Storage Evaluation Project	\$40,000	\$20,000
Moore	Town of Vass	Phase 2 Sewer Planning	\$15,000	\$7,500

County	Awardee	Project Title	Award	Leveraged
Nash	Nash County	Public Water System for the Red Oak Area	\$40,000	\$47,000
Person	Person-Caswell Lake Authority	Person-Caswell Lake Authority - PER for Onsite Wastewater System	\$7,500	\$7,500
Pitt	Town of Winterville	Water Supply Master Plan Update	\$17,600	\$8,900
Robeson	City of Lumberton	Sewer System Mapping Phase 2	\$40,000	\$20,000
Robeson	Town of Red Springs	Water and Sewer System Review and Optimization	\$40,000	\$20,000
Robeson	Town of St. Pauls	2010 Sanitary Sewer Infiltration / Inflow Study	\$20,000	\$10,000
Rutherford	Town of Forest City	Infiltration and Inflow Study	\$33,333	\$16,667
Sampson	City of Clinton	Water Audit & Leak Detection Study	\$36,000	\$18,000
Scotland	Scotland County	WestPoint Stevens Regional Water & Wastewater Project	\$39,000	\$39,000
Stokes	Town of Walnut Cove	Wastewater Planning Improvement Program	\$40,000	\$20,000
Swain	Town of Bryson City	Water Audit	\$16,600	\$8,300
Vance	City of Henderson	Part 1 - Kerr Lake Regional Water System Master Plan Update. Part 2 - Sewer System Hydraulic Capacity Study Downstream of Sandy Creek P/S Discharge Point	\$25,000	\$25,000
Wilson	Town of Black Creek	Elevated Storage Tank Repair / Replacement and Increasing Block Rate Feasibility Study; and Water Distribution System Map	\$26,450	\$13,225
Wilson	Town of Stantonsburg	GPS/GIS Mapping Water and Sewer Systems	\$37,500	\$37,500
Yancey	Town of Burnsville	Water and Sewer System Master Plan & CIP	\$40,000	\$20,000
Total FY11 Appropriation			\$1,374,683	\$936,564

**Represents two awards for a single project.
Please refer to Appendix E for project descriptions.

Clean Water Bonds

Of the \$800 million that the Clean Water Bond Act of 1998 earmarked for water and sewer infrastructure, the Rural Center received \$240 million to administer. Three programs were capitalized with these funds: capacity building grants, for planning activities associated with water and sewer construction; supplemental grants, to supplement other local, state and federal funds for construction; and the unsewered communities grants, to assist in the installation of sewer collection and treatment systems in communities where no central wastewater systems existed. The funds were granted on a competitive basis from 1999 to 2005. Grants awarded through this fund since 2005 have resulted from money deobligated from previously funded projects.

FY11 Summary. In FY 2011, one grant award was made to the Whittier Sanitary District, to assist with the construction of a sewer collection line that will serve 25

connections in the Thomas Valley Road/Thomas Cove Road area. The homes are currently served by failing septic tanks. The grant, for \$307,620, will leverage \$34,180 in other funding.

JOB CREATING GRANTS PROGRAM

Economic Infrastructure Grants

The North Carolina Economic Infrastructure Program funds rural infrastructure projects associated with an expanding business or a new business location. These projects must lead directly to new, full-time jobs in the private sector. The Rural Center can help fund water, sewer, natural gas or fiber optic cable to a new or expanding company that will create jobs.

Grants may be made for up to \$10,000 per job created, for a maximum of \$1 million or one-half of the total infrastructure project cost, whichever is less. Positions created must be full-time jobs, paying at least minimum wage and conveying all benefits due other employees in the same classification. A performance agreement promising to create a specific number of jobs must be executed between the business creating the jobs and the local government applying for the grant. This contract contains a “claw-back” provision allowing the Rural Center to recapture any funds expended without correlating job creation. Grants are awarded on a first-come, first-served basis, providing that projects meet minimum criteria and go through a three-step process involving a preapplication, a preapplication conference and submission of a full application with an executed performance agreement.

FY11 Activity. Thirty-five grants totaling \$10.7 million were awarded in FY11. These projects will leverage \$19 million in additional funding, serve 39 businesses and create more than 1,250 jobs. Specifically, they will lead to the creation of 42 jobs at a data center and 40 jobs at an assisted living facility in western North Carolina, 20 jobs at a military vehicle manufacturer in the Piedmont and 200 jobs plus millions of dollars in investments by a new food processing company locating in a Tier 1 eastern county.

Because of difficulties local governments face in borrowing money, the Rural Center anticipates an increase in requests for additional funds for previously funded projects. Overall, however, a reduction in total demand for these funds is likely until the recession eases and companies again look to expand or relocate.

In June 2010, the Rural Center board reduced the matching requirement for the Economic Infrastructure Program from 5 percent of the total project cost to 5 percent of the Rural Center grant award. Initially a temporary measure, the reduced match has now been made permanent.

Economic Infrastructure Program—Supplemental Grants—FY11

County	Grantee	Project Title	Award	Leveraged	Businesses served	Jobs created
Anson*	Anson County	Anson County Hornwood Sewer Project	\$120,000	\$161,750		12
Bladen	Town of White Lake	Wam Squam Sewer Extension	\$35,453	\$42,049	1	4
Burke	Burke County	Burke County/Geiger (code Michelle) Sewer Project	\$512,500	\$512,500	1	52
Caldwell	City of Lenoir	Vantage Foods, Inc. Fire Protection Project	\$191,027	\$225,000	1	20
Camden	Camden County	North River Campground Waterline Extension	\$89,950	\$89,950	1	9
Cleveland	City of Kings Mountain	Chemetall Foote Water Line Expansion	\$99,250	\$99,250	1	10
Cleveland	City of Kings Mountain	Project Roosevelt - Water Line Construction in Industrial Park	\$30,000	\$32,350	1	3
Cleveland	City of Shelby	Clearwater Paper Water and Sewer Extension	\$148,850	\$148,850	1	15
Cleveland	City of Shelby	Former Artee Industries Building Re-Use Sewer Extension	\$136,028	\$136,028	1	14
Cleveland	Cleveland County	Infocrossing - Data Center Fiber Optic Cable	\$150,000	\$1,065,000	1	15
Cleveland	Town of Boiling Springs	B&W Fiberglass Forcemain Extension	\$137,750	\$232,250	1	15
Edgecombe	Town of Tarboro	Project Light Electric Generation Project	\$640,000	\$860,000	1	64
Gates	Gates County	U.S. Highway 158 Economic Development Wastewater Improvements Project	\$355,000	\$200,275		20
Halifax	Halifax County	Food Technology Project Sewer Extension	\$1,000,000	\$1,314,202	1	200
Haywood	Town of Canton	Wastewater Infrastructure Improvements (Consolidated Metco Inc., MedWest, Health System Inc., Bojangles and WNC Regional Livestock Center)	\$600,000	\$600,000	4	66
Hoke	Hoke County	First Health & Hoke Health Medical, Fitness and Pharmacy	\$650,000	\$970,000	2	65
Iredell	Town of Mooresville	America's Park LLC - Water & Sewer Infrastructure	\$250,000	\$264,887	1	25
McDowell	McDowell County	Foothills Pilot Plant, Water Line Extension	\$9,500	\$80,500	1	1
Mitchell	Town of Spruce Pine	Mitchell County Assisted Living Center	\$400,000	\$1,041,000	1	40
Montgomery	Town of Star	Sanitary Sewer Improvements - Carolina Growler	\$200,000	\$322,000	1	20
Montgomery	Town of Troy	Infrastructure Improvements for Proposed New Industry	\$790,625	\$790,625	1	80
Moore	Moore County	Midland Road Waterline Upgrade Project	\$360,000	\$364,800	2	40
Moore	Town of Carthage	WWTP & Reuse Irrigation System - VLR	\$1,000,000	\$1,000,000	1	188

County	Grantee	Project Title	Award	Leveraged	Businesses served	Jobs created
		Partners, LLC & Little Rivver Hospitality Group				
Moore	Town of Southern Pines	Water & Sewer Improvements - Southern Pines Village	\$82,950	\$82,950	1	9
Northampton	Northampton County	Severn Peanut Company Natural Gas Extension Project	\$420,000	\$1,161,000	1	42
Polk	Polk County	Dutch Saddleback Family Restaurant/Dutch Signature Effen Haus	\$30,750	\$30,750	1	4
Randolph	City of Asheboro	API - Allen Precision	\$140,000	\$306,405	1	14
Randolph	Town of Liberty	Project Multiply - Americhem, Inc.	\$66,500	\$66,500	1	7
Randolph	Town of Seagrove	W&S Project for Grocery and Furniture Operation Expansion	\$145,470	\$145,470	2	15
Robeson	City of Lumberton	Southern States Building Restoration Project	\$40,000	\$53,945	1	4
Rutherford	Rutherford County	Facebook	\$420,000	\$589,000	1	42
Rutherford	Town of Forest City	Project Chrysalis Water, Sewer & Drainage Construction	\$1,000,000	\$5,555,000	1	100
Scotland	Scotland County	Viridian Sewer Line and Pump Station	\$103,500	\$185,175	1	12
Surry	Surry County	Cody Creek - Water & Sewer System	\$250,000	\$255,500	1	25
Vance	City of Henderson	Industry Drive Water Extension	\$70,000	\$128,828	1	7
Total FY11 Economic Infrastructure / Supplemental Awards			\$10,675,103	\$19,113,789	39	1,259

* Additional grant for previously funded project creating additional jobs.
Please refer to Appendix F for project descriptions.

STATEWIDE WATER-SEWER DATABASE

In 2004, the Rural Center collaborated with AMEC Earth and Environmental Inc. to develop water and sewer infrastructure maps and infrastructure condition assessments and to estimate the state's available water resources as part of the Water 2030 Initiative. Infrastructure mapping and condition assessment were completed in 2005, and the data were used to make a case for the \$150 million Clean Water Partners Infrastructure Program in 2007 and 2008. The General Assembly has made a recurring appropriation to the center for maintaining and upgrading the water-sewer database.

FY11 Summary. The lack of useful agricultural water-use data for North Carolina has slowed completion of the water resources database. Previous water-use estimates in the agricultural sector came from the state of Texas. Texas agriculture, however, is quite different from North Carolina agriculture. The state of Georgia also has posted agricultural water-use data online. While Georgia's agriculture is similar to North Carolina's, that state's data do not provide the level of detail needed.

Meetings were held in May with the N.C. Department of Agriculture's Agricultural Statistics Division to try to obtain adequate data on agricultural water use. State and federal law, however, prohibits the publication of certain agricultural water user's data where the user might be identified through the reporting. Plans are now to compare data with researchers at N.C. State University to determine whether adequate information can be compiled from existing water use data.

One grant was awarded from the database funds. This award, for \$100,000, was made to the N.C. Association of Regional Councils to allow four councils of government to develop digital maps of water and sewer infrastructure for 16 small towns across the state. The maps can then be read on a computer, using publicly available software, or projected during meetings to inform decision-making. Photos, property tax information and condition of the lines may be imbedded in the maps. The councils participating in the project are Lumber River (the project lead), High Country and Upper Coastal Plain COGs and the Mid-East Commission. The grant leveraged \$20,000 in other funding.

MONITORING, TRAINING AND OUTREACH

The Rural Center monitors grant projects, including compliance with reporting requirements, to their completion (or beyond). The Physical Infrastructure Office currently monitors over 400 active grants.

To enhance the monitoring process, the office in FY11 initiated a large-scale program of site visits. These visits enable staff to conduct on-site reviews of files and payments, view construction activities, and discuss any problems or potential new projects that communities might have. A total of 212 site visits were conducted, with some communities visited more than once because of their need for extra technical assistance. Reports were filed for each visit and photos taken of ongoing construction as a record in the project file.

In addition to working with communities on current grants, the center provides training and technical assistance to improve communities' ability to manage their infrastructure or make good development decisions. In FY11, the center sponsored three such programs.

Conservation Rates Course. This four-hour class was taught by staff from the Environmental Finance Center, housed at the University of North Carolina at Chapel Hill. Representatives from 28 communities and agencies learned how to set water and sewer rates in preparation for times of drought. The classes covered how a utility might set rates to encourage water conservation, yet collect enough revenue to cover the cost of operation. They were taught in Kinston, Raleigh and Valdese.

Asset Management for Small Towns. Asset management is a risk management concept whereby a government knows and can locate its physical infrastructure; understands the age, condition and expected useful lifespan of the infrastructure; and plans accordingly. The intent of an asset management plan is to allow the infrastructure owner to make

financial decisions about rehabilitation and replacement, or even abandonment, of the asset, depending on the level of risk the owner is willing to take.

The Rural Center's asset management training program is being conducted by GHD Inc., an international engineering firm with a branch in Charlotte. GHD developed asset management training for the U.S. Environmental Protection Agency. Fifteen towns – selected from participants in the center's Small Towns Economic Prosperity Program – are taking part in the program. The training began with a classroom session, conducted in each of the three major regions of North Carolina: mountains (Franklin), Piedmont (Greensboro) and coastal plain (Kinston). Each town then assembled lists of its water and sewer infrastructure, along with age and condition, and supplied the information to GHD engineers. Financial information about the town's enterprise funds was also collected. From this information, GHD developed a draft asset management plan for each town. Representatives delivered the draft plan and worked on modifications during a meeting with the public utility director and other leaders.

Development of the final plans continues. Ultimately, the outcome will be a network of planners, economic developers and civic leaders who know how to develop an asset management plan and implement it. The Appalachian Regional Commission is a federal partner in the project and is assisting with expenses in the mountain counties and in Surry County.

Participants in Asset Management Training

Region	County	Town
Mountain	Swain	Town of Bryson City
	McDowell	City of Marion
	Burke	Town of Valdese
	Alleghany	Town of Sparta
	Macon	Town of Franklin
	Yancey	Town of Burnsville
Piedmont	Surry	Town of Elkin
	Caswell	Town of Yanceyville
	Montgomery	Town of Mt. Gilead
	Chatham	Town of Siler City
Coastal plain	Columbus	Town of Tabor City
	Halifax	Town of Scotland Neck
	Tyrrell	Town of Columbia
	Pitt	Town of Grifton
	Bladen	Town of Elizabethtown

Wastewater Collection and Treatment Cost-Monitoring Tool for Small Communities. The Water Environment Research Foundation has developed a web-based cost-monitoring tool for small communities. This tool allows a community to build a database with number and types of wastewater users. The data can then be integrated into

a model that can estimate costs for different types of wastewater treatment. Costs for construction, operation and maintenance are projected, allowing a community to estimate revenues needed to run the system.

The Rural Center collaborated with faculty from N.C. State University and the University of Tennessee to teach for local government officials how to use the model, which is available on the Water Environment Research Foundation's website. The seven-hour class was held in five locations – Raleigh, Williamston, Elizabethtown, Boone and Cullowhee – and attracted 108 participants. Ultimately, this knowledge will better equip local government leaders to interact with consulting engineers.

RESEARCH AND INNOVATION PROGRAMS

Program Statement: Since its creation in 1987, the Rural Center has served as North Carolina's leading organization for rural innovations. Through research and development activities, the center and its partners develop practical knowledge about the underlying economic and social conditions affecting rural communities, identify critical issues and test promising strategies for improving the rural economy and quality of life. All of this informs the center's policy recommendations and advocacy at the state and federal levels. Some successful demonstrations with statewide implications have led to the creation of permanent programs within the Rural Center; others have been adopted by other organizations or spun off into independent entities.

The center carries out its research and demonstration function in two ways.

First, it undertakes its own large-scale research and demonstration initiatives. These projects address issues of critical importance to rural North Carolina or economic development strategies that hold promise for widespread replication. Priorities stem from issues and rural needs identified through discussions with rural leaders, work in communities and other research on emerging trends and enduring issues. The center's data collection and analysis activities also constitute an important part of the R&D effort and contribute to projects and products led by other divisions of the Rural Center.

Second, the center encourages other organizations to think creatively and test promising strategies of local or regional importance. Two grant programs have been established for this purpose.

- ☐ *Research and demonstration grants* provide resources to explore and evaluate the development of ideas and innovations that can become practical innovation projects with economic development outcomes.
- ☐ *Economic innovation grants*, originated in 2004, focus on innovative, ready-to-implement projects that support business activity and job creation.

The Rural Center Board of Directors makes all funding decisions. Project results are evaluated to determine a subsequent course of action, with possibilities including reports and policy recommendations.

The effectiveness and efficiency of the Research and Innovation Office are enhanced through ventures with public agencies at all levels of government and with the private sector. These partnerships result in joint planning for project initiation, financial contributions to match center resources, participation in project implementation or oversight, and assistance in developing policy responses and advocating for policy changes or modifications.

N.C. SMALL TOWNS ECONOMIC PROSPERITY PROGRAM

NC STEP is designed to support economic recovery and revitalization in small towns using a comprehensive model of capacity building, technical assistance and grantmaking. It began as a three-year demonstration in 2006 targeting 33 economically distressed small towns. In June 2008, 12 additional sites were selected to be a part of a phase II demonstration. In 2010, NC STEP was adopted as an ongoing program of the center, and in June of that year, 11 more towns were added as phase III sites.

FY11 Summary:

Strategic economic planning grants. Each phase III site received a \$25,000 grant to use in the strategic planning phase. Sites may use funds for assessments, feasibility studies, coordination and other activities. The sites were involved in the planning phase through June 2011.

Project implementation grants. Phase I sites were eligible to receive up to \$200,000 while Phase II and Phase III STEP towns are eligible for \$100,000 in grants to implement priority economic development projects developed by their strategic planning processes.

Coaching assistance. Assigned community development coaches work with leadership teams within the NC STEP towns to identify critical needs and community assets, design potential economic development initiatives, rank projects by priority and seek out financial resources. The phase I sites received follow-up staff assistance through FY10. Six of those towns are receiving an additional two years of assistance (through October 2011) on economic development projects through a cooperative arrangement with three UNC institutions. Phase II STEP towns have implementation projects under way and are projected to finish in mid FY12. Coaching began in FY11 for phase III towns and is nearing completion when they, too, will start on project implementation in FY12.

Priority consideration in other Rural Center grants programs. STEP towns receive priority consideration for other grants programs within the Rural Center during their formal participation in the program. During FY11, STEP communities received 28 Rural Center grants, totaling more than \$4.1million, over and above STEP funding.

Strengthening capacity and peer learning. STEP leadership team members attend two workshops each year to share progress and receive additional information on strategies and tools. Each workshop is offered in three locations across the state, to make them more easily accessible. Peer-to-peer learning workshops were held in September and October 2010 and drew 98 attendees. In May and June of 2011, workshops focused on how to incorporate underserved populations in economic development opportunities; 103 people attended.

Leadership training. Eighteen members of NC STEP leadership teams attended the 2011 Rural Economic Development Institute, a leadership development program of the Rural Center.

Program sites submit monthly or quarterly progress reports and financial reporting forms and materials. Rural Center staff members conduct periodic site visits. To date, implementation projects in phase I and II sites have created 660 jobs and leveraged \$18.9 million of other funding.

Phase I towns (2006)

Each site in the original demonstration received a \$20,000 planning grant and was eligible for up to \$200,000 in implementation grants. A summary of the implementation plans may be found in Appendix G.

Individual sites:

Candor, Montgomery County
Columbia, Tyrrell County
Grifton, Pitt and Lenoir counties
Marion, McDowell County
Marshall, Madison County
Maxton, Robeson County
Mount Gilead, Montgomery County
Pinetops, Edgecombe County
Plymouth, Washington County
Robbins, Moore County
Scotland Neck, Halifax County
Sparta, Alleghany County
Swan Quarter, Hyde County
Valdese, Burke County
Yanceyville, Caswell County

Cluster sites: (These towns participate as part of a cluster of communities under the direction of a lead organization, county or town.)

Bladen County Cluster: Bladenboro, Clarkton, Elizabethtown, White Lake in Bladen County. Lead: Bladen's Bloomin' Inc.

East Columbus Cluster: Bolton and Sandyfield, Columbus County; East Arcadia, Bladen County. Lead: Town of Bolton.

High Country Small Towns Cluster: Bakersville, Mitchell County; Crossnore, Avery County; Todd and West Jefferson, Ashe County; Old Fort, McDowell County. Lead: HandMade in America.

Surry Cluster: Elkin, Dobson, Pilot Mountain in Surry County. Lead: Surry County Economic Development Partnership.

Western Small Towns Cluster: Bryson City, Swain County; Village of Chimney Rock, Rutherford County; Hayesville, Clay County; Mars Hill, Madison County; Andrews, Cherokee County. Lead: HandMade in America.

Phase II towns (2008)

Towns in the phase II group received planning grants of \$30,000 and will be eligible for up to \$100,000 in implementation grants. All are completing the implementation phase. See Appendix G for plan summaries.

Bayboro, Pamlico County

Boonville, Yadkin County

Erwin, Harnett County

Forest City, Rutherford County

Franklin, Macon County

Lansing, Ashe County

Rowland, Robeson County

Tabor City, Columbus County

Weldon, Halifax County

Whitakers, Nash and Edgecombe counties

Old Fort (joining HandMade in America's High Country Cluster), McDowell County

Andrews (joining HandMade in America's Western Cluster), Cherokee County

Phase III towns (2010)

Towns in this phase received planning grants of \$25,000 and will be eligible for up to \$100,000 in implementation grants. These towns joined the program in June 2010. During FY11, the leadership team for each town hosted a community kickoff to publicize the NC STEP program to the community, recruit participants and solicit ideas for a vision for the community moving forward. The leadership team for each town works with its community coach to create an economic development strategy that guides implementation grant priorities. The planning process lasts 12 to 15 months.

Burnsville, Yancey County

Canton, Haywood County

Hertford, Perquimans County

Maysville, Jones County

Ramseur, Randolph County

Red Springs, Robeson County

Robbinsville, Graham County

Siler City, Chatham County

Star, Montgomery County

Warsaw, Duplin County

Windsor, Bertie County

DATA AND INFORMATION

The Rural Center regularly updates and refines its rural information database, which assists North Carolina leaders, rural citizens and the Rural Center in making sound decisions for effective policy and practices. One of the most widely used products is the web-based Rural Data Bank. The Data Bank includes more than 200 data points for each North Carolina county; many are also available for various regional groupings. Users may develop customized reports or view standard county, municipal and county business data profiles. The Data Bank is located at <http://www.ncruralcenter.org/rural-data-bank.html>.

RESEARCH AND DEMONSTRATION GRANTS

Research and demonstration grants support the development of research and/or policy initiatives in workforce development, business development, physical infrastructure and civic/social infrastructure. Special emphasis is given to (1) projects that lead directly to job or business creation, (2) projects that can be easily replicated in other rural communities and (3) projects that target low- and moderate-income citizens. Grant awards vary in size based upon the scope of the project and the amount of funding available.

FY11 Summary: During FY11, the Rural Center awarded one new research and demonstration grant (\$30,000 to the N.C. Minority Support Center for an impact study) and continued to administer 13 active grants. The project portfolio includes studies or activities in areas such as environmental education, workforce training and development, small town community and economic development, downtown revitalization, wealth- and asset-building strategies, and regional economic planning.

In addition to the R&D grant activity, the program commissioned a major analysis of natural economic regions across the state of North Carolina. This research project will help shape a stronger understanding of regional economic dynamics, including commuting patterns, business clusters, trade patterns and more. The analysis, to be presented through data and maps, will be designed to facilitate strategic economic decisions.

ECONOMIC INNOVATION GRANTS

Economic innovation grants are designed to spur business activity, job creation and public/private investment in North Carolina's rural communities. Projects must show that private sector jobs will be created and/or business activity increased within 24 months of the grant award.

Eligible recipients are units of local government, nonprofit organizations and educational institutions located within North Carolina's 85 rural counties or within the most economically distressed counties (Tier 1) as designated by the N.C. Department of

Commerce. Statewide and regional organizations and agencies serving such regions and communities also are eligible to apply.

FY11 Summary: During FY11, grants were awarded in three priority funding areas: rural manufacturing innovation, growth of the green economy and community-based economic innovation.

Within the three priority funding areas, two types of grants were made.

- “Seed grants” supported new, creative practices and strategies being tested in communities for the first time. They are smaller-scale efforts with a maximum award of \$75,000. Seed grants required at least a 10 percent match in additional public and private investments.
- “Scale grants” supported larger-scale projects that use innovative solutions proven in one place, rural or urban, and take them to scale in ways that bring widespread impact. Scale grants had a maximum award of \$400,000 and required a 20 percent match in additional public and private investments.

One formal round of economic innovation grant funding was available in FY11. A revised set of program guidelines, application procedures and priority funding areas was released in September 2010. Letters of intent were solicited throughout the fall and were due October 15, 2010. Following receipt and review of 102 letters of intent to apply, the center invited 25 projects to submit full proposals by December 15, 2010. Applications were reviewed by an internal team, and projects receiving funding were recommended to and approved by the board. In February, 13 projects received a total of \$1.8 million. One additional project, in development earlier, was awarded funding in November 2010. These 14 projects are expected to serve 911 businesses, and create or retain over 1,300 jobs in rural North Carolina.

One project alone – a web-based program to increase the visibility and accessibility to markets of small rural manufacturers – is expected to assist 850 companies. Another will establish a regional workforce education and training initiative focused on wind energy production and distribution in northeastern North Carolina. A third grant supports development of a medical office technology training program by the Success Dynamics Community Development Corp. in Washington County. At least 35 individuals will receive training in computer literacy, medical terminology, IT and medical technology and customized skills. The training will position them to compete for approximately 120 jobs to be created over the next three years through the expansion of a private company, JBE Inc., and for other jobs in governmental, health care, educational systems and private businesses. Project partners include Washington County, the N.C. Office of Minority Health and the Office of Rural Health and Community Care, N.C. A&T State University, Roanoke-Chowan Community College and JBE Inc.

During FY11, Rural Center staff also continued to manage all aspects of reporting, payment and evaluation of results for 46 active grants issued in prior years. Quarterly

progress reports were solicited and financial requests reviewed and processed accordingly. Technical assistance continued to be provided to these grantees.

Economic Innovation Fund—FY11

County	Grantee	Project Title	Award	Leveraged	Businesses served	Jobs created
Alexander	Catawba Valley Community College	Creating Rural NC Jobs Through New Product Development and Testing	\$300,000	\$1,330,338	16	59
Buncombe	HandMade in America	Peer Learning Coalition of HandMade Communities	\$75,000	\$8,750	3	6
Burke	Burke Development Incorporated (BDI)	BDI and Opportunity Threads Innovation Strategy	\$75,000	\$163,228	3	5
Catawba	Catawba County Economic Development Corporation	Manufactured in North Carolina: Linking Rural NC Manufacturers to the World	\$209,975	\$59,000	850	100
Chatham	Chatham County Economic Development Corporation	Chatham County Economic Gardening	\$67,500	\$7,500	6	10
Chowan	Albemarle Resource Conservation & Development Council (ARCD)	Renewable Wind Energy Economic Solutions Project	\$200,000	\$261,073	3	8
Duplin	James Sprunt Community College	Tortilla Manufacturing Company Start-Up	\$59,650	\$24,000	2	9
Graham	Graham County	Increasing Energy Efficiency at the Stanley Furniture Plant	\$400,000	\$80,000	1	8
Lenoir	North Carolina's Eastern Region	Work Ready Communities Initiative	\$210,000	\$100,000		
Orange	The University of North Carolina at Chapel Hill	Warren County Regional Food Center and Produce Pack Project	\$74,909	\$65,000	2	2
Pamlico	Pamlico Community College	Entrepreneurial Economic Enhancement	\$75,000	\$95,775	2	2
Pitt	Success Dynamics CDC	Distance Learning and Resource Centers for Health and Jobs Skill Training in Eastern NC	\$160,000	\$40,000	2	29
Rockingham	Rockingham County Business & Technology Center	BizFuel Methane Collection and Landfill Energy	\$200,000	\$2,963,300	20	60
Rutherford	Foothills Connect Business & Technology Center	Gravity Pump Manufacturing Project	\$126,200	\$58,000	1	6
Total FY11 Economic Innovations Fund			\$2,233,234	\$5,255,964	911	304

Please see Appendix H for project descriptions.

BUILDING REUSE AND RESTORATION GRANTS PROGRAM

Program Statement: Two programs currently operate under this umbrella.

The original Building Reuse and Restoration Grants Program is designed to spur economic activity and job creation by assisting in the reuse and restoration of vacant buildings. The program originated in 2004 when the General Assembly created the Economic Infrastructure Fund. Grants are targeted for communities severely affected by the loss of businesses and jobs caused by major economic transitions, with a priority toward towns with populations of fewer than 5,000.

To be eligible, a project must be ready to begin renovation with a commitment in hand for use of the building and must lead to job creation in a new or expanding business. Most projects are eligible for up to \$8,000 per job being created. Awards vary according to the type of use and location of the project. The maximum for any grant is \$480,000 or one-half the renovation cost. Grants are awarded to local governments, which work with the businesses being served.

A second program called Rural Hope (or the Rural Health Care Initiative) was launched in March 2009 to help local governments capitalize on potential new jobs in the health care industry. The program, modeled after the Building Reuse and Restoration Grants Program, provides up to \$8,000 per job created in a new or renovated health care facility. The maximum grant amount for any one project is \$480,000 in a Tier 1 or 2 county and \$240,000 in Tier 3.

Both programs require that a performance agreement promising to create the specified number of jobs be executed between the business creating the jobs and the local government applying for the grant. This contract contains a “claw-back” provision allowing the Rural Center to recapture any funds expended without correlating job creation.

Since 2004, the Building Reuse Program, Rural Hope and a one-time brownfields demonstration have funded 294 projects totaling \$39.5 million. These projects have assisted 362 businesses, created 6,059 jobs and leveraged \$541 million in other investments.

FY11 Summary: During five funding cycles starting in September 2010 and ending June 2011, the Building Reuse Program awarded 62 grants totaling \$10.7 million. They included the renovation and upfit of vacant industrial buildings for use by an automotive component manufacturer in Roxboro, a lighting manufacturer in Henderson and a furniture manufacturer in Morganton. One grant was awarded for pre-development, or planning activity, a category that has since been discontinued. All together, the grants leveraged \$197 million in other investments, assisted 71 businesses and created 1,315 full-time jobs. Thirty-six of the funded projects are located in Tier 1 counties.

Throughout FY11, Rural Center staff conducted outreach through six training sessions and workshops targeting rural chambers of commerce, economic development commissions, local governments, nonprofit entities and other potential partners in building reuse projects. In response to the difficult economic climate, the center's board of directors program modifications that increased maximum grant amounts and lessened the program's vacancy requirement. On an ongoing basis, center staff provides grant review and selection, contract development, site visits and technical assistance to prospective applicants and grantees.

Under Rural Hope, the center funded 14 grants that total nearly \$1.8 million. The projects will create 210 jobs and leverage \$63 million. The funded projects include assistance to providers of primary care, psychiatric and mental health, services for the aging, urgent care, dental care and hospital care. Four of the funded projects are located in Tier 1 counties. The Rural Center also partnered with the Golden LEAF Foundation, Appalachian Regional Commission and Kate B. Reynolds Charitable Trust to increase available grant funding for health care facilities under the Rural Hope umbrella. Two of those agencies funded 18 additional projects, and the third will make announcements in 2012.

Building Reuse and Restoration –FY11

County	Grantee	Project Title	Program	Award	Leveraged	Businesses served	Jobs created
Alexander	Alexander County	Terry Moore Ford Country	Devpt	\$48,000	\$231,673	1	6
Beaufort	Town of Belhaven	The Tavern at Jack's Nest, LLC	Devpt	\$88,000	\$362,000	1	11
Bladen	Town of Elizabethtown	Cape Fear Farmer's Market	Devpt	\$168,000	\$1,598,740	2	14
Burke	Burke County	Ekornes	Devpt	\$480,000	\$1,614,000	1	40
Caldwell	Caldwell County	Childforms LPI, Inc. Econ. Dev. Project	Devpt	\$271,256	\$1,315,235	1	30
Caldwell	City of Lenoir	Krispy Kreme	Devpt	\$160,000	\$891,000	1	20
Caldwell	Town of Cajah's Mountain	Servpro	Devpt	\$80,000	\$355,000	1	10
Chowan	Town of Edenton	Kellogg Building Supply	Devpt	\$61,250	\$488,750	1	12
Cleveland*	City of Kings Mountain	Old Stone Steakhouse & Battleground Bar	Devpt	\$108,000	\$216,000		9
Cleveland	City of Kings Mountain	First National Bank Building Rehabilitation and Reuse	Devpt	\$32,000	\$318,171	1	4
Cleveland	City of Shelby	Royster Building Rehabilitation	Devpt	\$48,000	\$114,125	1	6
Cleveland	Cleveland County	Ultra Expansion Randolph Road	Devpt	\$360,000	\$1,240,000	1	30
Columbus	City of Whiteville	Galleria International Buffet Restaurant	Devpt	\$46,308	\$47,698	1	7

County	Grantee	Project Title	Program	Award	Leveraged	Businesses served	Jobs created
Dare	Dare County	Bayliss Boatworks Building Restoration Project	Devpt	\$58,680	\$305,016	1	7
Edgecombe	City of Rocky Mount	Douglas Block - Renovate the Manhattan Theatre	Devpt	\$60,000	\$1,940,000	1	5
Edgecombe	City of Rocky Mount	Douglas Block - Renovate the Stokes Building for Physicians Practice and Spa	Devpt	\$72,000	\$1,928,000	2	6
Edgecombe	City of Rocky Mount	Renovate the Douglas Building for Subway and The Bath Place	Devpt	\$96,000	\$1,904,000	2	2
Edgecombe	City of Rocky Mount	Douglas Block - Renovate the Thorpe Building for the Bone Inn Fish	Devpt	\$60,000	\$1,940,000	1	5
Edgecombe	Edgecombe County	Jade Apparel / Glenoit Building Renovations	Devpt	\$479,652	\$3,479,653	1	100
Edgecombe	Edgecombe County	SePRO Renovation Project	Devpt	\$60,000	\$64,338	1	5
Franklin	Town of Bunn	Winstead's Grocery & Meat Market	Devpt	\$32,000	\$201,510	1	4
Halifax	Town of Scotland Neck	Biggs Building Renovation - Holten's Hardware	Devpt	\$60,000	\$65,200	1	5
Halifax	Town of Scotland Neck	La Casetta Italian Restaurant	Devpt	\$46,107	\$47,490	1	6
Haywood	Haywood County	The Imperial Hotel and Restaurant Project	Devpt	\$90,000	\$90,000	2	16
Haywood	Haywood County	Renovations of LIFESPAN Creative Campus Waynesville	Devpt	\$45,650	\$53,800	1	11
Henderson	Henderson County	UPM Raflatrac, Inc.	Devpt	\$240,000	\$10,760,000	1	34
Hertford	Town of Murfreesboro	Ace Hardware of Murfreesboro	Devpt	\$44,500	\$1,241,550	1	7
McDowell	City of Marion	5 Lane Project - Redevelopment of Vacant Gas Station	Devpt	\$29,675	\$34,325	1	4
McDowell	McDowell County	Rock Tenn Converting Company	Devpt	\$480,000	\$29,289,799	1	124
Montgomery	Town of Star	Frontier Logistics	Devpt	\$264,000	\$2,236,000	1	22
Moore	Town of Southern Pines	Trident Marketing	Devpt	\$240,000	\$509,200	1	24

County	Grantee	Project Title	Program	Award	Leveraged	Businesses served	Jobs created
Nash	City of Rocky Mount	The Jay Group Building Restoration Project	Devpt	\$420,000	\$877,414	1	35
Northampton	Town of Conway	The Corner Tavern & Grill	Devpt	\$56,000	\$87,950	1	7
Pasquotank	City of Elizabeth City	Tractor Supply Company	Devpt	\$104,000	\$717,950	1	13
Person	City of Roxboro	Old Fox & Co. Building Renovation	Devpt	\$176,000	\$445,920	3	22
Person	City of Roxboro	King Commercial Improvement	Devpt	\$120,000	\$405,536	3	10
Person	Person County	Project Drivetrain - Redevelopment of Eaton Building in Roxboro	Devpt	\$480,000	\$2,915,774	1	172
Pitt	Pitt County	Confidential Records Management Bosch	Devpt	\$168,000	\$1,080,000	1	14
Pitt	Pitt County	Figure 8 Technology	Devpt	\$85,000	\$425,000	1	8
Pitt	Pitt County	Roberts Company Fabrication Services	Devpt	\$348,000	\$2,852,000	1	29
Polk	Town of Tryon	Tryon Depot Renovation Pre-Devpt Project	Pre-Devpt	\$15,000	\$15,000	1	
Randolph	City of Archdale	Future Foam, Inc.	Devpt	\$195,722	\$202,423	1	25
Randolph	City of Archdale	Style Crest	Devpt	\$96,000	\$204,000	1	8
Randolph	City of Archdale	Paul Brayton Designs	Devpt	\$136,141	\$2,263,859	1	14
Randolph	Town of Liberty	Americhem, Inc.	Devpt	\$324,000	\$822,985	1	27
Robeson	City of Lumberton	Rogers ScreenPrinting & Embroidery, Inc.	Devpt	\$109,016	\$784,557	1	12
Robeson	Robeson County	Steven Roberts Original Desserts	Devpt	\$480,000	\$4,749,000	1	40
Rockingham	Town of Madison	Northern Belle, Inc. - Restaurant	Devpt	\$16,500	\$7,100		3
Rockingham	Town of Stoneville	Gerbing's Heated Clothing	Devpt	\$374,526	\$105,474	1	40
Rutherford	Town of Forest City	Forest City Pets	Devpt	\$48,000	\$194,000	1	6
Rutherford	Town of Rutherfordton	JD's Sports Bar and Grill	Devpt	\$48,000	\$85,283	1	6
Stokes	Stokes County	Todd Wall Building - Joyce Plumbing and The Dance & Fitness Loft	Devpt	\$24,000	\$186,000	2	5
Stokes	Stokes County	Jessup Mill	Devpt	\$32,000	\$338,585	1	4
Surry	City of Mount Airy	Burton Signworks, Inc.	Devpt	\$76,899	\$106,900	1	7
Surry	City of Mount Airy	Granite/Independence, LLC	Devpt	\$160,000	\$1,943,470	2	20

County	Grantee	Project Title	Program	Award	Leveraged	Businesses served	Jobs created
Surry	Town of Elkin	Pittsburgh Glass Works	Devpt	\$480,000	\$91,666,500	1	48
Vance	Vance County	Market Place Building Reuse Project	Devpt	\$48,000	\$1,247,734	1	6
Vance	Vance County	Purolator Plant Reuse Project	Devpt	\$480,000	\$526,050	1	40
Vance	Vance County	Semprius	Devpt	\$550,000	\$8,450,000	1	51
Warren	Town of Warrenton	108 South Main Street ReDevelopment	Devpt	\$56,000	\$368,820	2	7
Wilson	City of Wilson	Reflective Recycling, Inc.	Devpt	\$480,000	\$6,356,000	1	40
Wilson	Wilson County	Leaf (Select Tobacco, Inc.)	Devpt	\$80,000	\$2,091,483	1	10

**Total FY11
Building Reuse**

\$10,675,882

\$197,405,395

71

1,315

* Additional grant for previously funded project.
Please see Appendix I for project descriptions.

Rural Hope (Health Care Initiative) Grants—FY11

County	Grantee	Project Title	Program	Award	Leveraged	Businesses served	Jobs created
Brunswick	Brunswick County	Impatient Hospice Care Center	Devpt	\$80,000	\$4,910,615	1	10
Caldwell	Caldwell County	New Site for Collettsville Medical Center	Devpt	\$80,000	\$1,064,000	1	10
Cleveland	City of Shelby	Dental Works	Devpt	\$96,000	\$702,990	1	12
Halifax	Halifax County	Halifax Regional Wound Care Center	Devpt	\$172,171	\$487,307	1	22
Harnett	Town of Erwin	Good Hope Hospital Renovation	Devpt	\$168,000	\$2,379,070	1	21
Haywood	Haywood County	Haywood Regional Medical Center Psychiatric Evaluation Area	Devpt	\$88,000	\$146,158	1	11
Jackson	Jackson County, N.C.	Sylva Urgent Care	Devpt	\$104,000	\$460,150	1	13
Moore	Town of Southern Pines	MFCC Facility Expansion	Devpt	\$40,000	\$182,900	1	5
Nash	Nash County	Middlesex Medical Clinic	Devpt	\$32,000	\$3,065,300	2	4
Pitt	Pitt County	New Jobs and Clinical Training Opportunities in the Rural Healthcare Sector through University Health Systems Children's Hospital Renovation and Addition Project	Devpt	\$400,000	\$47,819,000	1	50
Rutherford	Rutherford County	Community Clinic Renovation	Devpt	\$64,000	\$663,000	1	8
Stanly	City of Albemarle	Dest Family Dentistry Building Reuse Project	Devpt	\$63,545	\$577,600	1	6
Stanly	Stanly County	Premiere Services of the Carolinas	Devpt	\$311,441	\$720,791	1	30
Transylvania	Transylvania County	Satellite Health Center - Transylvania	Devpt	\$57,500	\$302,500	1	8
Total FY11 Rural Healthcare				\$1,756,657	\$63,481,381	15	210

Please see Appendix J for project descriptions.

BUSINESS FINANCE PROGRAMS

Program Statement: A primary focus of the Business Development Office of the Rural Center is to provide financing to new and growing businesses in rural counties. These financing programs increase access to capital for women, minorities and low-wealth entrepreneurs and provide flexible capital to companies that cannot access traditional bank financing or venture capital. The programs encourage the development and expansion of viable enterprises that create wealth for families and communities as well as provide living wage job opportunities.

The center currently operates three programs. The Rural Venture Fund and the North Carolina Microenterprise Loan Program have received state funding. These programs and their accomplishments are described in more detail below.

In addition, Governor Perdue designated the Rural Center to administer \$46.1 million in funds through the federal Small Business Jobs Act of 2010. With the funding, the center has relaunched the N.C. Capital Access Program to expand finance options for businesses in all 100 counties. The program reduces lender risk by creating a pooled loan loss reserve fund. In this way, it encourages banks and other qualified lenders to consider loans that otherwise fall just outside conventional underwriting standards.

RURAL VENTURE FUND

The Rural Center created the Rural Venture Fund to offer flexible financing options for qualified businesses in economically distressed rural counties of North Carolina, with an emphasis on Tier 1 counties. Investments carry the expectation of a return, but on less demanding terms and over a longer period of time than required by traditional venture capital. Investments range from \$100,000 to \$350,000 and have a five-year life. Eligible businesses must demonstrate growth potential and must show that the owner would not receive financing “but for” this fund. Through collaboration with the Small Business and Technology Development Center, several UNC business schools assist in developing data, conducting due diligence research and preparing thorough analyses for potential RVF applicant firms. This collaboration also supports the center in providing targeted, post-deal technical assistance, to help clients in the successful management of their long-term growth.

Creation of the Rural Venture Fund was announced in fall 2007. It is capitalized at \$6.8 million, with investments from the N.C. General Assembly, Golden LEAF and the Rural Center. It made its first investment in January 2008. Since inception, the fund has approved 12 investments totaling \$3.5 million in rural companies.

FY11 Summary: During FY11, the fund approved one new investment, for \$350,000. LSA America, an aircraft manufacturer, used the proceeds to locate its facility in Tier 1 Halifax County. LSA is owned by Doug and Betty Hempstead and is the FAA-approved manufacturer of the Allegro Light Sport Aircraft. It has completed its first two aircraft, which are scheduled to be delivered to customers by early fall. The owners anticipate that

the loan will create 33 new jobs over the next three years. In addition the RVF financing, LSA received a One North Carolina grant from the Department of Commerce and secured several equity investments. Other partners that helped make this project possible include the Small Business and Technology Center, Halifax County Economic Development Commission, Halifax County Business Horizons, the Town of Littleton, North Carolina's Northeast Commission and the Halifax-Northampton Regional Airport Authority.

VX Aerospace Corp. prepaid its RVF loan in the second quarter. The company has experienced strong demand for its military helicopter replacement parts.

Collection proceedings are pending for four companies.

In response to 2010 and 2011 declines in loan volume, Rural Center management is considering revisions to the Rural Venture Fund program. In addition to increasing deal flow, a key objective is to improve borrower performance during the term of the loan.

NORTH CAROLINA MICROENTERPRISE LOAN PROGRAM

The North Carolina Microenterprise Loan Program, launched in 1989, helps rural people become self-sufficient by supporting opportunities for self-employment and small business growth. The program provides loans up to \$25,000 in combination with business planning and technical assistance for the start-up or expansion of small businesses by individuals who have sound ideas but may not qualify for traditional bank financing.

The program serves all 85 rural counties. Special emphasis is given to serving low-income, female and minority applicants.

Loan decisions are based on credit, income, collateral and a solid business plan. Entrepreneurs may submit loan applications directly to the Rural Center, or they may submit applications through one of 74 microenterprise intake professionals in rural counties across the state. Intake professionals are affiliated with the small business centers of community colleges, community development corporations and other economic development organizations. They provide program information and small business technical assistance and close approved loans.

Technical assistance to entrepreneurs and prospective entrepreneurs is an important element of the program's work. In addition to one-on-one assistance for borrowers, the Rural Center conducts financial literacy workshops. The workshops cover how individuals can improve credit worthiness, with an emphasis on increasing chances for business loan approvals.

FY11 Summary: During FY11, the program made 34 loans totaling \$415,175. The average loan size was \$5,433. Of the loans made, 53 percent went to women, 47 percent

to minorities and 47 percent to households with low incomes. Staff also conducted 31 financial literacy workshops attended by 852 participants.

Businesses receiving loans included retail stores (food, dolls, hardware, picture frames, furniture), a go-cart race track, a home health care agency, three trucking companies, two dog salons, an auto detailing business, two restaurants and two hair salons.

SMALL BUSINESS ASSISTANCE FUND

The Rural Center, in partnership with Golden LEAF and Self-Help, created a new small business loan program that will make up to \$27.5 million available for small businesses in North Carolina. The fund is a result of the General Assembly's appropriation of \$500,000 to the Rural Center in FY09 to "be used to support existing small businesses." Golden LEAF added \$5 million. This \$5.5 million capitalized a loan loss reserve pool (the Small Business Assistance Fund) to make more money available to businesses in a tight credit market. The loans may be used for facilities, equipment or working capital. Self-Help administers the loan fund. In FY10, the General Assembly appropriated an additional \$1 million to the center to continue the Small Business Assistance Fund and leverage an additional \$5 million in loans to small businesses.

FY11 Summary: The Small Business Assistance Fund was officially launched November 1, 2009. By June 30, 2011, Self-Help had closed on 85 loans backed by the state appropriations. The loans totaled \$2,738,907 and will create or retain 480 jobs in 29 counties. These numbers exclude loans related to Golden LEAF's commitment of funds. Industry representation within the portfolio includes: agriculture/aquaculture, child care, construction trades, health care, manufacturing, retail (including a restaurant and grocery store) and services (including auto parts, auto repair and service, landscaping, and professional services such as accounting). For every \$1 invested in the loan loss reserve pool by the Rural Center, Self-Help pledges to lend \$5 to a small business. As of June 30, 2011, \$414,704 in Rural Center funds had been leveraged. Self-Help is on track to leverage the full \$1.5 million from FY09 and FY10 appropriations by the end of October 2012.

COMMUNITY ECONOMIC DEVELOPMENT GRANTS PROGRAM

Program Statement: The Rural Center has administered the Community Economic Development Grants Program since 1988. The program is designed to help new and emerging community development corporations working in low-income and minority communities build their capacity by providing grants for operations and staff support.

CDCs are community-based organizations that act as catalysts for the revitalization of their communities and local economies. In many cases, these organizations succeed where both government and the private sector have failed, by creating neighborhood partnerships to address community needs and by undertaking projects that create opportunities for home ownership, small business development and human resource improvements.

Funds administered by the Rural Center have helped CDCs spur investments from the federal government, state government, banks, foundations, corporations and other organizations. CDCs have grown from around a dozen in 1988 to as many as 80 across the state today. Although these organizations are locally based and controlled, they are a part of a national network that includes an estimated 3,000 organizations nationwide.

As part of its grant administration, the Rural Center provides technical assistance tailored to the needs of each organization. To support this work, it obtains from each grantee a work plan outlining organizational activities to be accomplished during the upcoming 12 months, along with financial reports and accounting policies. The need for technical assistance has become more acute as the CDCs have matured and taken on larger-scale projects. Another current challenge is finding financing for small business development, land acquisition, training, predevelopment and related development needs.

Reductions in state appropriations for FY10 and FY11, a result of budget shortfalls, created an especially great challenge for CDCs. Even small reductions represent a significant portion of the typical CDC annual budget. While center support for many of these organizations is critical to their survival, especially in the early stages of organizational development, the Rural Center stresses the need for each to develop a plan to diversify funding resources. For the Rural Center, one of the most important evaluation indicators is the grantee's ability to leverage additional resources.

FY11 Summary: The center received 36 grant applications representing \$1.4 million in requests. Twenty-two organizations were funded, with grants totaling just under \$940,000. Twenty-one organizations supported by the program in previous years received funding for another year. One group, Regeneration CDC, was awarded a first-time grant. Of the awards made, funds were suspended during the year for Quality of Life Association (QUOLA) in Hertford and UHURU CDC in Northampton County because of IRS issues regarding unpaid employee taxes. Both organizations are in negotiations with the IRS to develop plans for working through the issues. Rural Center grants helped the funded CDCs leverage an additional \$2.1 million for programs. Collectively the CDCs developed 10 housing units, prevented 617 home foreclosures, assisted 328 businesses,

completed 115 weatherization projects, hosted 117 job-training workshops, created 194 jobs and served 25,200 citizens.

Community Economic Development Grants – FY11

County	Grantee	Amount Requested*	Amount Granted
Brunswick	Countywide Community Development Corp.	\$65,000	\$43,870
Buncombe	Eagle/Market Streets Development Corp.	\$65,000	\$46,800
Burke	Olive Hill Community Economic Development Corp.	\$65,000	\$46,310
Cherokee	One Dozen Who Care Inc.	\$65,000	\$46,800
Columbus	Columbus County DREAM Center	\$65,000	\$46,800
Cumberland	Cumberland Regional Improvement Corp.	\$38,800	\$46,310
Forsyth	Goler-Depot Street Renaissance Community Development Corp.	\$65,000	\$46,800
Greene	Rosenwald Center for Cultural Enrichment	\$65,000	\$34,130
Guilford	Triad Economic Development Corp.	\$65,000	\$39,000
Halifax	Regeneration Development Group	\$35,000	\$29,250
Hertford	Quality of Life Association (QUOLA) (funds suspended)	\$65,000	\$48,750
Hoke	Blue Springs-Hoke County Community Development Corp.	\$65,000	\$51,670
Northampton	UHURU Community Development Corp. (funds suspended)	\$65,000	\$34,130
Pamlico	Bayboro Development Center	\$66,471	\$52,650
Pasquotank, Camden, Perquimans, Gates, Currituck, Dare, Chowan	River City Community Development Corp.	\$65,000	\$53,620
Rutherford	Community Empowerment Project CDC	\$50,000	\$29,250
Sampson	Sampson County Community Development Corp.	\$65,000	\$39,000
Tyrrell, Hyde, Chowan, Washington	Tyrrell County Community Development Corp.	\$65,000	\$53,630
Wake, Franklin	Restoration Community Development Corp.	\$65,000	\$42,900
Warren	Warren Family Institute	\$65,000	\$35,000
Washington	New Life Community Development Corp.	\$65,000	\$39,000
Wilkes	Appalachian Housing Initiative Community Development Corp.	\$65,000	\$34,130

Total FY11 Community Economic Development \$1,360,271 \$939,800

* 14 other requests, for a total of \$490,000 were not granted.

Please refer to Appendix K for description of CDC programs.

AGRICULTURAL ADVANCEMENT CONSORTIUM

Program Statement: The Agricultural Advancement Consortium promotes the benefits of a strong farm sector and considers new ways to increase farm profitability. A key function of the consortium has been to fund projects and studies that lead to new agribusiness opportunities. It also monitors and responds to legislative, regulatory, programmatic and market changes that affect the profitability of farming. Its members include North Carolina's foremost leadership in agriculture, business and public policy. The N.C. General Assembly established the consortium in 2000 in response to a recommendation of the Rural Prosperity Task Force. The consortium, which meets quarterly, is staffed and housed by the Rural Center.

FY11 Summary: Throughout FY11 the consortium identified opportunities and challenges facing North Carolina's agriculture industry and took steps to address these issues. The major initiatives included:

Family Farm Innovation Fund. The consortium is leading a statewide initiative to assist North Carolina's farmers in recovering from the recession. In conjunction with five state and local programs, the Family Farm Innovation Fund is providing over \$18.4 million in grants to more than 1,500 farmers and will assist another 2,400 farmers with technical assistance. The grants go to projects that lower energy costs, develop new value-added products and create new sources of farm income.

State funding for the program complements money available through federal appropriations and the N.C. Tobacco Trust Fund Commission. Together, they support:

- Rural Energy for America Program. Administered by the USDA Office of Rural Development, REAP grants and guaranteed loans help farmers, ranchers and rural small businesses with energy efficiency improvements and renewable energy projects.
- Value-Added Producer Grants. These USDA-Rural Development grants help farmers produce and market value-added agricultural products.
- Farm Energy Efficiency Project. The N.C. Farm Bureau project provides low-cost energy audits and grants to help farmers boost energy efficiency. The energy audits and grants may be used to fulfill requirements of USDA's REAP program.
- Tobacco Communities Reinvestment Fund. A program of the Rural Advancement Foundation International-USA, the fund offers cost-share grants to help farmers develop new sources of income.
- N.C. Value-Added Cost-Share Program. Administered by N.C. MarketReady and the N.C. Agricultural Foundation, the program provides assistance with grantwriting, feasibility assessment, matching funds and equipment to help farmers implement value-added production. The assistance may be used in

applying for the USDA Value-Added Producer Grants.

North Carolina Drought Recovery Program. The consortium closed out the North Carolina Agriculture Drought Program in June 2011. This program provided farmers with over \$12 million in cost-share grants help them recover from the 2007-08 drought and improve their readiness for future droughts. Through the program, farmers renovated over 20,413 acres of pasture, drilled or re-drilled 632 wells and constructed or dredged 153 ponds. The program also provided technical assistance for more than 5,600 producers.

Food Processing. The consortium established the North Carolina Food Processing Working Group. This body meets quarterly to determine ways to encourage growth of the food processing industry in general and specifically to increase the amount of North Carolina farm products being processed within the state. The working group helped facilitate the establishment of Empire Foods in Halifax County, which is expected to employ over 200 people. The working group also completed a statewide analysis of the food processing industry to serve as a reference guide in its work.

Grant Awards. The consortium awards grants to eligible groups for the research and development of alternative crops, new markets, innovative production techniques and new marketing strategies to sustain or improve the profitability of farming in North Carolina. It awarded seven grants totaling \$1 million in FY11. These included grants for the implementation of the Family Farm Innovation Fund (above), research into the potential for 4-H camp kitchens to be used in the off-season as shared-use kitchens, a pilot strawberry crop insurance program, a food safety forum and a certification program in agricultural biotechnology.

Agricultural Advancement Consortium Grants—FY11

County	Grantee	Project Title	Grant
Buncombe	Smithson Mills Inc.	4-H Kitchens / Shared Use Feasibility Study	\$17,000
Chatham	Rural Advancement Foundation International-USA	Family Farm Innovation Fund - Tobacco Reinvestment Program	\$352,225
Chatham	Rural Advancement Foundation International-USA	Crop Insurance for North Carolina Strawberry Growers	\$30,000
Wake	NC State University	Biotechnology Certification (B-CERT) Curriculum Development Project	\$20,000
Wake	North Carolina Agricultural Foundation, Inc.	Family Farm Innovation Fund - Market Ready Program	\$148,500
Wake	North Carolina Department of Agriculture and Consumer Services	Commissioner's Food Safety Forum	\$5,000
Wake	North Carolina Farm Bureau Legal Foundation, Inc.	Family Farm Innovation Fund - FEEP Farm Energy Efficiency Program	\$468,025

Total FY11 Agricultural Advancement Consortium \$1,040,750

Please refer to Appendix L for project descriptions.

INSTITUTE FOR RURAL ENTREPRENEURSHIP

Program Statement: The Institute for Rural Entrepreneurship collaborates with other organizations and with policy makers to stimulate and support the development of micro, small and medium-size enterprises in North Carolina's 85 rural counties. Its goals are to:

- ☐ Develop a culture in rural communities that views entrepreneurship as a viable option for economic opportunity
- ☐ Support overall improvement in the vitality of the small business community in rural areas
- ☐ Support self-employment as an important source of jobs and income in rural North Carolina
- ☐ Support development of entrepreneurial companies -- new and existing -- that can grow and generate jobs and wealth in rural communities

Its work has ranged from organizing a statewide alliance of business service providers to sponsoring entrepreneurship development seminars for community leaders.

Since its inception in 2003, the institute has leveraged its annual operating funds with more than \$5 million in additional funding beyond the state appropriation. This has included participation in two national demonstrations in support of rural entrepreneurship. The Kellogg-funded Rural Entrepreneurship Development System project ran from 2005 through 2008. It was designed to create a "no wrong door" approach to service delivery for rural entrepreneurs, ensuring they can readily access education and training opportunities, technical assistance, capital sources and entrepreneurial networks. A subsequent state-funded program has helped two multicounty groups create regional entrepreneurship systems. In addition, in 2008, the Rural Center and state partners won a grant from the U.S. Department of Labor to become a demonstration site for Growing America through Entrepreneurship (GATE), a three-year project geared toward dislocated workers interested in self-employment. In North Carolina, the project specifically focused on rural workers. With 227 jobs created, Project GATE has been successful enough to draw a commitment from the state's Division of Workforce Development to fund it for an additional year through 2012.

RURAL EDS II DEMONSTRATION PROJECT

The state-funded Rural Entrepreneurship Development System II project supports the development of regional entrepreneurship efforts in rural North Carolina and builds on lessons learned during the earlier demonstration funded by the Kellogg Foundation. The goals are to: (1) broaden the pipeline of entrepreneurial talent of all ages; (2) create seamless systems for delivering entrepreneurship education, coaching, technical assistance, financing, networking and community support to rural entrepreneurs; and (3) create a local culture that celebrates and supports innovation and entrepreneurship. The project also connects entrepreneurs and communities in the regions with other Rural Center programs that support business development.

In spring 2008 the center held a statewide competitive process that resulted in the selection of two multicounty regions to participate in the Rural EDS II project. Announced in June 2008 and supported into the fall of 2011, the two Rural EDS II regions are:

- 1) **Southeast Entrepreneurial Alliance**, covering Bladen, Columbus, Hoke, Robeson and Scotland counties. The coordinator is based at UNC-Pembroke's Regional Center for Economic, Community and Professional Development.
- 2) **Northeast Entrepreneurial Team**, covering Pasquotank, Perquimans, Camden, Chowan and Gates counties. The coordinator is based at River City Community Development Corp.

In addition, in fall 2010 the center offered a competitive grant process resulting in five mini-grants of \$10,000 each to conduct short-term projects ending June 30, 2011. These included one youth entrepreneurship network, two regional business plan competitions and two multi-county entrepreneur networks.

FY11 Summary:

Rural EDS II regions, northeast and southeast:

- ❑ The coordinators for the two regions participated in a variety of entrepreneurship meetings and business expos of their own initiative and with other partners, including chambers of commerce, universities, youth alliances and faith-based groups. The coordinators work to incorporate an entrepreneurship focus into initiatives about broader economic development and education issues. In the southeast there is a collaborative relationship with American Indian organizations.
- ❑ The two coordinators each fielded dozens of inquiries from aspiring entrepreneurs and invited them to local events relevant to their interests, such as green job summits or informal groups of entrepreneurs promoting local food systems.
- ❑ Both coordinators are active in encouraging more entrepreneurship educational opportunities in the middle and high schools of their local systems, urging teachers and community development partners to attend NC REAL and similar training institutes and participating in youth entrepreneurship summer camps.
- ❑ Contractors from Good Work and Partnership for Strong Communities provided frequent consultation by phone and occasionally in person with the two coordinators.
- ❑ Evaluation contractors Entnetworks and the RUPRI Center for Rural Entrepreneurship conducted site visits to assess progress. Center staff is addressing the evaluators' concerns through greater direct involvement in both regions, including the steps that follow.
- ❑ Center staff held an all-day retreat for both northeast and southeast teams in Raleigh on January 25, 2011, to identify short-term ways for each region to create visibility and impact that will attract partners and funders to keep it going after the state funding runs out in fall 2011.

- ❑ Center staff participated in all-day retreats with the teams in each region to discuss further the aspects of the work that will continue after fall 2011. The Southeast Entrepreneurial Alliance met in Hoke County on May 17, 2011, and developed plans to continue to nurture a few small sector-specific networks of entrepreneurs. The Northeast Entrepreneurial Team gathered in Gates County on June 8, 2011, and developed plans for a regional service provider network and website as well as a youth entrepreneurship project. Both regions benefited from the active engagement of their regional universities, UNC-Pembroke and Elizabeth City State University.
- ❑ Center staff helped strengthen the connections of the Southeastern Entrepreneurial Alliance to the mainstream economic developers in the region, including North Carolina's Southeast Commission and local economic developers in the participating counties.
- ❑ Center staff helped strengthen the connections of the Northeast Entrepreneurial Team to the Northeast Commission (16 counties) and the Albemarle Commission and Workforce Development Board (10 counties). Both regional groups participated in the sustainability retreat in June 2011 in Gates County.
- ❑ Center staff conducted two Energizing Entrepreneurship Express one-day training seminars that result in short-term community-based action plans for supporting local rural entrepreneurs. The session in Pilot Mountain on August 17, 2010, drew 90 participants from 11 community teams from the Piedmont Triad and northwest regions. The session in Windsor on October 21, 2010, drew 75 participants from 12 community teams from eastern and central North Carolina.

Entrepreneurial regions mini-grants:

- **Building Regional Youth Entrepreneurship** focused on youth 11 to 20 in Buncombe, Haywood, Madison and McDowell counties. Partners included community colleges, public schools and NC REAL Enterprises. They held a regional youth entrepreneurship camp June 13-17, 2011, at Asheville-Buncombe Technical Community College. They engaged teachers and other youth leaders from all their counties in discussions about how to continue to create entrepreneurship opportunities for high school and community college students.
- **Regional Business Plan Competition** for new and existing small businesses in Alleghany, Ashe and Wilkes counties. Partners included economic development agencies, the chamber of commerce and the community college. The competition awards ceremony was held on June 14, 2011, in Wilkesboro and honored three start-ups and three small businesses from the region.
- **Entrepreneur Open of Southeastern North Carolina** was a business plan competition with supporting technical assistance for participating businesses in Bladen, Brunswick, Columbus, New Hanover, Pender, Richmond, Robeson, Sampson and Scotland counties. Seven community college small business centers and North Carolina's Southeast Commission collaborated on the project. Each small business center provided counseling to the applicants from its service area.

The final judging and the awards event were held on June 15, 2011, at Brunswick Community College in Leland. The team is interested in repeating the competition in future years.

- **The Entrepreneur Network** established a business network and website for entrepreneurs in Hoke, Moore, Richmond and Scotland counties. The project involved four local chambers of commerce working together. The chambers held networking events in Richmond and Moore counties and plan to continue to rotate the hosting of occasional events in the future. The website www.nc-ten.com is a portal for entrepreneurs in the four counties and will be maintained by the Scotland County Chamber of Commerce.
- **Tri-South Entrepreneur Network** is a new network of service providers and entrepreneurs in Chatham, Harnett, Lee and Moore counties. The partners -- four economic development corporations and two community college small business centers -- also deployed a business resource website called Tools for Business Success. During the grant period, the team held networking events in Chatham and Moore counties, and Tools for Business Success was accessed by 421 unique visitors in Chatham, 662 in Harnett, 866 in Lee and 500 in Moore. The project leaders say the main legacy of the mini-grant is a platform for the ongoing cooperation of the partners serving entrepreneurs in the four counties.

OTHER INSTITUTE HIGHLIGHTS

Like the Rural EDS II project, the other work of the institute involves active collaborations with small business and economic development partners.

FY11 Summary:

The Rural Center facilitates the Entrepreneurship and Innovation Alliance (formerly the Business Resource Alliance), a group of state and regional agencies that support and champion entrepreneurs. Alliance members include state and federal agencies, universities, state associations, entrepreneurial nonprofits and private capital providers. Hosts for quarterly meetings in FY11 were the Center for Sustainable Enterprise, the N.C. commissioner for small business, and the Institute for Emerging Issues.

The N.C. Entrepreneurship Summit is a creation of the alliance. Center staff helped plan the summit in Wilmington September 19-20, 2010. The state commissioner for small business has helped to bring the event under the governor's auspices, effective January 2011, with a commitment to hold it every fall. The summit targets the champions of entrepreneurship, from policy makers to community leaders and business counselors, as well as public-minded entrepreneurs. Center staff is leading a team of alliance partners in program development for the 2011 N.C. Governor's Entrepreneurship Summit slated for September 21-22, 2011, in Durham.

The statewide Hop on the Bus high school business plan competition has involved over 1,000 students from dozens of counties across the state since 2006. It is now coordinated by the N.C. Department of Public Instruction in close collaboration with NC REAL Enterprises and the N.C. Rural Center. Under grant funding from the Citi Foundation, center staff expanded the competition to a semi-annual offering, enhanced the competition content and increased its outreach to low-income and rural school districts.

In addition, in FY11 the institute:

- ☐ Continued participation in the N.C. Department of Commerce's marketing campaign and referral system for Business Link NC. The effort was a natural outgrowth of the ongoing collaboration of the Entrepreneurship and Innovation Alliance.
- ☐ Continued to support rural partners in developing regional service provider networks and executing high-quality community entrepreneurship expos and training workshops
- ☐ Helped procure outside funding for Project GATE, described below

Project GATE, or Growing America through Entrepreneurship, helps laid-off workers explore options for starting their own businesses. It provides access to free, one-on-one business counseling and scholarships for business management and vocational training. Project GATE is part of a federally funded demonstration spanning fiscal years 2009-2011. Its statewide team includes the N.C. Department of Commerce, small business centers of community colleges, JobLink Career Centers, employment security offices and NC REAL. The Rural Center manages the daily project operations and staffs a virtual site that works in tandem with eight community college-based sites to deliver services to dislocated workers interested in entrepreneurship. Workers eligible for Workforce Investment Act benefits can apply to GATE and, if admitted to the program, receive free assessment, training and coaching in starting a business to employ themselves and perhaps others. GATE is a strong demonstration in North Carolina, with more than 880 scholarships awarded in 68 counties. GATE clients have started 114 business and created 227 jobs since the program launched in April 2009. Six GATE clients have received business loans through the center's Microenterprise Loan Program. The institute has now secured funds from the N.C. Division of Workforce Development to continue GATE through 2012.

WORKFORCE DEVELOPMENT

Program Statement: The Rural Center Workforce Development Office oversees workforce development demonstration projects, engages in advocacy related to training and other workforce activities, and conducts research.

FY11 Summary: Major workforce development activities in FY11 included policy advocacy, promotion of collaborative workforce development strategies, and the oversight and completion of a round of grants for local communities responding to the needs of the unemployed.

Advocacy. Rural Center staff serves on the leadership council of the National Skills Coalition, a national advocacy organization that represents the views of a broad array of workforce development stakeholders (businesses, unions, workforce agencies and others). Staff participated in Capitol Hill visits in February, helped shape National Skills Coalition policy stances and strategies, and provided information to congressional staff throughout the year on federal Workforce Investment Act and Trade Adjustment Assistance policy proposals.

Promotion of collaborative workforce development. Rural Center staff disseminated findings of research and presented to a variety of organizations on strategies to better align workforce and economic development efforts and on closer collaboration between public agencies and nonprofit organizations. These included:

- Keynote address before 100 workforce and economic development leaders in eastern North Carolina at Turning Point Workforce Development Board's September 2010 Workforce and Economic Summit
- Presentations for the N.C. Employment and Training Association Board of Directors and at the Workforce Development Partnership Conference (JobLink system leaders and staff), Human Resources Development-Career Readiness Certificate Training Academy (community college leaders/managers), Rural Economic Development Institute and other groups
- Continued training and technical assistance to Community Mobilization grantees (see below) on collaboration and demand-driven workforce development

Rural Community Mobilization Project. Since September 2009, the Rural Center had been leading the Rural Community Mobilization Project to enable rural communities to respond to the economic downturn and the needs of the unemployed. The project was originally funded in FY10 with \$700,000 from the federal American Recovery and Reinvestment Act through the N.C. Department of Commerce's Division of Workforce Development. During FY11, the Rural Center received an additional \$288,000, bringing total ARRA/Commerce investment for the project to \$988,000. The Rural Center has provided its own investment and in-kind services, totaling of \$72,000 since September 2009, in the form of staff salaries, meetings, travel and research/evaluation.

Under the project, the Rural Center reviewed communities' proposals to serve dislocated workers and other eligible adults and awarded grants to organizations that demonstrated a

capacity to collaborate, provide value-added workforce development services and provide impacts in terms of skill upgrades, credentials and jobs for project participants. Grantees (located in high-unemployment rural counties) included community colleges, community-based organizations and a chamber of commerce. Examples of services provided by grantees included:

- Jobs and skills training (in areas such as health care, green jobs, entrepreneurship and computer skills)
- Employability training
- Career assessment and guidance
- Supportive services (paying for child care or transportation for those in training or looking for jobs)
- Job placement assistance
- Job/services expos
- Assistance accessing public services through the creation of Benefit Bank sites (information on tax benefits/public services) and SHARE Network Access Points (connecting people to JobLink)
- Career Center services)

In addition, some sites had “problem-solving grants” and worked with other organizations and with dislocated workers themselves to identify and address community capacity needs.

All community mobilization grants involved new or expanded collaboration:

- public workforce development with nonprofit organizations; and/or
- workforce development with economic development leaders or businesses

The first round of the project ended on June 15, 2011. At project completion, the community mobilization projects had produced the following activities and outcomes:

- 1,821 rural North Carolinians served, including 654 dislocated workers and 1,167 other unemployed
- or underemployed individuals
- 936 individuals participated in education or job-related training
- 576 participants earned a job-related credential
- 734 participants assisted with case management, coaching, assessment and/or career guidance
- 410 participants received supportive services (transportation or child care assistance) or a stipend
- More than 60,000 training contact hours
- 322 had obtained a new job with the help of the project
- 6 participants had started their own business

SUPPLEMENTAL GRANTS FOR INFRASTRUCTURE AND BUSINESS DEVELOPMENT

Program Statement: Supplemental grants for infrastructure and business development help fund critical economic development projects that might otherwise be outside the timeline or geographic area of a specific grant program. They are targeted to local governments and nonprofits. These funds are administered with the same rigorous oversight and follow-up as other grant programs of the Rural Center, including requirements for contractual arrangements, a negotiated scope of work, regular monthly and quarterly reports, and final follow-up analysis.

FY11 Summary: Two grants totaling \$100,000 were awarded during FY11. Both grants were awarded to nonprofit economic development organizations. These combined projects will leverage an additional \$373,000. A third grant was approved but later deobligated.

Infrastructure and Business Development—FY11

County	Grantee	Project Title	Award	Leveraged
Haywood	N.C. International Folk Festival - Folkmoot USA	Expand Marketing & Media Outreach of Annual Folkmoot Festival, Strengthen Performances and Increase Performing Groups	\$50,000	\$302,000
Buncombe	WNC Communities	Support FY11 Program of Work - Provide Forum for Leaders in Mountain Region to Convene and Collaborate in an Effort to Enhance Agricultural Economy	\$50,000	\$71,000
Total FY11 Appropriation / Supplemental & Business Development			\$100,000	\$373,000

Please refer to Appendix M for project descriptions.

OPPORTUNITIES INDUSTRIALIZATION CENTERS

Opportunities Industrialization Centers are nonprofit organizations that operate through a network of local affiliates. Founded in 1968 by the Rev. Leon H. Sullivan, OIC of America has 60 affiliates in 32 states.

OICs continue to be leaders in providing quality education, training, and employment and housing services to economically disadvantaged people of all races and backgrounds, enabling them to become self-sufficient and to build wealth.

As directed by legislation, the Rural Center administers the funds appropriated to the Opportunities Industrialization Centers on behalf of the North Carolina General Assembly.

FY11 Summary: In FY11, four OICs received funding of \$77,000 each. All were certified as active by OIC of America at the time of contracting. Receiving funding were OICs located in Asheville, Greensboro, Rocky Mount and Wilson. Elizabeth City OIC and Kinston OIC, which were funded in prior years, are under organizational/program review and did not receive FY11 grants. Please see Appendix N for details on OIC activity.

APPENDIX A

FINANCIAL INFORMATION

Note on financial information

The information in the following table provides an unaudited summary of revenues and expenses and changes in net assets for the fiscal year ended June 30, 2011. The center's financial and compliance audit for the fiscal year ended June 30, 2011, is currently underway.

Rural Economic Development Center, Inc.
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2011

	Unrestricted		Temporarily Restricted							Total
	General Administration	e-NC Authority	General Administration	Research and Innovation	Physical Infrastructure	Business Development	Civic and Social Infrastructure	Workforce Development	e-NC Authority	
Revenues:										
Grants and gifts:										
Federal government	1,103,955	1,029,232	-	-	-	-	-	-	-	2,133,187
State of North Carolina	1,396,213	426,564	-	-	-	-	-	-	-	1,822,777
Administration	-	-	-	3,278,314	8,747,289	2,317,786	10,746,380	-	-	25,397,797
Programs	-	-	-	-	3,579,527	-	-	-	-	3,579,527
Clean Water Bond Funds	-	-	-	-	-	802,992	-	-	-	1,600,215
Other	-	-	-	112,000	-	-	-	-	-	797,223
Foundations	110,800	-	-	-	-	-	-	-	-	222,800
Contract revenue	518,829	70,273	-	-	-	-	-	-	-	589,102
Investment income	881,448	3,204	-	-	1,044,346	169,366	-	-	-	2,098,364
Indirect cost reimbursement	-	246,541	-	-	-	-	-	-	-	594,075
Other income	59,307	-	-	12,284	-	23,124	-	-	-	94,715
Interfund transfers	(367,097)	(201,705)	(5,000)	387,393	-	(11,849)	(3,447)	-	201,705	-
Total revenues and other support	4,050,989	1,574,109	(5,000)	3,789,991	13,371,162	3,301,419	10,742,933	-	998,928	308,028
										38,132,559
Expenses:										
Personnel cost	2,247,809	502,481	-	718,075	836,560	396,642	172,898	-	257,336	5,131,699
Contracted, professional and other services	558,686	518,475	-	52,510	218,357	967,814	35	-	105,292	2,421,469
Occupancy	109,057	10,441	-	2,655	2,411	2,053	1,690	-	1,100	129,407
Office	86,783	6,304	-	30,788	1,572	7,895	1,799	31	63	135,235
Supplies	33,625	2,383	-	1,691	1,600	5,411	1,421	-	194	46,325
Travel and meetings	212,100	54,769	-	35,783	22,569	26,266	2,013	-	1,020	354,320
Equipment, rental and maintenance	91,376	7,410	-	2,481	3,173	8,557	1,173	-	5,481	119,651
Marketing and outreach	1,597	18,669	-	(857)	-	400	-	-	-	19,809
Other expense	159,746	12,474	-	526	1,923	347,886	-	-	200	522,755
Grants	740,981	-	-	4,973,836	51,724,230	1,266,638	8,769,261	-	811,862	68,594,836
Indirect cost	154,124	439,951	-	-	-	-	-	-	-	594,075
Depreciation	202,497	752	-	-	-	-	-	-	-	203,249
Total expenses	4,598,381	1,574,109	-	5,817,488	52,811,995	3,029,562	8,950,290	31	1,182,548	78,272,432
Change in net assets	(547,392)	-	(5,000)	(2,027,497)	(39,440,833)	271,857	1,792,643	(31)	(183,620)	(40,139,873)
Net assets:										
Beginning	10,006,735	-	16,500	15,251,220	170,756,754	7,264,441	19,799,908	72	428,797	223,524,427
Ending	9,459,343	-	11,500	13,223,723	131,315,921	7,536,298	21,592,551	41	245,177	183,384,554

APPENDIX B

SUMMARY OF
BOARD OF DIRECTORS
MEETINGS

Summary of Rural Center Board Meetings
July 2010 – June 2011

August 25, 2010

Board of Directors Meeting: Chair Valeria L. Lee called the meeting to order and read the ethics statement. The board approved the minutes of the last meeting as submitted. The nominating committee for the November 2010 elections was announced.

President Billy Ray Hall gave an overview of the Rural Center's work and accomplishments in FY 2010, a year in which the center operated with a 5 percent, across-the-board budget cut.

Treasurer Curtis Wynn presented the financial reports and the FY 2011 operating budget. The board approved each unanimously.

The program committee chairs presented their reports and recommendations on the different facets of the center's Annual Plan of Work.

Business Development – presented by Joe Stanley

Workforce Development – presented by Andy Anderson

Physical Infrastructure – presented by Bill Gibson

Civic & Social Infrastructure – presented by Brian Crutchfield on behalf of Anita Brown Graham

Agricultural Advancement Consortium – presented by Billy Ray Hall on behalf of Larry Wooten

Research & Innovation – presented by Mikki Sager

Rural Center Initiatives – presented by Billy Ray Hall

At the conclusion of the reports, the board approved a motion to adopt the Annual Plan of Work.

It was announced that the Rural Partners Forum will be held November 4-5, 2010, at the North Raleigh Hilton. The theme is "Ramping Up the Rural Economy."

Executive Committee Meeting: Chair Valeria L. Lee called the meeting to order and read the ethics statement. The committee approved the minutes of the last meeting as corrected.

Susan Dunn asked Sandra Champion, an independent consultant working with the committee on the center's investment policy, to report on a survey of the committee.

Champion provided a handout of the survey's results, explained different investment strategies and asked the committee to review and edit as necessary. She will compile the information into one document and return it to the executive committee.

Dunn briefed the committee on the center's unrestricted net assets, explaining each category and the amounts recommended for specific purposes. The committee approved the recommended allocations.

The committee approved the following:

- Clean Water Partners Infrastructure Program -- 2 awards (one of \$500,000 for a new project, 1 award of \$67,500 to supplement previous funding for a project that has chanced on scope); change in scope of 1 grant, lowering award amount from \$40,000 to \$21,300; transfer of 1 grant from one administering entity to another; recommitment of \$81,027 previously deobligated; exceptions to the one-year-to-construction rule for 8 projects.
- Clean Water Bonds Program -- 1 award of \$200,000; redirection of \$70,851.15 from a project that came in under budget to a new project in the same community.
- Water and Sewer Appropriation Grant Program -- 43 planning grants totaling \$1,364,283.*
- Economic Infrastructure Program -- 5 awards totaling \$838,970 for projects creating a total of 86 jobs; increases totaling \$475,000 to 2 grants previously awarded.
- Building Reuse and Restoration Grants Program -- 12 development grants totaling \$1,579,152 and creating 206 jobs; one \$15,000 pre-development grant.
- Rural Hope (Rural Health Care Initiative) -- 2 grants totaling \$374,986 that will create 36 jobs.
- Research and Demonstration Grants Program -- 1 grant of up to \$30,000.

The committee voted that \$60,000 in Rural Entrepreneurial Development System II funds could be used to award up to six mini-grants to start projects through the Institute for Rural Entrepreneurship. The projects would begin in November 2010 and finish by June 30, 2011.

The Rural Center's fund development plan for FY2011 was reviewed and approved.

* One appropriations planning grant was later decreased by \$4,000.

November 3, 2010

Executive Committee Meeting: Chair Valeria L. Lee called the meeting to order and read the ethics statement. The committee approved the minutes of the last meeting as submitted.

In the president's report, Billy Ray Hall said the next executive committee meeting will be held December 15. Topics for discussion will include the Rural Center as an institution, the center's activities, the state's budget deficit, the new leadership in the General Assembly and how to move forward in the face of budget cuts.

The committee heard the treasurer's report and approved renewal of the center's corporate banking resolution.

The committee approved the following:

- Clean Water Partners Infrastructure Program – transfer of a previous award from one administering entity to another; exceptions to the one-year-to-construction rule for 6 projects.
- Economic Infrastructure Program -- 5 grants totaling \$945,453 that will create 95 jobs.
- Water and Sewer Appropriation Grants Program -- increase of \$14,400 for a planning grant awarded in August 2010.
- Building Reuse and Restoration -- 11 development grants totaling \$1,770,673 and creating 317 jobs.
- Rural Hope (Rural Health Care Initiative) -- 1 grant totaling \$232,000 and creating 29 jobs.
- Economic Innovations Grant Program -- 1 grant of \$400,000.
- Supplemental Grants for Business and Infrastructure -- 3 grants totaling \$125,000.**
- Rural Entrepreneurial Development System II: 6 mini-grants totaling \$50,000.

The committee received an overview of Project GATE, the Rural Venture Fund and the Rural Community Mobilization Project.

** One grant was later deobligated.

November 4, 2010

Board of Directors Meeting: Chair Valeria L. Lee called the meeting to order and read the ethics statement. The board approved the minutes of the last meeting as submitted.

Two center partners received the Microenterprise Loan Program's award of excellence, the Microenterprise Intake Professional of the Year: Lenoir Community College (Greg Hannibal accepting) and Carteret Community College (Betsy DeCampo and Wanda Davis accepting).

The directors received information on the final FY10 statistics for the center's grant and loan programs. The center issued 309 grants and 47 loans totaling \$57,987,674. Awards through job-generating grants served 632 businesses and created 4,824 jobs.

It was announced that Gov. Beverly Perdue has designated the Rural Center to administer the new \$46 million Capital Access Program for North Carolina. The funds will come through the State Small Business Credit Initiative as part of the federal Small Business Jobs Act of 2010.

The treasurer reported that the Rural Center received a clean audit on financial statements for the fiscal year that ended June 30, 2010.

The nominating committee gave its report, which included recommendations for new officers and directors to serve on the 2010-11 board of directors. The board unanimously approved the report.

December 15, 2010

Executive Committee Meeting: Chair Valeria L. Lee called the meeting to order and read the ethics statement. The minutes of the last meeting were approved as submitted.

In the president's report, Billy Ray Hall noted three projects were added for committee action under the Economic Infrastructure Program. The committee received project-related handouts as well as information on the General Assembly.

Hall said the center is waiting for the federal government to issue guidelines for the N.C. Capital Access Program and noted the center will receive \$150,000 in a federal appropriation for the Rural Community Mobilization Project.

The committee heard the financial report from the treasurer, who pointed out the report's new budget format. A majority of committee members were pleased with the new reporting, finding it easier to follow. The committee approved a required IRS amendment to the center's 403(b) plan.

The committee approved the following:

- Community Economic Development Grants Program: grants totaling \$928,000 to 21 community development corporations; a one-time emergency grant of \$35,000.
- Clean Water Partners Infrastructure Program: 5 grants totaling \$652,000.75; exceptions to the one-year-to-construction rule for 19 projects.
- Economic Infrastructure Program: 7 grants totaling \$2,390,250 and creating 334 jobs; extension of a temporary policy change reducing the local match requirement from 5 percent of the project cost to 5 percent of the Rural Center grant, effective from January 1 through June 30, 2011
- Building Reuse and Restoration Grants Program: 4 grants totaling \$1,064,000 and creating 93 jobs.

The committee heard updates on five major Rural Center initiatives: Rural Hope, Capital Access Program, Project GATE, Rural Venture Fund and Rural Community Mobilization Project.

A strategy session began with Lee turning the discussion over to Billy Ray Hall and Billy Guillet. The pair talked about the General Assembly's change in leadership, the state budget shortfall and how the center will be affected by the reductions.

They also outlined the center's cost-saving strategies: a reduction in travel and operational expenses, the transformation of meeting rooms into office space, the employment of vigorous fund-raising efforts and a plan to identify additional partners.

The committee received a handout showing how funds from the General Assembly have been administered since 2004 and how those choices have affected center programs and rural North Carolina. It is expected that the center's continuing appropriation budget will be cut by 15 percent.

February 22, 2011

Executive Committee Meeting: Vice Chair Bill Gibson called the meeting to order and read the ethics statement. The board approved the minutes of the last meeting as submitted.

Gibson announced that Leon Wilson with BB&T had been appointed to the executive committee.

In the president's report, Billy Ray Hall said that Gov. Beverly Perdue's recommended budget proposes a 10 percent reduction for the Rural Center. A handout of funding-level comparisons was given to the committee and reviewed.

The treasurer reported on the financial statements and budget reports for the six-month period ending December 31, 2010, and said the center is operating within budget.

The following were approved:

- Clean Water Partners Infrastructure Program – 1 supplemental grant of \$25,926; 1 planning grant of \$18,000; an increase of \$72,250 for a previously awarded supplemental grant; an amendment to a previously awarded grant to include sewer line rehabilitation; a transfer of a grant from one administering entity to another; exceptions to the one-year-to-construction rule for 16 projects.
- Clean Water Bond Program – 1 grant of \$307,620.
- Economic Infrastructure Program -- 5 grants totaling \$408,650 and creating 42 jobs.
- Building Reuse and Restoration Grants Program -- 13 grants totaling \$1,583,406 and creating 186 jobs.
- Rural Hope (Rural Health Care Initiative) -- 10 grants totaling \$1,149,671 and creating 145 jobs.
- Research and Demonstration Grants Program -- allocation of \$210,362 for three projects.
- Economic Innovations Grants Program -- 13 grants totaling \$1,833,234 and creating 296 jobs.

The committee approved the use of \$288,000 in additional federal stimulus funds to extend the Community Mobilization project through June 15, 2011.

Updates were given on the following: Project GATE, the Rural Venture Fund, Rural Community Mobilization Project and regional briefings for the N.C. Capital Access Program. A handout on NC-CAP and the schedule of briefings was provided to the committee.

The senior vice president announced that the 2011 Rural Partners Forum would be held in November and would focus on rural youth engagement. She noted that the Rural Center had conducted a survey of youth attitudes toward their communities during the fall, which had generated 15,000 responses. The Rural Center will undertake additional research in the spring and summer in preparation for the fall conference.

February 23, 2011

Board of Directors Meeting: Chair Valeria L. Lee called the meeting to order and read the ethics statement. The board approved the minutes of the last meeting as submitted.

The president reported that a poverty study would be released in the next few weeks. The report is based on the center's economic opportunity work.

Board members received an impact report that covered the center's activities from January 2004 to November 2010. The report showed the center awarded \$323 million in grants during the time period, which helped create 18,981 jobs.

Board members also received a sheet that showed how the center's budget would be affected if it were reduced by the 10 percent recommended by Gov. Beverly Perdue.

It was reported that administrative costs for the N.C. Capital Access Program would require only 4 percent of the project's \$46.1 million budget. In addition, it was relayed that the center had received the project's first \$15 million. The center is conducting regional briefings statewide to explain the program's benefits to lenders and business owners.

Program committee chairs gave their reports:

Business Development — presented by Joe Stanley
Physical Infrastructure — presented by Bill Gibson
Civic and Social Infrastructure — presented by Mikki Sager
Workforce Development — presented by Andy Anderson

After recommendations from the program committees, the board approved the 2011 advocacy agenda.

The treasurer presented the financial statements as of December 31, 2010, and reported the center is operating within budget. It was reported that a proposed investment policy is being developed for review by the board at the August meeting.

April 27, 2011

Executive Committee Meeting: Chair Valeria L. Lee called the meeting to order and read the ethics statement. The committee approved the minutes of the last meeting as submitted.

Appointments to the president's evaluation committee were announced. A telephone poll approving a grant of up to \$480,000 for a building reuse project was affirmed.

In the absence of the treasurer, Susan Dunn presented the financial statements and budget reports for the period ending March 31, 2011. Even though the center currently has a small operating deficit, it is staying within budget in all line items.

The executive committee, sitting as the audit committee, approved retaining McGladrey & Pullen as the center's auditors for the third year of a three-year contract. The audit committee went back into session as the executive committee.

The committee approved the following:

- Clean Water Partners Infrastructure Program: 1 grant of \$30,000; reinstatement of \$80,750 in grant funds because of cost increase; exceptions to the one-year-to-construction rule were approved for 14 projects.
- Economic Infrastructure Program: 7 grants totaling \$3,588,003 and creating 365 jobs.
- Building Reuse and Restoration Grants Program: 10 grants totaling \$1,876,988 and creating 179 jobs.

The senior vice president explained that findings from the 2010 Census require that the center's definition of "rural" be revisited. She presented three options for consideration. The committee agreed that changes have taken place in rural counties and asked that a recommendation be brought back to the committee at the June meeting.

Updates were provided on the following: N.C. Capital Access Program, Project GATE, Rural Venture Fund, Rural Community Mobilization Project and Rural Hope. Rural Hope III is being considered due to the success of Rural Hope I and II. With all partners combined, Rural Hope I and II awarded 67 grants totaling \$10.2 million, created 803 jobs and leveraged almost \$250 million.

The senior vice president reported on major work being done in the center's Division of Innovation and Outreach. The online Rural Data Bank is being updated, a new monthly

economic e-newsletter is in the planning stage, a new Rural Profile will be published, and three reports, based on the results of a two-year research project on poverty, are being handed out today. In addition, training sessions for the poverty project are being organized, NC STEP training sessions continue, and the leadership institute and regional leadership caucus continue to assist rural leaders.

It was also reported that the Rural Partners Forum will take place November 16-17 at the North Raleigh Hilton. The focus will be on engaging rural youth.

June 29, 2011

Executive Committee Meeting: Chair Valeria L. Lee called the meeting to order and read the ethics statement. The committee approved the minutes of the last meeting as submitted. It also affirmed a telephone vote for a grant increase of \$70,000, which raises the number of jobs created for that project to 57.

Bill Veeder, a long time member of the board, was remembered by committee members and staff. Fond memories were shared.

It was announced that board member Loyd Godley of Wells Fargo had resigned. The committee approved Gregory Winkler with Wells Fargo to serve the remainder of the term.

Committee members heard a report on progress with the N.C. Agriculture Drought Recovery Program. Larry Wooten talked about the ways in which the severe drought of 2007 and 2008 hurt North Carolina farmers. He also discussed immigration and migrant workers and how those workers impact farming.

Billy Ray Hall told the committee that the center will be busy this fiscal year. Major initiatives for FY 2012 include:

- Continuation of the Rural Community Mobilization Project through an allocation of state funds through the Economic Infrastructure Fund.
- NC STEP, which will add 10 new towns in 2012.
- Rural Hope III, which has received a grant from the Kate B. Reynolds Foundation.
- Youth engagement, which will be the focus for the 2011 Rural Partners Forum.
- Project GATE, which received \$400,000 from the N.C. Division of Workforce Development to continue its work with prospective entrepreneurs.
- Food processing, with the director of the Agricultural Advancement Consortium taking the lead.

Hall also reported that the center would plan and celebrate its 25th anniversary.

Hall said that for each of the next two years, the center will receive \$5 million in nonrecurring state appropriations for the Rural Jobs Infrastructure Fund.

Committee members received the Homegrown Jobs impact report, which was used to show the General Assembly the impact of Rural Center programs.

The treasurer said the budget and finance committee met on June 23 via conference call to review the proposed operating budget for FY2012. Budget-summary handouts were provided to the committee, and Susan Dunn reviewed the information. She explained the preliminary operating budget did not include the total net assets and other balances that will carry forward because this information is not yet available.

A completed budget including all net-asset and carry-forward balances will be presented to the board of directors at the August meeting. The committee approved the FY2012 preliminary operating budget as presented.

The following were approved:

- Economic Infrastructure Program -- 4 grants totaling \$1,067,750 and creating 1,108 jobs.; an increase of \$197,815 for a previously awarded grant; a one-time exception to guidelines.
- Clean Water Partners Infrastructure Program – 1 planning grant of \$20,000; an increase of \$250,000 for a previously awarded supplemental grant; a change in scope for a previously awarded project, resulting in the deobligation of \$313,000; extensions to the one-year-to-construction rule for 18 projects.
- Statewide Water-Sewer Database -- \$100,000 grant for an infrastructure mapping project.
- Building Reuse and Restoration Grants program -- 11 projects totaling \$2,334,157 and creating 223 jobs.

The committee also made permanent the temporary guidelines for the Building Reuse Program and adopted a policy for awarding deobligated Clean Water Partners funds.

Based on discussions at the previous executive committee meeting, the senior vice president and director of research and innovation presented a new option for defining rural counties. That option was approved by the executive committee as follows:

- 1) Designate 80 counties as “rural” using the center’s standard definition of average county density of 250 people per square mile or less.
- 2) Designate five counties as “transitional rural.” These counties were previously defined as rural, but exceeded the center’s definition of density of 250 people per square mile in the 2010 Census; however, they still retain rural characteristics, both in terms of population and land area.

The recommendation will go to the full board for consideration at the August 2011 meeting.

The senior vice president reported on the work being done in the Division of Innovation and Outreach, provided copies of the new N.C. Capital Access Program brochure and shared information on the youth engagement theme for the 2011 Rural Partners Forum.

The committee discussed several maps and statistical charts outlining information gathered from the center's youth survey. Marketing pieces for the forum were presented.

The vice president of rural development programs briefed the committee on the following major initiatives:

- NC-CAP -- The center will roll out a publicity campaign on this program.
- Project GATE – The project had awarded 820 scholarships as of March 31, 2011.
- Rural Venture Fund: The fund has made 11 loans totaling \$2,840,000, with one borrower fully repaying its loan ahead of schedule.
- Rural Community Mobilization: Of those served, 256 people have obtained new jobs and eight have started businesses.
- Rural Hope: A third round of grants is planned with the center's partners, Golden LEAF and the Kate B. Reynolds Foundation. The vice president announced that the center has already received \$1 million from the Reynolds Foundation. The first two rounds of Rural Hope resulted in 67 grants totaling \$10.2 million from all partners. The grants created 803 jobs and leveraged almost \$250 million.

At conclusion of the business meeting, Chair Valeria L. Lee called the committee members into executive session.

APPENDIX C

CLEAN WATER PARTNERS -
SUPPLEMENTAL GRANTS

CLEAN WATER PARTNERS — SUPPLEMENTAL GRANTS — FY11

Cleveland County

City of Shelby

Keeter Stadium improvements

The City of Shelby received a grant of \$147,079 to upgrade water and sewer infrastructure at a baseball stadium.

Edgecombe County

Edgecombe W&S District No. 4

Water distribution system

Edgecombe Water and Sewer District No. 4 received a \$1 million grant to improve its water distribution system throughout the district, which includes the town of Speed.

Graham County

Town of Robbinsville

Well drilling, distribution lines

The Town of Robbinsville received a \$67,500 grant to purchase land suitable for a well site.

Granville County

Granville County

Water line improvements

Granville County received a \$187,000 grant for water line improvements at the Southern Livestock Center.

Macon County

Macon County

Little Tenn. River sewer line

Macon County received a grant of \$250,000 toward construction of a new sewer line along the river that replaces an old main trunk line for the countywide system.

Madison County

Town of Mars Hill

Water transmission line

The Town of Mars Hill received a \$500,000 grant to replace a water main with serious leaks. The town's system leaked 68 gallons per minute.

Pitt County

Town of Bethel

Water system improvements

The Town of Bethel received a grant of \$72,250 for water system improvements.

Robeson County

Town of Pembroke

Union Chapel pump station

The Town of Pembroke received a grant of \$407,290 to extend sewer service to an elementary school.

Rutherford County

Rutherford County

Cliffside Sanitary District

Rutherford County received a grant of \$25,926 for sewer system repairs in the Cliffside Sanitary District.

Surry County

Town of Elkin

Water system improvements

The Town of Elkin received a grant of \$31,032 to rehabilitate leaky water lines.

Wayne County

Town of Fremont

Sewer rehabilitation

The Town of Fremont received a grant of \$44,000 to identify areas of inflow and infiltration in the wastewater treatment system.

APPENDIX D

CLEAN WATER PARTNERS -
PLANNING GRANTS

CLEAN WATER PARTNERS — PLANNING GRANTS — FY11

Alleghany County

Alleghany County

Sewer improvements

Alleghany County received a grant of \$20,000 to determine needed repairs for the septic system at Piney Creek Elementary School.

Craven County

Town of Vanceboro

Sewer evaluation survey

The Town of Vanceboro received a grant of \$30,000 to assist with a sanitary-sewer study.

Jackson County

Tuckasegee W&S Authority

Whittier sanitary assessment

The Tuckasegee Water and Sewer Authority received a grant of \$18,000 to develop a financial and organizational assessment of the Whittier Sanitary District.

Wayne County

Town of Eureka

Sewer study

The Town of Eureka received a grant of \$22,600 to monitor the wastewater treatment system and develop a plan to reduce excessive flow.

APPENDIX E

WATER SEWER
RECURRING APPROPRIATION GRANTS

RECURRING APPROPRIATION GRANTS — FY11

Ashe County

Town of West Jefferson

Sewer system inspection

The Town of West Jefferson received a \$40,000 grant for a video inspection and evaluation of the sewer system.

Avery County

Town of Beech Mountain

Water/sewer master plan

The Town of Beech Mountain received a \$40,000 grant to develop a water and sewer master plan.

Bertie County

Town of Windsor

Sanitary sewer evaluation

The Town of Windsor received a \$26,600 grant for a sewer system evaluation.

Bladen County

Town of Elizabethtown

Treatment plant evaluation

The Town of Elizabethtown received a \$40,000 grant for an evaluation of the wastewater treatment plant and the cost of extending a sewage collection line to White Lake.

Town of White Lake

Water system study

The Town of White Lake received a \$40,000 grant to study the feasibility of bringing Camp Clearwater into the town's water system.

Burke County

Town of Valdese

Hydraulic models

The Town of Valdese received a \$20,000 grant to develop a hydraulic model for a community water system recently incorporated into the town system.

Caldwell County

Town of Granite Falls

Expansion analysis

The Town of Granite Falls received a \$39,000 grant for an engineering report and master plan for a wastewater treatment plant expansion and for a water and sewer rate study.

Chatham County

Town of Siler City

Engineering report

The Town of Siler City received a \$37,500 grant for an engineering report and hydraulic model of the water system.

Columbus County

Town of Chadbourn

Sewer system testing

The Town of Chadbourn received a \$40,000 grant to study the sewer system for infiltration and inflow problems.

Town of Tabor City

Water/sewer evaluations

The Town of Tabor City received a \$40,000 grant to conduct studies of the water and sewer systems necessary to bring those systems into regulatory compliance.

Town of Lake Waccamaw

Sewer system testing

The Town of Lake Waccamaw received a \$20,000 grant for a video and smoke test to identify problem areas in the sewer system.

Craven County

City of New Bern

Engineering report

The City of New Bern received a \$40,000 grant to develop an engineering report for sewer improvements.

Dare County

Town of Manteo

Improvement plan

The Town of Manteo received a \$40,000 grant to develop a capital improvements plan and rate study for the water and sewer systems.

Duplin County

Town of Rose Hill

Improvement plan

The Town of Rose Hill received a \$28,550 grant to determine needed upgrades and rehabilitation of the sewer system.

Franklin County

Town of Franklinton

Infiltration/inflow study

The Town of Franklinton received a \$27,800 grant to determine sources of water inflow and infiltration into the sewage collection system.

Town of Louisburg

Groundwater study

The Town of Louisburg received a \$15,000 grant for a pilot study for groundwater supplementation to its water supply.

Greene County

Town of Hookerton

System and rate study

The Town of Hookerton received a \$20,000 grant to study options for sewage treatment, detect sources of leaks in the water system and conduct a rate study for the water and sewer systems.

Halifax County

Roanoke Rapids Sanitary District

Capital improvement plan

The Roanoke Rapids Sanitary District received a \$40,000 grant to develop a capital improvement plan for the water and sewer systems and an engineering report on a section.

Haywood County

Town of Clyde

Master plan/engineering report

The Town of Clyde received a \$40,000 grant to develop a master plan and engineering report to resolve sewer system overflows.

Hertford County

Town of Ahoskie

Water audit

The Town of Ahoskie received a \$16,000 grant for a water audit.

Johnston County

Town of Selma

Wastewater master plan

The Town of Selma received a \$20,000 grant to develop a wastewater master plan.

Lenoir County

Town of La Grange

Capital improvement plan

The Town of La Grange received a \$40,000 grant for a capital improvements plan and engineering report on the water and sewer systems.

Macon County

Town of Highlands

Capital improvement plan

The Town of Highlands received a \$35,750 grant for a sewer system capital improvement plan, financial plan and engineering report.

Martin County

Town of Robersonville

Water system evaluation

The Town of Robersonville received a \$37,300 grant to identify problem areas in the sewer system.

Town of Williamston

Sewer system evaluation

The Town of Williamston received a \$40,000 grant for an evaluation of the sanitary sewer system.

McDowell County

City of Marion

Treatment plan evaluation

The City of Marion received two awards of \$37,200 to evaluate the city's water treatment plant.

Montgomery County

Montgomery County

Sewer system evaluation

Montgomery County received a \$40,000 grant to evaluate options for the sewer system's sludge processing and handling.

Moore County

Town of Vass

Engineering report

The Town of Vass received a \$15,000 grant for an engineering report for the second phase of the town's sewer system.

Nash County

Nash County

Engineering study

Nash County received a \$40,000 grant for an engineering study and environmental assessment necessary to extend the public water system to the Red Oak area.

Person County

Person-Caswell Lake Authority

Treatment evaluation

The Person-Caswell Lake Authority received a \$7,500 grant to evaluate options for the repair of onsite wastewater treatment facilities at the Hyco Lake campground in Person County.

Pitt County

Town of Winterville

Water supply master plan

The Town of Winterville received a \$17,600 grant to update the water supply master plan.

Robeson County

City of Lumberton

Sewer map

The City of Lumberton received a \$40,000 grant for the second phase of a project to map the sanitary sewer system.

Town of Red Springs

Water/sewer evaluation

The Town of Red Springs received a \$40,000 grant for a comprehensive review of the water and sewer system.

Town of St. Pauls

Sewer system evaluation

The Town of St. Pauls received a \$20,000 grant to evaluate inflow and infiltration problems with the sewer system.

Rutherford County

Town of Forest City

Sewer system evaluation

The Town of Forest City received a \$33,333 grant to study inflow and infiltration problems with the sewer system.

Sampson County

City of Clinton

Water audit

The City of Clinton received a \$36,000 grant for a water audit and leak detection study.

Scotland County

Scotland County

Water/sewer master plan

Scotland County received a \$39,000 grant to develop a master plan for a water and sewer project.

Stokes County

Town of Walnut Cove

Capital improvement plan

The Town of Walnut Cove received a \$40,000 grant to develop a capital improvement plan for the wastewater treatment system.

Swain County

Town of Bryson City

Water system audit

The Town of Bryson City received a \$16,600 grant for a water system audit and map.

Vance County

City of Henderson

Water master plan

The City of Henderson received a \$25,000 grant to update the water master plan and study the hydraulic capacity of a section of the sewer system.

Wilson County

Town of Black Creek

Water plans/map

The Town of Black Creek received a \$26,450 grant to develop plans to repair or replace the water tank, study the water rate structure and map the water distribution system.

Town of Stantonsburg

Water/sewer map

The Town of Stantonsburg received a \$37,500 grant to map its water and sewer systems.

Yancey County

Town of Burnsville

Master plan

The Town of Burnsville received a \$40,000 grant to develop a master plan and capital improvement plan for the water and sewer systems.

APPENDIX F

ECONOMIC INFRASTRUCTURE FUND GRANTS

ECONOMIC INFRASTRUCTURE SUPPLEMENTAL GRANTS — FY11

Anson County

Anson County

Sewer project

Anson County received a \$120,000 grant to increase water and sewer service for a new business. The project will create 12 jobs.

Bladen County

Town of White Lake

Sewer extension

The Town of White Lake received a \$35,453 grant to construct a pump station to provide sewer service to the site of a new gas station and restaurant. The project will create four jobs.

Burke County

Burke County

Sewer project

Burke County received a \$512,500 grant for sewer-system improvements that will allow a furniture manufacturer to consolidate its operations. The project will create 52 jobs.

Caldwell County

City of Lenoir

Fire protection

The City of Lenoir received a \$191,027 grant to increase water capacity for fire protection, enabling a meat processing operation to expand. The project will create 20 jobs.

Camden County

Camden County

Waterline extension

Camden County received an \$89,950 grant to extend water lines to an expanding full-service campground. The project will create nine jobs.

Cleveland County

City of Kings Mountain

Water line construction

The City of Kings Mountain received a \$99,250 grant to extend water lines to an expanding business that produces batteries for electric cars. The project will create 10 jobs.

City of Kings Mountain

Water line expansion

The City of Kings Mountain received a \$30,000 grant to extend a waterline to a new facility that will house an entertainment company's data center. The project will create three jobs.

City of Shelby**Water and sewer extension**

The City of Shelby received a \$148,850 grant to extend water and sewer lines to a new facility that will manufacture paper products. The project will create 15 jobs.

City of Shelby**Sewer extension**

The City of Shelby received a \$136,028 grant to extend sewer lines to a new apparel factory. The project will create 14 jobs.

Cleveland County**Data center**

Cleveland County received a \$150,000 grant to install fiber optic cable at the site of an information technology company. The project will create 15 jobs.

Town of Boiling Springs**Forcemain extension**

The Town of Boiling Springs received a \$137,750 grant to expand a septic system for a facility that manufactures texturized fiberglass. The project will create 15 jobs.

Edgecombe County**Town of Tarboro****Electric generation**

The Town of Tarboro received a \$640,000 grant to expand the electrical infrastructure for a new wire and cable factory. The project will create 64 jobs.

Gates County**Gates County****Wastewater improvements**

Gates County received a \$355,000 grant to develop the wastewater infrastructure to serve new businesses, including an assisted living facility and insurance office, committing to a 200-acre location in U.S. 158. The project will create 70 jobs.

Halifax County**Halifax County****Sewer extension**

Halifax County received a \$1 million grant for wastewater infrastructure improvements to assist a new food production and preservation facility. The project will create 100 jobs.

Haywood County**Town of Canton****Infrastructure improvements**

The Town of Canton received a \$600,000 grant to provide wastewater service to a site where four businesses plan to locate. The project will create 66 jobs.

Hoke County**Hoke County****First Health & Hoke Health Medical**

Hoke County received a \$650,000 grant for wastewater infrastructure improvements for two new medical and health facilities. The project will create 65 jobs.

Iredell County

Town of Mooresville

Water & sewer infrastructure

The Town of Mooresville received a \$250,000 grant to extend water and sewer lines for a new baseball and softball complex. The project will create 25 jobs

McDowell County

McDowell County

Water line extension

McDowell County received a \$9,500 grant to extend water and sewer service to the site of a nonprofit, small-animal meat processing facility. The project will create one job.

Mitchell County

Town of Spruce Pine

Assisted living center

The Town of Spruce Pine received a \$400,000 grant to extend sewer and water line to the site of an assisted living facility for Alzheimer's patients. The project will create 40 jobs.

Montgomery County

Town of Star

Sewer improvements

The Town of Star received a \$200,000 grant to extend sewer service to the new facility of a military vehicle manufacturing company. The project will create 20 jobs.

Town of Troy

Infrastructure improvements

The Town of Troy received a \$790,625 grant for wastewater-system upgrades for a new poultry-processing facility. The project will create 80 jobs.

Moore County

Moore County

Waterline project

Moore County received a \$360,000 grant for the installation of water lines that will aid in fire protection for an expanding medical-service provider and an expanding restaurant. The project will create 40 jobs.

Town of Carthage

Irrigation system

The Town of Carthage received an \$82,950 grant to provide water and sewer service to a new retail store. The project will create nine jobs.

Town of Southern Pines

Water and sewer improvements

The Town of Southern Pines received a \$82,950 grant to provide water and sewer service to a new retail store. The project will create nine jobs.

Northampton County

Northampton County

Natural gas extension

Northampton County received a \$420,000 grant to extend a natural gas line to enable the expansion of a peanut processing and manufacturing facility. The project will create 42 jobs.

Polk County

Polk County

Water and sewer improvements

Polk County received a \$30,750 grant to extend public water service to the site of a new restaurant. The project will create four jobs.

Randolph County

City of Asheboro

Allen Precision

The City of Asheboro received a \$140,000 grant to extend water and sewer service to the new location of an expanding manufacturer of machine products in Randolph County. The project will create 14 jobs.

Town of Liberty

Americhem Inc.

The Town of Liberty received a \$66,500 grant to provide sewer service to a new facility that will make color additives for polymer processes. The project will create seven jobs.

Robeson County

City of Lumberton

Building restoration

The City of Lumberton received a \$40,000 grant to install a water line to provide fire protection for a recently rebuilt fertilizer plant. The project will create four jobs.

Rutherford County

Town of Forest City

Water and sewer construction

The Town of Forest City received a \$1 million grant to extend water and sewer lines for a new mineral-production facility. The project will create 100 new jobs.

Rutherford County

Facebook

Rutherford County received a \$420,000 grant for infrastructure improvements to the site of a new data center. The project will create 42 jobs.

Scotland County

Scotland County

Sewer line and pump station

Scotland County received a \$103,500 grant to extend sewer service to the future site of a biofuel manufacturer. The company will recycle organic waste to create fuel for existing power plants. The project will create 12 jobs.

Surry County

Surry County

Water and sewer system

Surry County received a \$250,000 grant to extend water and sewer to enable the expansion of a business operating a restaurant, wedding chapel and rental cabins. A new reception hall with a capacity of up to 300 people is planned and will create 25 new jobs.

Vance County

City of Henderson

Water extension

The City of Henderson received a \$70,000 grant to extend water lines to an expanding metal recycling and auto salvage facility. The project will create seven jobs.

N.C. SMALL TOWNS ECONOMIC PROSPERITY PROGRAM

APPENDIX G

N.C. SMALL TOWNS ECONOMIC PROSPERITY PROGRAM

Implementation Projects for Phase I Communities

Individual Towns

Town of Candor demolished a condemned building downtown and replaced it with a farmers/crafters market.

Town of Columbia operates an entrepreneurial incentives fund that has assisted two businesses to date. A part-time economic developer position has been funded for three years to coordinate ecotourism and other economic development activities for the community.

Town of Maxton launched an entrepreneurship development initiative by offering business seminars, training, technical assistance, education and networking opportunities. It also operates a mini-seed grant program for new businesses downtown.

City of Marion invested in wireless Internet for the downtown and training seminars on marketing businesses through the web.

Town of Marshall established an entrepreneur/business support center (an extension of the existing Very Small Business Center) and a Downtown Development Association to coordinate efforts among partners.

Town of Mount Gilead operates an artisan's gallery housing three artisans/craftspeople. The town has developed a marketing campaign around the arts and tourism to attract visitors to the community.

Town of Pinetops is investing in downtown design and streetscape beautification.

Town of Plymouth created a new business incentives program for downtown and the U.S. 64 corridor and invested in wireless Internet to attract more customers for downtown businesses.

Town of Robbins created a small business incentives program and is recruiting a community theater to locate in the town. It also launched a joint marketing program with local small businesses.

Town of Scotland Neck developed and implemented a town marketing campaign and a downtown revitalization plan to attract visitors and employers and is continuing to work on downtown recovery and small business recruitment.

Town of Sparta is expanding leadership development opportunities through the Alleghany Leadership Development Program and hired a business development program coordinator.

Town of Swan Quarter conducted a streetscape design study and is restoring the historic courthouse as a museum and visitors center.

Town of Valdese operates the Valdese Economic Development Investment Corp. The nonprofit corporation manages entrepreneurship development programs and functions as a development finance agency.

Town of Yanceyville developed a website and marketing campaign and created an artisans/crafters market in the downtown area.

Cluster Towns

Bladen's Bloomin' Cluster established a small business development revolving loan fund and promoted tourism development through a Chamber of Commerce tourism director.

East Columbus Cluster established a façade program to restore real property in the area. It also created an alliance to support infrastructure development (water, sewer, roads, rails, telecommunications) capable of serving light, environmentally sensitive industry and to promote the area for such industries.

HandMade in America's High Country Cluster invested in tourism through the staffing and development of a visitor/welcome center in Bakersville and support services for new tourism venues in Crossnore.

HandMade in America's Western Cluster completed a market study and plan for Main Street businesses in Mars Hill, repaired and expanded Chimney Rock's River Walk, and prepared the site next to the Historical Arts Museum in Hayesville for a park.

Surry Cluster has invested in workforce training facilities in partnership with Surry Community College in Elkin and Pilot Mountain. Additionally, the cluster conducted a feasibility study for a value-added agriculture center that has materialized into Pilot Mountain Pride Agricultural Center.

Implementation Plans for Phase II Communities

Town of Bayboro focused on attracting visitors and new residents by conducting an amenities inventory and a hotel complex feasibility study. The town also built a pavilion at the Heritage Center and Chamber of Commerce location for public events and farmers markets.

Town of Boonville worked with Surry Community College, the Appalachian State University Center for Entrepreneurship and SCORE to initiate a recruitment and training program for new entrepreneurs. It will also establish a network of interested businesses and service providers to address ongoing training needs and other issues in the business community.

Town of Erwin is supporting business growth through a buy-local campaign and a business expo.

Town of Forest City is supporting an apprentice program to prepare individuals for opening their own businesses.

Town of Franklin is promoting tourism through the creation and implementation of a river development plan for the Little Tennessee River. It also is developing a marketing program to attract more tourists, second-home buyers and retirees into the Franklin area.

Town of Lansing is investing in a public computer center to focus on technology education and business development and support.

Town of Rowland is investing in a retiree attraction program and the development of a website to market the town.

Town of Tabor City is developing a logo and branding strategy to attract new businesses and residents.

Town of Weldon is investing in streetscape improvements, façade improvements and signage to attract people from I-95 into the town.

Town of Whitakers is focusing on workforce training and development by expanding the library for educational and training purposes and upgrading learning equipment and infrastructure in the library's Del Center.

Andrews and Old Fort joined the existing High Country and Western clusters coordinated by Handmade in America. Andrews will establish a community-based broadband network to improve Internet access, and Old Fort will develop a community brand and logo and improve the Mill Creek Trail to attract tourists to the community.

APPENDIX H

ECONOMIC INNOVATION GRANTS

ECONOMIC INNOVATIONS FUND GRANTS — FY11

Alexander County

Catawba Valley CC

Rural NC jobs

Catawba Valley Community College received a \$300,000 grant to extend the services of its Manufacturing Solutions Center to rural manufacturers statewide. The center helps firms increase sales and improve quality and efficiency. The two-year project will create 59 jobs, retain an additional 185 jobs and serve 16 companies.

Buncombe County

HandMade in America

Peer learning

HandMade in America received a \$75,000 grant to design and test a program to encourage citizen leaders in small towns in western North Carolina to share information on how to plan and implement community development projects. The project will create six jobs and serve 13 businesses.

Burke County

Burke Development Inc.

BDI/innovations strategy

Burke Development Inc. received a \$75,000 grant to develop a model for increasing the competitiveness of small cooperatively owned textile manufacturing firms by focusing on niche markets. The project involves a collaboration with a local company and will create five to 10 jobs.

Catawba County

Catawba County EDC

Manufactured in N.C. project

Catawba County Economic Development Corporation received a \$209,975 grant to develop a web-based program to increase the visibility and accessibility to markets of small rural manufacturers. The focus is on companies with 50 or fewer employees. The project involves collaboration with the N.C. State University Industrial Extension Service. It will create 100 jobs, retain another 250 jobs and serve 850 businesses.

Chatham County

Chatham County EDC

Chatham economic gardening

Chatham County Economic Development Corporation received a \$67,500 grant to support growth-oriented entrepreneurs in Siler City through a combination of market information, technical assistance and networking. The project will create 10 jobs, retain an additional 125 jobs and serve eight businesses.

Chowan County

ARCD

Renewable energy

Albemarle Resource Conservation & Development Council received a \$200,000 grant to purchase equipment and develop a 10-county workforce-training program focusing on renewable energy. Partners include the Northeast Workforce Development Board, Dare County Schools, Appalachian State University, Elizabeth City State University, the University of North Carolina Coastal Studies Institute, N.C. Solar Center, Alpha Energy and Currituck Wind. The project will create eight jobs, retain another 57 jobs and serve eight businesses.

Duplin County

James Sprunt CC

Tortilla manufacturing

James Sprunt Community College received a \$59,650 grant to purchase tortilla manufacturing equipment for the college's Eastern Carolina Food Ventures Kitchen. A start-up company being incubated at the kitchen will purchase local corn as an ingredient in its tortillas. Potential sales in Duplin and surrounding counties are estimated at \$4.5 million annually. The project will create nine jobs and serve six businesses.

Graham County

Graham County

Energy efficiency

Graham County received a \$400,000 grant to conduct an energy analysis and provide a covered storage facility to help a furniture company save and reuse its wood waste to generate energy. The project will retain 468 jobs at the county's largest employer and create an additional eight to 10.

Lenoir County

N.C.'s Eastern Region

Work ready initiative

North Carolina's Eastern Region received a \$210,000 grant for a program assisting counties in becoming certified as Work Ready Communities. The regional partnership is working with CFED on a 16-month demonstration of the process.

Orange County

UNC-Chapel Hill

Regional food center

The University of North Carolina at Chapel Hill received a \$74,909 grant to establish a regional food center in Warren County. The center will assist local farmers in marketing and packaging produce to capture a greater share of regional wholesale markets. Collaborators include the Warren County Cooperative Extension Service, the county Women, Infants and Children Program, researchers from UNC and Duke University, local businesses and a nonprofit. The project will create two jobs, retain nine additional jobs and serve five businesses.

Pamlico County

Pamlico CC

Entrepreneurial enhancement

Pamlico Community College received a \$75,000 grant for an entrepreneurial development program targeting low-income residents and ex-offenders exiting the prison system. The program will include a matched savings program (individual development accounts), financial literacy and business training, and mentoring. The project will create two jobs and two businesses.

Pitt County

Success Dynamics CDC

Distance learning

Success Dynamics Community Development Corporation received a \$160,000 grant to upgrade distance learning facilities to enhance job training in medical office technology. The project, serving northeastern North Carolina, involves collaboration with Washington County, the N.C. Office of Minority Health, the N.C. Office of Rural Health and Community Care, N.C. A&T State University and Roanoke-Chowan Community College. The project will create 29 jobs, retain another 29 jobs and serve four businesses.

Rockingham County

Rockingham County B&T Center

Methane collection, landfill energy

Rockingham County Business & Technology Center received a \$200,000 grant to develop the Rockingham County landfill as a source of renewable energy, connect it with the electric power grid and install greenhouses to extend the growing season for local farmers. The project will create 60 jobs, retain another 40 jobs and serve 20 businesses.

Rutherford County

Foothills Connect

Water pump project

Foothills Connect Business & Technology Center received a \$126,200 grant to field test and market a low-cost pump that can transport water from streams for livestock and crop irrigation without the need for electricity. The project, which has particular relevance for Appalachian cattle farmers, is a collaboration between Foothills Connect in Rutherford County and the Full Belly Foundation in Wilmington. Other partners include Cooperative Extension, Soil and Water Conservation district offices, the Massachusetts Institute of Technology and the Fordham University School of Law. The project will create six jobs, retain one additional job and serve two businesses.

APPENDIX I

BUILDING REUSE GRANTS

BUILDING REUSE GRANTS — FY11

Alexander County

Alexander County

Alexander County received a \$48,000 grant to renovate a vacant building in Taylorsville for use by a car dealership and an auto-repair center. The project will create six jobs.

Terry Moore Ford Country

Beaufort County

Town of Belhaven

The Town of Belhaven received an \$88,000 grant to renovate a vacant building for the establishment of a restaurant and bar. The project will create 11 jobs.

The Tavern at Jack's Nest

Bladen County

Town of Elizabethtown

The Town of Elizabethtown received a \$168,000 grant to renovate a former grocery store for use as a farmers market. Two additional businesses have agreed to lease space. The project will create 14 jobs.

Cape Fear Farmers Market

Burke County

Burke County

Burke County received a \$480,000 grant to renovate a vacant building in Morganton for use by a furniture manufacturer. The project will create 40 jobs.

Ekornes

Caldwell County

Caldwell County

Caldwell County received a \$271,256 grant to renovate a vacant building for reuse in the manufacture of playground equipment. The project will create 30 jobs.

Childforms LPI

Town of Cajah's Mountain

The Town of Cajah's Mountain received an \$80,000 grant to renovate a vacant building for the location of a fire and restoration company. The project will create 10 jobs.

Servpro

City of Lenoir

The City of Lenoir received a \$160,000 grant to renovate a vacant building for use by a doughnut maker for production and retail sales. The project will create 20 jobs.

Krispy Kreme

Chowan County

Town of Edenton

The Town of Edenton received a \$61,250 grant to renovate a vacant building for use by a building supply company. The project will create 12 jobs.

Kellogg Building Supply

Cleveland County

City of Kings Mountain

Old Stone Steakhouse

The City of Kings Mountain received a \$108,000 grant to supplement an earlier grant renovating a building for use as a restaurant. Nine additional jobs will be created.

City of Kings Mountain

First National Bank building

The City of Kings Mountain received a \$32,000 grant to renovate a vacant building for the expansion of a law practice. The project will create four jobs.

City of Shelby

Royster building rehabilitation

The City of Shelby received a \$48,000 grant to renovate a vacant building for reuse as a restaurant. The project will create six jobs.

Cleveland County

Ultra expansion Randolph Road

Cleveland County received a \$360,000 grant to renovate a vacant building in Shelby for use by a company that specializes in the manufacture of precision armor and military and industrial coatings. The project will create 30 jobs.

Columbus County

City of Whiteville

Galleria International Buffet

The City of Whiteville received a \$46,308 grant to renovate a vacant building for use as a restaurant. The project will create seven jobs.

Dare County

Dare County

Bayliss Boatworks

Dare County received a \$58,680 grant to renovate a vacant building for the expansion of a boat-building operation. The project will create seven jobs.

Edgecombe County

City of Rocky Mount

Douglas Block - Manhattan Theatre

The City of Rocky Mount received a \$60,000 grant to renovate the Manhattan Theatre Building for use by a restaurant. This project will create five jobs.

City of Rocky Mount

Douglas Block - Stokes Building

The City of Rocky Mount received a \$72,000 grant to assist in redeveloping the Stokes Building for use as physicians' offices and a spa. This project will create six jobs.

City of Rocky Mount

Douglas Block - Douglas Building

The City of Rocky Mount received a \$96,000 grant to renovate the Douglas Building for use as a restaurant and retail store. This project will create eight jobs.

City of Rocky Mount**Douglas Block - Thorpe Building**

The City of Rocky Mount received a \$60,000 grant to renovate the Thorpe Building for use by a restaurant. This project will create five jobs.

Edgecombe County**Jade Apparel**

Edgecombe County received a \$479,652 grant to renovate a vacant building for use by a company that makes textiles for military applications. The company will create 100 jobs.

Edgecombe County**SePRO renovation project**

Edgecombe County received a \$60,000 grant to renovate part of a building for use by a company that develops value-added products for aquatic and horticulture applications. The project will create five jobs.

Franklin County**Town of Bunn****Winstead's Grocery**

The Town of Bunn received a \$32,000 grant to renovate a vacant building for use as a grocery store. The project will create four jobs.

Halifax County**Town of Scotland Neck****Holten's Hardware**

The Town of Scotland Neck received a \$60,000 grant to renovate a downtown building for use by a new, locally owned hardware store. The project will create five jobs.

Town of Scotland Neck**La Casetta Italian Restaurant**

The Town of Scotland Neck received a \$46,107 grant to renovate a vacant property for use by a restaurant. The project will create six jobs.

Haywood County**Haywood County****Imperial Hotel**

Haywood County received a \$90,000 grant to renovate a historic hotel building for reuse as a restaurant. The project will create 16 jobs.

Haywood County**LIFESPAN Creative Campus**

Haywood County received a \$45,650 grant to renovate a vacant building for use by a company that provides services to individuals with developmental disabilities. The project will create 11 jobs.

Henderson County

Henderson County

UPM Ralfatac

Henderson County received a \$240,000 grant to renovate a vacant manufacturing building in Fletcher for use by another, expanding factory. The project will create 34 jobs.

Hertford County

Town of Murfreesboro

Ace Hardware

The Town of Murfreesboro received a \$44,500 grant to renovate a vacant building for use as a hardware store. The project will create seven jobs.

McDowell County

City of Marion

Gas station redevelopment

The City of Marion received a \$29,675 grant to renovate a vacant building for reuse as a gas station and convenience store. The project will create four jobs.

McDowell County

RockTenn Converting Co.

McDowell County received a \$480,000 grant to renovate a vacant building in Marion for the expansion of a paperboard factory. The project will create 48 jobs.

Montgomery County

Town of Star

Frontier Logistics

The Town of Star received a \$264,000 grant to renovate a vacant building for use by a distribution services company. The project will create 22 jobs.

Moore County

Town of Southern Pines

Trident Marketing

The Town of Southern Pines received a \$240,000 grant to renovate a former supermarket for the relocation and expansion of a direct-response marketing company's headquarters and customer service department. The project will create 24 jobs.

Nash County

City of Rocky Mount

Jay Group building restoration

The City of Rocky Mount received a \$420,000 grant to renovate a building to house a company's footwear sales and distribution center.

Northampton County

Town of Conway

Corner Tavern & Grill

The Town of Conway received a \$56,000 grant to renovate a vacant building for reuse as a tavern and grill. The project will create seven jobs.

Pasquotank County

City of Elizabeth City

Tractor Supply Co.

Elizabeth City received a \$104,000 grant to renovate a vacant building for reuse by a farm supply company. The project will create 13 jobs.

Person County

City of Roxboro

Fox & Co. building renovation

The City of Roxboro received a \$176,000 grant to renovate a building vacant for four years for use by three businesses -- a contractor, a property management firm and a restaurant. The project will create 22 jobs.

City of Roxboro

King Commercial improvement

The City of Roxboro received a \$120,000 grant to renovate a vacant building for use by three relocating companies - an industrial building contractor, an industrial boiler repair firm and a manufacturer of race-car components. All together, the companies will create 10 jobs.

Person County

Eaton Building redevelopment

Person County received a \$480,000 grant to renovate a vacant portion of a manufacturing plant for use by an automotive components manufacturer. The project will create 172 jobs.

Pitt County

Pitt County

Confidential Records Management

Pitt County received a \$168,000 grant to renovate a vacant building for an expanding records-management company. The project will create 14 jobs.

Pitt County

Figure 8 Technologies

Pitt County received an \$85,000 grant to renovate a vacant building in Greenville for use by a company that designs software for the video sweepstakes industry. The project will create eight jobs.

Pitt County

Roberts Co. Fabrication Services

Pitt County received a \$348,000 grant to renovate a vacant building in Winterville for use by an expanding company that provides design, fabrication and installation services for the chemical, power, mining and paper industries. The project will create 29 jobs.

Polk County

Town of Tryon

Tryon Depot Renovation

The Town of Tryon received a \$15,000 grant to study the reuse of the former depot building.

Randolph County

City of Archdale

Future Foam Inc.

The City of Archdale received a \$195,722 grant to renovate a vacant building for reuse by a foam products manufacturer. The project will create 25 jobs.

City of Archdale

Style Crest

The City of Archdale received a \$96,000 grant to renovate a vacant building for the expansion of a building-products company. The project will create eight jobs.

City of Archdale

Paul Brayton Designs

The City of Archdale received a \$136,141 grant to renovate a vacant building for use by a company that designs and supplies textiles to the furnishings industry. The project will create 14 jobs.

Town of Liberty

Americhem

The Town of Liberty received a \$324,000 grant to renovate a vacant building for an expanding company that produces colorants and additives for the polymer industry. The project will create 27 jobs.

Robeson County

City of Lumberton

Rogers Screen printing

The City of Lumberton received a \$109,016 grant to renovate a vacant building for use by an expanding screen-printing and embroidery company. The project will create 12 jobs.

Robeson County

Stevens Roberts Original Desserts

Robeson County received a \$480,000 grant to renovate a vacant building for use as a commercial bakery. The project will create 40 jobs.

Rockingham County

Town of Madison

Northern Belle restaurant

The Town of Madison received a \$16,5000 grant to renovate a vacant building for reuse by a restaurant. The project will create one job.

Town of Stoneville

Gerbing's Heated Clothing

The Town of Stoneville received a \$374,526 grant to renovate a vacant building for use by a new clothing manufacturer. The project will create a minimum of 40 jobs.

Rutherford County

Town of Forest City

Forest City Pets

The Town of Forest City received a \$48,000 grant to renovate a vacant building for use as a boutique pet store. The project will create six jobs.

Town of Rutherfordton

JD's Sports Bar

The Town of Rutherfordton received a \$48,000 grant to renovate a vacant building for use by a restaurant. The project will create six jobs.

Stokes County

Stokes County

Todd Wall building

Stokes County received a \$24,000 grant to renovate a vacant building to house up to five businesses, including a plumbing company and a fitness center. The project will create five jobs.

Stokes County

Jessup Mill

Stokes County received a \$32,000 grant to renovate a vacant gristmill for use by a company that will operate several complimentary enterprises. A portion of the mill will be reopened to production. The project will create four jobs.

Surry County

Town of Elkin

Pittsburgh Glass Works

The Town of Elkin received a \$480,000 grant to renovate a vacant building for use by an expanding automotive-glass company. The project will create 48 jobs.

City of Mount Airy

Burton Signworks Inc.

The City of Mount Airy received a \$76,899 grant to renovate a section of a vacant building for use by a sign manufacturer and installation company. The project will create seven jobs.

City of Mount Airy

Granite/Independence LLC

The City of Mount Airy received a \$160,000 grant to renovate a vacant building for use by two discount retailers. The project will create 20 jobs.

Vance County

Vance County

Market Place building

Vance County received a \$48,000 grant to renovate a building for reuse as a grocery store. The project will create six jobs.

Vance County

Purolator plant reuse

Vance County received \$480,000 to renovate a building vacant since 2002 for use by a local manufacturer. The project will create 40 jobs.

Vance County**Semprius**

Vance County received \$550,000 in grants to renovate a vacant building for use by an energy equipment manufacturer. The project will create 57 jobs.

Warren County**Town of Warrenton****108 S. Main St.**

The Town of Warrenton received a \$56,000 grant to renovate a vacant historic building in the downtown area for use by a retail and wholesale bakery. The project will create seven jobs.

Wilson County**Wilson County****Select Tobacco Inc.**

Wilson County received an \$80,000 grant to renovate a building for use by a tobacco auction company. The project will create 10 jobs.

City of Wilson**Reflective Recycling Inc.**

The City of Wilson received a \$480,000 grant to renovate a vacant building to enable the relocation and expansion of a glass recycling and processing facility. The project will create 40 jobs.

APPENDIX J

RURAL HOPE (HEALTH CARE INITIATIVE)

RURAL HOPE (HEALTH CARE INITIATIVE) GRANTS — FY11

Brunswick County

Brunswick County

Inpatient Hospice Care Center

Brunswick County received an \$80,000 grant for construction of a seven-bed in-patient hospice center and an administrative office. The project will create 10 jobs.

Caldwell County

Caldwell County

Collettsville Medical Center

Caldwell County received an \$80,000 grant for the construction of an expanding medical center serving uninsured and underinsured patients. The project will create 10 jobs.

Cleveland County

City of Shelby

Dental Works

The City of Shelby received a \$96,000 grant to renovate a vacant retail building for use by a dental office. The project will create 12 jobs.

Halifax County

Halifax County

Halifax Regional Medical Center

Halifax County received a \$172,171 grant to renovate a medical building for a chronic wound treatment center at Halifax Regional Medical Center. The project will create 22 jobs.

Harnett County

Town of Erwin

Good Hope Hospital Renovation

The Town of Erwin received a \$168,000 grant to renovate a portion of the former Good Hope Hospital for reuse as a 16-bed inpatient psychiatric facility. The project will create 21 jobs.

Haywood County

Haywood County

Haywood Regional Medical Center

Haywood County received an \$88,000 grant to renovate part of Haywood Regional Medical Center's emergency area for use as a psychiatric evaluation area. The project will create 11 jobs.

Jackson County

Jackson County

Sylva Urgent Care

Jackson County received a \$104,000 grant to renovate retail space for use by an urgent care center. The project will create 13 jobs.

Moore County

Town of Southern Pines

MFCC Facility Expansion

The Town of Southern Pines received a \$40,000 grant to expand the Moore Free Care Clinic. The project will create five jobs.

Nash County

Nash County

Middlesex Medical Clinic

Nash County received a \$32,000 grant for a medical center serving southwestern Nash, Franklin, Johnston and Wilson counties. The center will provide primary care full time and offer space for specialty physicians on a part-time basis. The project will create four jobs.

Pitt County

Pitt County

University Health Systems

Pitt County received a \$400,000 grant for construction of a children's hospital at Pitt County Memorial Hospital. The project will create 50 jobs.

Rutherford County

Rutherford County

Community clinic renovation

Rutherford County received a \$64,000 grant to renovate a former furniture store to enable the expansion of a community clinic for low-income and uninsured patients. The project will create eight jobs.

Stanly County

City of Albemarle

Dest Family Dentistry building reuse

The City of Albemarle received a \$63,545 grant to renovate a former physician's office for use by a dentist. The project will create six jobs.

Stanly County

Premiere Services

Stanly County received a \$331,441 grant to renovate a former medical facility for use as a residential inpatient mental health treatment facility. The project will create 30 jobs.

Transylvania County

Transylvania County

Satellite health center

Transylvania County received a \$57,500 grant to renovate a building for use as a satellite office of Blue Ridge Community Health Services of Henderson County. The facility will serve low-income, uninsured and underserved patients and create eight jobs.

COMMUNITY DEVELOPMENT CORPORATION PROFILES

APPENDIX K

COMMUNITY DEVELOPMENT CORPORATION PROFILES

Appalachian Housing Initiative

Wilkes County

This organization works to create affordable rental and homeownership opportunities and to provide programming related to youth and adult financial literacy, homebuyer education and counseling, and entrepreneurship and job training for low- to moderate-income families.

Bayboro Development Center

Pamlico County

The center focuses on helping low- and moderate-income families/individuals qualify for and obtain affordable mortgages, build assets and repair substandard homes. It also provides foreclosure prevention and homebuyer education services.

Blue Springs-Hoke County Community Development Corp.

Hoke County

The organization works in the areas of housing renovation and construction, microenterprise development, foreclosure prevention, homebuyer education, and projects and programs that provide academic and cultural enrichment.

Columbus County DREAM Center County

Columbus

The center addresses housing issues, technology literacy and job training. Efforts continue to increase the quality of life for children and families with a particular focus on low- to moderate-income families. Program activities include financial literacy; home foreclosure counseling or referrals; homebuyer education and counseling; and construction of affordable homeowner and rental properties.

Community Empowerment Project County

Rutherford

The project provides opportunities for small business incubation, after-school and summer youth programs, vocational and technical assistance, and other human services. It seeks to galvanize community action toward the elimination of sickness, poverty, crime and discrimination.

Countywide Community Development Corp.

Brunswick County

The CDC provides training in money management, financial literacy, asset acquisition and small business development. Countywide CDC currently operates three major programs -- the Affordable Housing Program, Project UPLIFT and Entrepreneurship Training for Historically Underutilized Businesses -- and collaborates with Brunswick Community College in sponsoring the Minority Contractor Support Center.

Cumberland Regional Improvement Corp.
County

Cumberland

The organization provides program support and technical assistance for economic development initiatives. With the support of strategic partners, it works to identify and eliminate barriers faced by historically underutilized businesses, to promote greater access to construction contracts and to provide management training, technical assistance and general contracting counseling.

Eagle/Market Streets Development Corp.

Buncombe County

The organization's chief aims are to restore buildings and businesses as assets in the immediate and surrounding area and to provide employment and business development services low-wealth communities in Buncombe County.

Goler Community Development Corp.

Forsyth County

The organization provides housing opportunities for moderate-income citizens living in blighted areas of Winston-Salem and creates jobs in the construction trades. Goler engages in multifamily housing projects, condominium development and commercial construction.

New Life Community Development Corp.
County

Washington

The mission of the organization is to improve the quality of life for families and neighborhoods and to empower the area's low-income residents with the knowledge, skills and resources to gain self-sufficiency. This is accomplished through the provision of affordable housing, homebuyer education, financial literacy training and job skills training.

Olive Hill Community Economic Development Corp.

Burke County

Olive Hill is a certified HUD housing counseling agency committed to providing a variety of self-sufficiency programs. These include programs in affordable homeownership, foreclosure prevention, financial management skills, IDA strategies, maternity health and transitional housing.

One Dozen Who Care

Cherokee County

One Dozen Who Care seeks to strengthen local leadership and create strong community bonds through cultural events and the social and economic interaction of the community. Projects focus on providing leadership development, entrepreneurship and job training, photography training, community advocacy support and preservation of African-American culture and heritage.

Quality of Life Association of Hertford County

Hertford County

The organization's core programs focus on helping low- to moderate-income families and individuals to qualify for, obtain and retain affordable rental housing or home ownership. The organization also sponsors financial literacy and youth after-school projects.

Regeneration Community Development Corp.**Halifax County**

Regeneration's main focus point is the Workforce Training and Job Creation Initiative. Activities provide improved training opportunities for citizens who are currently underemployed or unemployed with the goal of placing them in jobs with new and existing businesses within 30 miles of Scotland Neck.

Restoration Community Development Corp.**Wake County**

Restoration CDC addresses housing, social and economic parity issues in low-wealth communities of northern Wake and southern Franklin counties. The program focuses on mentoring, tutoring, social development and community service. Core programs are youth enrichment, financial literacy, and housing education and counseling.

**River City Community Development Corp.
County****Pasquotank**

River City CDC is a certified HUD housing counseling agency that provides programs related to affordable housing, economic and workforce development, health and wellness, cultural awareness, financial literacy and entrepreneurial job training opportunities.

Rosenwald Center for Cultural Enrichment**Greene County**

The organization supports community development through computer training, summer youth camps, after-school programs, homeownership education and counseling, financial literacy training, small business development training and affordable housing development.

**Sampson County Community Development Corp.
County****Sampson**

Sampson County CDC provides affordable rental and homeownership opportunities to low-income families, credit and financial literacy training, leadership development for local churches, entrepreneurial development, and educational programming for at-risk children and parents.

Triad Economic Development Corp.**Guilford County**

Triad EDC focuses on community blight, affordable housing, job training, entrepreneurship, financial literacy, youth job-skills training and community building.

Tyrrell County Community Development Corp.**Tyrrell County**

Tyrrell County CDC provides entrepreneurship education and financial literacy training to adults and youth, offers regional business and technology development training, assists residents in securing loans for business ventures, and provides technical assistance to mushroom growers in Tyrrell County.

**UHURU Community Development Corp.
County**

Northampton

Programs of UHURU include housing counseling, loan counseling, foreclosure mitigation assistance, single-family and multifamily housing development, fatherhood training, youth entrepreneurial training and minority business development services.

Warren Family Institute

Warren County

The institute encourages asset-building strategies through affordable homeownership opportunities and promotes job creation. It also provides direct services to parents and youth, such as free tax preparation services, financial literacy training, and after-school mentoring and tutoring.

AGRICULTURAL ADVANCEMENT CONSORTIUM GRANTS

AGRICULTURAL ADVANCEMENT CONSORTIUM GRANTS — FY11

Buncombe County

Smithson Mills Consulting

4-H feasibility study

Smithson Mills Consulting received a \$17,000 grant to conduct a feasibility study on the potential of using North Carolina 4-H camps as shared-use kitchens.

Chatham County

Rural Advancement Foundation

Tobacco reinvestment

Rural Advancement Foundation International-USA received a \$352,225 grant to support the Tobacco Reinvestment Program, which assists farmers and cooperatives in establishing value-added production and new market opportunities. The award was part of the Family Farm Innovation Fund.

Rural Advancement Foundation

Crop insurance

Rural Advancement Foundation International-USA received a \$30,000 grant to support a pilot project that will provide North Carolina strawberry growers with crop insurance.

Wake County

N.C. State University

Agriculture/biotechnology

N.C. State received a \$20,000 grant for a program that will certify North Carolina farmers in agriculture-biotechnology production.

N.C. Agricultural Foundation Inc.

Market Ready program

The N.C. Agricultural Foundation Inc. received a \$148,500 grant to support the Market Ready program, which assists farmers in value-added production and developing new markets for their products. The award was part of the Family Farm Innovation Fund.

N.C. Department of Agriculture

Food safety forum

The N.C. Department of Agriculture and Consumer Services received a grant of \$5,000 to conduct the annual Commissioner's Food Safety Forum.

N.C. Farm Bureau Legal Foundation

Farm energy

The N.C. Farm Bureau Legal Foundation Inc. received a \$468,025 grant to support the Farm Energy Efficiency Program, which conducts farm-energy audits and aids in the installation of energy-efficient equipment and infrastructure. The award was part of the Family Farm Innovation Fund.

APPENDIX M

SUPPLEMENTAL GRANTS
FOR INFRASTRUCTURE
AND BUSINESS DEVELOPMENT

**SUPPLEMENTAL GRANTS FOR INFRASTRUCTURE
AND BUSINESS DEVELOPMENT — FY11**

Buncombe County

WNC Communities

WNC Communities received a \$50,000 grant to support community development, regional networking, and agricultural and economic development in 19 western counties.

Haywood County

N.C. International Folk Festival

Folkmoot USA received a \$50,000 grant to support expansion of the annual festival to Macon and McDowell counties and increase marketing for Polk, Madison and Yancey counties.

OPPORTUNITIES INDUSTRIALIZATION CENTERS

OPPORTUNITIES INDUSTRIALIZATION CENTER INC.

Program Activities and Accomplishments Report

Instructions:

>\$25,000 but <\$500,000 A certification, a financial accounting of the State funds received, used, or expended, and a description of the activities and accomplishments undertaken by the grant recipient must be completed by grantees that receive at least \$25,000 but not more than \$500,000 for each program. The completed forms should be submitted to the Rural Center 4021 Carya Drive Raleigh, NC 27610 Attn: Keysha Gibbs

>\$500,000 A certification, an audit including schedule of awards, and a description of the activities and accomplishments undertaken for each program by the grant recipient must be completed by grantees that receive \$500,000 or more. The completed forms and audit should be submitted to both the Rural Center and the Office of the State Auditor, 20601 Mail Service Center, Raleigh, NC 27699-0601, Attn: Grants Reporting.

Grantee Name:	Opportunities Industrialization Center of Rocky Mount, Inc
Grantee Tax ID #	56-0946196
Program Name:	Rural Center
Project/Activity Title:	Employment, Health Care and Training Support Services
Grantee's Fiscal Year End: (mmddyyyy)	July 1, 2010 – June 30, 2011
Date of This Report:	July 19, 2011
Preparer of This Report:	Clara H Knight

In compliance with the requirements of G.S. 143-6.2, *Use of State Funds by Non-State Entities*, (repealed June 30, 2007) and G.S. 143C-6-23, *State grant funds: administration, oversight and reporting requirements*, (effective July 1, 2007), the following is a description of activities and accomplishments undertaken by our organization using the provided state funding: Complete this report for each different program funded.

1. What were the original goals and expectations for the activity supported by this grant?

To provide comprehensive education, training, business development, health outreach, primary care and program support services that will enable economically disadvantaged persons of all races and backgrounds to become self-sufficient.

Program Activities and Accomplishments Report

2. If applicable, how have those goals and expectations been revised or refined during the course of the project?

N/A

3. What has the activity accomplished with these grant funds? Please include specific information including facts and statistics to support conclusions and judgments about the activity's impact.

OIC supports the economically disadvantaged by providing basic education, job training and employment services. OIC had over 70 students to graduate and receive their GED, Provided counseling, Soft Skill Training and Work Maturity to 397 students and provided over 500 nutritious lunches to students participated in programs. OIC had over 10,000 encounters at the Family Medical Center seeking primary care and educated over 3000 and provided testing and counseling to over 1,500. We also conducted over 8,000 screenings that included screenings for HIV/STDs, Breast Cancer, Prostate Cancer, Blood Pressure Checks, Diabetics, etc.

4. If the activity is a continuing one, briefly summarize future plans and funding prospects.

We will continue providing services for these individuals through this grant (as long as we are able to receive funds) and through other grant/foundation sponsored activities.

If there are any questions, please contact the NC Rural Center::
Keysha Gibbs @ (919) 250-4314.



LEGISLATIVE REPORT

Project Goal & Activities: July 1, 2010 – June 30, 2011

Project Goals: To provide comprehensive education, training, business development, health outreach, primary care and program support services that will enable economically disadvantaged persons of all races and backgrounds to become self-sufficient.

Objective Statement: To help clients eliminate their barriers to self-sufficiency.

Time Period Covering
July 1, 2010 – August 30, 2010

Activities:

1. Successfully place 30 youth in meaningful employment throughout the summer months.
2. Support community outreach and education activities to 500 individuals.

Projected Outcomes:

1. Help economically disadvantaged and academically challenged youth to find incentives to complete their education and to find a career focus in an increasingly difficult labor market.
2. Work with other community agencies to increase wellness, healthy lifestyles and enhanced quality of life to individuals living in low wealth, at-risk environments and communities.

Accomplishments:

1. OIC successfully placed over 30 youth in summer employment. The jobs were recruited by the training staff.
2. OIC worked with other agencies in sponsoring Prostate and HIV/STD screenings, Blood Sugar and Blood Pressure screening.

Narrative:

1. OIC assisted over 30 youth in securing summer jobs. Our raining staff prepared the students for their new endeavor and contacted numerous businesses to secure the jobs.
2. OIC worked with other community agencies to increase wellness and healthy lifestyles in at-risk communities. OIC worked with 10 other agencies to host a NC Healthy Living Summit in Rocky Mount with over 300 people in attendance. We provided HIV and prostate cancer screenings in tandem with the NC Institute of Minority Economic Development's Health Division. OIC also provided our mobile medical unit with a mid-level provider on board at the homeless shelter to provide primary care and screenings to our most vulnerable citizens. OIC's partnership with other agencies has reached over 1,500 clients throughout eastern NC.

Time Period Covering
September 1, 2010 – November 30, 2010

Activities:

1. Provide basic skills education, job training and job placement assistance to 20 new youth and adults.
2. Orient and test 65 participants for their GEDs.
3. Provide outreach activities (providing literature on infectious diseases, individual education sessions and screenings) to 250 individuals.
4. Provide primary care to 1,000 patients in the Family Medical Center

Projected Outcomes:

1. Enhance the capability of at least 75% of clients enrolled in classes to find employment.
2. Ensure that 50% of individuals understand and can articulate how HIV/AIDS is transmitted and give two methods of reducing their risk for infection and transmission.
3. Provide preventive health information to 150
4. Provide access to primary care to uninsured individuals.

Accomplishments:

1. Provided basic GED educational skills, technical job training and job placement assistance to over 80 youth and adults successfully improving their skill base to become more competitive in an increasingly declining labor market.
2. Provided Outreach activities, flyers, condoms and educational presentations to over 300 individuals to improve their articulation on how HIV/AIDS is transmitted and ways to reduce the risk for infection and transmission. We tested over 600 individuals for HIV/AIDS and STDs and provided test results to over 71 individuals.
3. We provided Blood Sugar, High Blood Pressure, Prostate, and Breast Cancer Screening to over 300.
4. The Family Medical Center provided quality medical care to over 2900 patients reaching both uninsured and underinsured clients.

Narrative:

OIC continues to reach out to the economically disadvantaged persons of all races and backgrounds and assist them in becoming self-sufficient, through testing for GED, Class Placement, job training skills and Graduation. While being successful in improving the quality of life through comprehensive GED basic education, job training skills, CNA, Truck driving and assistance in job placement for students that score 7th grade in reading and writing, we still continue to encounter students that scores less than a 7th grade level in reading and math that are referred to a pre GED Class.

The Family Medical Center continues to serve the community by improving the quality of life and wellness by offering the under privileged a medical home. During this quarter the FMC had 2900 encounters and offered quality medical care to number of families and individuals, especially the uninsured and the underinsured. The numbers continue to increase for individuals and families seeking medical attention that are uninsured or underinsured that put a burden on FMC for funds.

The Mobile Health Unit continue to lead the way in outreach testing and preventative services; along with our daily operation, we participated in 7 events during this quarter testing over 750 clients, and reached over 400

high risk clients through teaching HIV/AIDS awareness providing condom, results and educational material on prevention methods. We continue to educate our clients on the importance having a medical home.

Time Period Covering

December 1, 2010 – February 28, 2011

Activities:

1. Provide enhanced tutorial services to 30 high school and 30 middle school students who have been suspended from school from five to ten days.
2. Conduct individual case management sessions with, review life skills and offer GED tests for 15 participants.
3. Provide 1300 FTEs to warehousing operations to area industries.

Projected Outcomes:

1. Equip in-school students and their parents with coping skills and firm counseling for reintroduction into the public school environment.
2. Provide basic GED educational skills and technical job training to successfully improve their skill base to become more competitive in the declining labor market.
3. Provide needed labor to private industry to enhance competitiveness to create jobs.

Accomplishments:

1. Provided enhanced tutorial service and counseled to 48 high school and middle school students and counseled 48 parents.
2. Provided over 141 clients basic GED educational skills and technical job training that successfully improved their skill base to become more competitive in the declining labor market.
3. Provided over 1300 FTEs in needed labor to private industry to enhance competitiveness to create jobs.

Narrative:

OIC continue to focus on equipping the clients of the community with an education base that will sustain them as a self- sufficient citizen. During the second quarter 48 high school and middle school students was suspended for five days or more from their regular school. They attended our enhanced tutorial service program, the program Equip in-school students and their parents with coping skills and firm counseling for reintroduction into the public school environment. OIC counseled the 48 students and parents and save 396 Instructional days.

We provided over 131 clients basic GED educational skills and technical job training that successfully improved their skill base. We tested 90, we had 43 that scored above the 7th grade level and 48 scored below the 7th grade level that were referred to the Pre GED program at the Community College. OIC does not receive funding to support the students that score below the 7th grade. We had 21 clients to complete the GED program and received their GED.

We also continue to support a private industry by providing over 1300 FTEs in needed labor in an effort to enhance the competitiveness to create jobs. The FTEs are scheduled from 8:00 -5:00 pm at our warehouse location. This has been a learning experience for those seeking employment for the first time.

Time Period Covering

March 1, 2011 – May 31, 2011

Activities:

1. Provide case management and career development services to 50 participants in our Training and Education programs.
2. Provide nutritious lunches to 50 participants in our GED programs.
3. Provide technical support services to OIC Programs.

Project Outcomes:

1. Support students' goals by developing clear objectives that help them achieve career and education objectives while addressing challenges/barriers that impede them from reaching their life objectives.
2. Help at-risk students perform better in academic settings with fulfilling and healthy meals.
3. Provided critical infrastructure support for all program activities in order to produce accurate and timely reports/updates to agency funders.

Accomplishment:

1. Provided case management and career development services to over 90 participants in our Training and Education programs.
2. We provided over 500 nutritious lunches to over 50 students in our GED programs.
3. Our Administrative and Finance department provided Technical support services for all OIC programs activities and reports.

Narrative:

1. Our Case Managers spent over 8,000 minutes with 90 participants in our Training and Education programs during the 3rd quarter. The participants are allotted a 30 minute block of time to spend with their case manager. During the allotted time, the case managers assisted the participants in developing clear objectives, identified their barriers and monitor their capability to stay on track to reach their goals. The block of time does not include the incidental times that were used to assist students with personal needs such as finding and keeping a home, food and clothing for themselves and for their babies.
2. We provided 154 at-risk students with 374 nutritious lunches to enhance their performance in an academic setting by providing fulfilling healthy meals. The meals induced a vibrant atmosphere and enhanced the class morale.
3. Our administrative and fiscal department provided critical infrastructure support to all program activities by ensuring reports were completed and filed on time with the proper documentation. They assisted in Health Fairs and other events. Our administrative and fiscal department supports all deadlines and keeps the budget on track.

Time Period Covering

June 1, 2011 – June 30, 2011

Activities:

1. Appoint student committees to plan for at least one social and one civic activity for their class.
2. Successfully place 50 youth in meaningful employment throughout the summer months.
3. Support community outreach and education activities to 600 individuals.

Projected Outcomes:

1. Provide on the job training to 20 students employing critical thinking and soft skills.
2. Match eligible students in private and public sector jobs through work experience programs.
3. Provide wellness and healthy lifestyles outreach, screening and trainings to individuals living in low wealth, at-risk communities.

Accomplishment:

1. Appointed 12 students to serve on three committees for two social and one civic activity.
2. Successfully placed 25 youth in meaningful employment for the summer months.
3. Provided community outreach and education activities to over 600 individuals.

Narrative:

1. We provided 13 students the opportunity to employ their critical thinking and soft skills to assist in planning three major events (Prom, Graduation and Back to School Bash) for OIC.

The Prom was held at the DoubleTree Inn, the Theme was “The Margarita. There were 30 in attendees. The King and Queen and Best Dress of the class were elected.

Our graduation was held on June 22, 2011 at 6:00 pm in the OIC Historical Auditorium, Dan Gerlach, President/CEO of the Golden LEAF Foundation were our guest speaker. There were over 400 in attendance and we had 74 students to graduate.

Our students begin meeting in early June for our Back to School Bash that will be held on August 16, 2011 in OIC’s Historical Auditorium. The School Bash will be open to the public.

2. We placed 27 economically disadvantage and academically challenged youth in jobs as an incentive to encourage them to continue their education and focus on a career in this increasingly difficult labor market. The students were placed in jobs geared towards their career desires.
3. OIC Outreach Team provided outreach and education activities to over 1100 individuals during the month of June. They provided over 700 screenings that included in HIV/STDs, Prostate cancer, Breast Cancer, Diabetic, High blood Pressure checks, They also provided over 12 educational sessions that reached over 150 participants. The Outreach Team participated and collaborated with over 8 organizations,

OPPORTUNITIES INDUSTRIALIZATION CENTER (OIC) OF WILSON INC.

Program Activities and Accomplishments Report

Instructions:

>\$25,000 but <\$500,000 A certification, a financial accounting of the State funds received, used, or expended, and a description of the activities and accomplishments undertaken by the grant recipient must be completed by grantees that receive at least \$25,000 but not more than \$500,000 for each program. The completed forms should be submitted to the funding agency.

>\$500,000 A certification, an audit including schedule of awards, and a description of the activities and accomplishments undertaken for each program by the grant recipient must be completed by grantees that receive \$500,000 or more. The completed forms and audit should be submitted to both the granting agency and the Office of the State Auditor, 20601 Mail Service Center, Raleigh, NC 27699-0601, Attn. Grants Reporting.

Grantee Name:	Opportunities Industrialization Center (OIC) of Wilson, Inc.
Grantee Tax ID #	#56-1100476
Program Name:	OIC Comprehensive Programs
Project/Activity Title:	Rural Economic Development Center Grant
Grantee's Fiscal Year End: (mmddyyyy)	June 30, 2011
Date of This Report:	July 22, 2011
Preparer of This Report:	Grady Smith

In compliance with the requirements of G.S. 143-6.2, *Use of State Funds by Non-State Entities*, (repealed June 30, 2007) and G.S. 143C-6-23, *State grant funds: administration, oversight and reporting requirements*, (effective July 1, 2007), the following is a description of activities and accomplishments undertaken by our organization using the provided state funding: Complete this report for each different program funded.

1. What were the original goals and expectations for the activity supported by this grant?

The original goals, expectations and activities are as follows:

To provide services in the following areas: 1) Job Training and Job Placement, 2) Education & Youth Programs, 3) Health & Family Services, 4) Food & Nutritional Services, through the following:

Activities:

- To outreach, train and place out of work people on jobs, eliminate barriers to employment, i.e. career readiness certification.
- To provide a state certified high school education in agreement with the NC Standard Course of Study, to provide additional education and vocational services for youth at-risk for school dropout, adolescent pregnancy or delinquency.
- To provide free health screens for diabetes, hypertension, HIV and sexually transmitted diseases to at least 200 individuals. To train at least 10 lay community health advisors. To provide health education presentations to community groups.
- To distribute free food in the form of NCDA surplus commodities to at least 1,500 eligible individuals and families. Include other items if they become available.

Program Activities and Accomplishments Report

2. If applicable, how have those goals and expectations been revised or refined during the course of the project?

None of the goals or expectations was revised or modified.

3. What has the activity accomplished with these grant funds? Please include specific information including facts and statistics to support conclusions and judgments about the activity's impact.

- Outreach, training and job placements resulted in **157** individuals placed on jobs in area businesses, companies and industries;
- **40** individuals obtained a Career Readiness Certificate;
- **128** individuals enrolled in Job Readiness, Job Preparation classes.

Alternative Education Programs resulted in **121** participants enrolled in either the alternative high school to obtain a high school diploma or the GED preparation classes. **15** obtained the GED with **21** obtaining a high school diploma.

After School Youth enrollment – **77** youth 13 -18 participated in youth development strategies for the prevention of teen parenthood, school dropout and juvenile delinquency. **28** graduated in the class of 2011 with one participant named Valedictorian of her class of **257** students.

234 individuals enrolled in area Community Colleges in non-remedial courses as diverse as nursing, accounting, health care, biotechnology, truck driving and college transfer.

Health Services provided include diabetes, blood pressure, HIV/AIDS and weight screenings totaling **5,272** to **1,318** individuals. Over **64** health education and counseling sessions provided to **2,492** participants. The partnerships OIC enjoys with the local Health Department, Wilson Community Clinic, Wilson Detention Center, churches, non-profits and neighborhoods have allowed these needed screenings to be brought to underserved communities.

NCDA surplus commodities were provided quarterly to a total of **6,623** households consisting of **19,294** individuals.

Program Activities and Accomplishments Report

4. If the activity is a continuing one, briefly summarize future plans and funding prospects.

Continuing funds are currently being sought from federal, state, local and private funders.

If there are any questions, please contact the North Carolina Office of the State Auditor:
Leigh Ann Kerr @ (919) 807-7535 or
Harriet Abraham @ (919) 807-7673.

ASHEVILLE BUNCOMBE COUNTY
CHRISTIAN MINISTRIES – OIC

Rural Center

ANNUAL Progress Reporting Form

Opportunities Industrialization Centers

- **Organization:** ABCCM-OIC
- **Contract Number:** 2006-083-601030-102
- **Reporting Period/Year:** 2010-2011
- **Prepared by:** Millie Hershenson and Rev. Scott Rogers
- **Date Submitted:** 07/23/2011

Complete Items I-VII

- I. List work task(s) scheduled for the period (activities listed as part of your “work plan” submitted).
- Transitional Housing
 - 70 single women
 - 28 moms with 47 children
 - Total of 98 women and 47 children
 - Average daily occupancy: 53
 - Life-skills training
 - 98 women participated in 298 classes through 9/1/09 – 6/30/10
 - Classes included money management, meal planning and preparation; housing education and training, proper personal hygiene and housekeeping skills; parenting and stress management. This program has led to local property managers to collaborate with us when they have open vacancies.
 - Employment training/Steps to Success
 - 98 women participated in 317 classes through 9/1/09 – 6/30/10. We had 16 complete the Steps to Success Program, we had 26 complete classes at the Job Link/ One Stop Career Center, 29 complete classes at Goodwill Ind., 20 participated in GED classes at AB-Tech or Goodwill, 41 participated through the Employment Security Commission, 59 participated in Jobs for Life, 13 participated with HVRP and CWT Veterans training program and 51 participated with On Track financial credit services, and 25 participated with Vocational Rehabilitation services.
 - Employment placement
 - 69 total placements
 - 42 full time and 27 part time placements
 - 27 full time @ 7.25 or below an hr; 15 full time @ 7.25 or higher an hr
 - 11 part time @ 7.25 or below an hr; 16 part time @ 7.25 or higher an hr
 - Participants receiving public assistance
 - 39 total participants applied for SSD/SSI;

- 17 received SSD/SSDI and 22 are pending decisions
- 61 participants received assistance through main stream resources
- 11 were referred and enrolled to AFDC
- 16 received Medicaid/Medicare
- 42 children had medical coverage
- 14 received assistance through Work 1st program
- 13 received assistance through the Veteran's Administration

Housing placements: through 6/30/2010

- 8 Public Housing
- 18 Private Housing
- 10 Supportive Housing
- 3 Transitional Housing
- 7 left the emergency shelter to unknown destinations
- Total 46 women and 16 children placed into public, private, supportive and transitional housing.

II. Work task(s) completed.

The Steadfast House Transitional Program sets out to help the women and children build on their strengths, encourage their interests, create stability through employment and education and develop internal and external skills to be productive in society. This past year we have focused our attention on integrating education, creating financial plans through budgeting and savings and paying off existing long term debt as a large part of our program. Some of the areas residents are engaged in are: educational programs through local Community Colleges for their GED or College courses, Goodwill Industries for their GED or technical skill trainings, local four-year Colleges, and local four-year Universities. Our employment statistics show the success rate of our ladies around employment. We encourage the women to obtain full-time employment so they can create a savings account and save 85% to 90% of their monthly income after expenses are paid. This will allow them to be proactive for when it is time for them to transition out of the program. We have also implemented a program fee for residents who have been able to pay off a considerable amount of existing debt and /or established a savings of \$2,000.00; to help get ready for future responsibilities such as rent, utilities, repairs and food.

III. Program Update

Through Follow-Up Services we have offered here at the Steadfast House we have researched and studied the residents who have transitioned out of our facility within the last year into their own housing and determined that 83% of them have been able to sustain their own housing due to the life skills training, job training and readiness skills, emotional and physical support and other services we have linked and referred them to in the community. Also, some of those residents were able to transition into housing on their own with no subsidy in place, due to their amount of savings they were able to accrue while in our program. Our program goal is to secure stability, shelter, safe place to reside while at the same time create an atmosphere that breeds transformation and growth. I believe the partnership between staff and residents has allowed this to happen through creating a supportive and accountable environment for all to mature.

Another area the Steadfast House has determined to be a strong part of their program is the dedication and commitment to teach staff and residents the importance of giving back to the community. Once a quarter staff and residents volunteer their time and services in the community to express their gratitude and appreciation for what the community has given to them through the Steadfast House and other programs and services in the local catchment area. This allows us to provide a sense of pride and dignity to the residents, so they do not always feel as though they are on the receiving end, but giving back to others as they are given. We have volunteered so far with two nursing homes creating programs and activities to nurture and love on their residents, help build a house for a homeless family through Habitat for Humanity in Asheville City, and help a local church move and set up their new church home in the local area. We are excited about this new endeavor and looking forward to many more opportunities to serve others in our community.

IV. Describe any unusual problems that have occurred since the last year especially, if it prevented you from completing the work task(s) or program activities described in the work plan.

Due to the economy we continue to witness employers being more selective in the hiring process which directly affects our residents with a criminal background. Because there are more applicants to choose from, employers can be selective and more careful in the hiring process. Our case managers work with our ladies to help them draft a letter (Explanation of Past Criminal History) explaining their past, with patterns of the changes they have made up until that point in their lives. This shows employers their commitment and dedication to making that transformation and learning from their mistakes of the past, without excusing them.

V. Leveraging/fundraising. Please list any fundraising activities conducted or proposed during the quarter and/or receipt of funds (i.e. proposal writing, donations and grants).

ABCCM is supported by 264 churches who have matched the \$48,000 contribution with an additional \$75,000 in general contributions from the community. Our supporting churches as well as community groups have provided three meals a day to an average of 32 women and 12 children a day, which is over 48,000 meals. At \$2/meal, this would be over \$96,000 in in-kind support. Volunteers have contributed over 12,000 hours through the participation of 390 people. Their volunteer time at the national rate of \$18/hr. would be \$216,000 worth of services. In the last year 69 women have gone to work at an average wage of \$8.00/ hour: annualized this would mean \$1,148,130 in payroll which is a 41:1 return on investment for OIC funding. We continue to write grants such as Jobs for Life through the Junior League, Veterans Administration Grant (know as our Per Diem Grant yearly), and other small grant we determine will help our program sustain itself and bring new and exciting opportunities to or women and children served.

VI. Attached are two case examples of successes.

Jane (alias) is a forty-two year old veteran who relocated here from Tennessee. Jane relocated to Asheville due to the services that were offered through the VA hospital. Jane had struggled with substance abuse for the past seven years on and off. Jane was admitted into the VA hospital in the early part of July in their substance abuse treatment program. When she was released mid

July, she had inquired about our transitional facility. She came to reside in our program in the early part of August. Since then Jane has enrolled herself in group and individual counseling through the VA hospital, attends weekly AA/NA meetings in the community and has obtained a full-time job with the VA in their Compensated Work Therapy Program. Jane has moved to a CWT employee to a full-time staff member in the VA hospital. Since, Jane has transitioned out of our program into her own apartment with no supportive assistance. Jane is doing well and continues to maintain her supports with the VA hospital, community programs and services as well as her contact with her case manager through our program. Jane states that she is interested in doing some volunteer work with us in hopes to give back to others as she once needed herself and of course we welcome her support.

Sally (alias) is a thirty-six year old mom with three children. Sally came to us because she had lost her job due to missing too many days of work, which she reports was due to her oldest son's behavior problems. Sally's son, Jimmy (alias) was diagnosed with Bi-polar and Conduct Disorder eight months before they came to live with us in the program. Sally stated that she was missing work a lot due to her son's doctor's appointments and him acting out in school and afterschool. Sally was depressed, alone and didn't understand how to navigate through the mental health services in order to find the help her son needed. When entering the program we immediately identified the need for Jimmy to obtain community support both in the school environment as well as at home to help mom understand and implement some techniques to support her son. Although Sally still struggled with juggling Jimmy's doctor's appointments and mental health needs, she was able to obtain full-time employment while at the same time work out a schedule to attend her son's medical appointments. Sally since has been promoted to one of the Assistant Shift Managers in a local McDonalds. Sally and her children have since transitioned out of our program into an apartment through the Asheville Public Housing Authority and is doing well.

WELFARE REFORM LIASON PROJECT INC.

OIC—COMMUNITY ACTION AGENCY

Program Activities and Accomplishments Report

Grantee Name:	Welfare Reform Liaison Project, Inc., OIC – Community Action Agency
Grantee Tax ID #	
Program Name:	Self-Sufficiency Program
Project/Activity Title:	NC Rural Economic Development Center, Opportunities Industrialization Center Program
Period Covered:	July 1, 2010 – June 30, 2011
Date of This Report:	July 23, 2011
Preparer of This Report:	Fred Newman

In compliance with the requirements of G.S. 143-6.1, *Report on use of State funds by non-State entities*, the following is a description of activities and accomplishments undertaken by our organization using the provided state funding:

What were the original goals and expectations for the activity supported by this grant? If applicable, how have those goals and expectations been revised or refined during the course of the project?

Goal:

- Provide comprehensive self-sufficiency services to 100 families.
- Provide training to 10 students in areas such as duplicating DVD's, creating packages for CD's and DVD's, and for the skills required for video creation, editing, digital camera and film mixing.
- Provide American Management Association Classes to 10 individuals.

What has the activity accomplished with these grant funds? Please include specific information to support conclusions and judgments about the activity's impact.

Achievement:

- Provided comprehensive self-sufficiency services to 83 families. During the year, 16 program participants obtained employment, three with benefits. The average wage for these individuals was \$8.23. The average annual earnings for those employed is \$11,726.
- Provided training to 133 people in areas such as duplicating DVD's, Packaging for CD's, DVD's, and for video creation, editing, digital camera and film mixing.
- Provided American Management Association Classes to 16 individuals, 12 of whom completed the program during the year and two who are continuing in the program.
- Provided 52 students Digital Imaging Training

If the activity is a continuing one, briefly summarize future plans and funding prospects.

The activities are continuing in 2011. WRLP will be doing additional work with the Latino population and with individuals participating in the Workfirst Program..

Welfare Reform Liaison Project, OIC -- CAA
Summary Report
July 1, 2010 – June 30, 2011

Objective Statement: Achieve self-sufficiency for 15 families as defined by raising income above poverty level through program coordination with Community Service Block Grant funded programs and provide job training assistance to 20 individuals associated with partnership training programs. Also, to assist 12 individuals position themselves as entrepreneurs through development of the expertise, tools and skills and resources needed to develop entrepreneurial enterprises.

July 1, 2010 – September 30, 2010

First Quarter Benchmarks

September 1, 2010 – November 30, 2010

Objective Statement: Provide employment related self-sufficiency services to 65 continuing families and 15 new WRLP program participants. Provide classroom and simulated job training to 15 partnership program participants as part of cooperative agreements with other self-sufficiency programs.

Activities:

1. Recruited participants and set up basic employment skill training classes to assist individuals to better position themselves within the job market. Classes included in this activity areas are a set of 6-week job training classes in Human Resource Development, personal development, Basic Computer Skills and Personal Finance.
2. Provided 2 students advanced skill training in areas such as film services for video creation, editing, digital camera, video mixing, product processing and distribution, retail sales, digital imaging and hospitality services.
3. Provided job development services and job search support group activities to 8 program participants.
4. Provided job training opportunities to 12 customers of 2 partner training programs that provide assistance to individuals not included in WRLP full service job training.
5. Monitored WRLP job training programming individuals on a 30-60-90 day basis.
6. Researched feasibility of a revised entrepreneurial development opportunity and support on-going activities.

Outcomes:

1. No basic level courses were completed during the quarter
2. 7 program participant families have achieved an income above poverty guidelines through the efforts of WRLP-OIC- CAA.
3. 4 individuals gained employment
4. Worked with 12 partnership program participants.

5. Completed three video projects using students in primary production roles.

October 1, 2010 – December 31, 2010

Objective Statement: Provide employment related self-sufficiency services to 25 new families and 50 continuing families (Cumulative to date, including program graduates, of 105 families). Provide classroom and simulated job training support to 15 partnership program participants as part of cooperative agreements with other self-sufficiency programs. (Cumulative 20)

Activities:

1. Provided basic employment skill training to assist 52 individuals to better position themselves within the job market. Included in this activity areas are a set of 6-week job training classes in Human Resource Development, Personal Development, Basic Computer Skills and Personal Finance.
2. Provided training to 26 students in advanced skill areas such as film services for video creation, editing, digital camera, video mixing, product processing and distribution, retail sales, digital imaging and hospitality services (Cumulative 28).
3. Provided job development services and job search support group activities to 7 program participants
4. Provided job training opportunities to 14 customers of 2 partner training programs that provide assistance to individuals not included in WRLP full service job training. (16 cumulative).
5. Monitored WRLP job training programming individuals on a 30-60-90 day basis.
6. Identified revised entrepreneurial development opportunity and support on-going activities.

Outcomes:

1. 21 students will successfully complete classes (21 Cumulative).
2. 6 program participant families have achieved an income above poverty guidelines through the efforts of WRLP-OIC. (13 Cumulative)
3. Assisted 13 individuals to gain employment (17 Cumulative)
4. Completed four video projects using students in primary production roles. (8 cumulative).
5. Worked with 14 Partnership Participants in meeting their training objectives. (16 cumulative).

January 1, 2011 – March 31, 2011

Objective Statement: Provide employment related self-sufficiency services to 30 new families and 50 continuing families (Cumulative to date, including program graduates, of 135 families). Provide classroom and simulated job training support to 15 partnership program participants as part of cooperative agreements with other self-sufficiency programs. (Cumulative 30)

Activities:

1. Provided basic employment skill training to assist 33 individuals to better position themselves within the job market. Included in this activity areas are a set of 6-week job training classes in Human Resource Development, personal development, Basic Computer Skills and Personal Finance. (Cumulative 85)
2. Provided training to 9 additional students in advanced skill areas such as film services for video creation, editing, digital camera, video mixing, product processing and distribution, retail sales, digital imaging and hospitality services. (Cumulative 37)
3. Provided job development services and job search support group activities to 17 program participants. (Cumulative 24)
4. Provided job training opportunities to 16 customers of 2 partner training programs that provide assistance to individuals not included in WRLP full service job training. (Cumulative 21).
5. Monitored WRLP job training programming individuals on a 30-60-90 day basis.

Projected Outcomes:

1. 18 students successfully completed classes (39 Cumulative).
2. 9 program participant families have achieved an income above poverty guidelines through the efforts of WRLP-OIC. (23 Cumulative)
3. Assisted 19 individuals to gain employment (36 Cumulative)
4. Completed three video projects using students in primary production roles. (11 cumulative).
5. Worked with 16 Partnership Participants in meeting their training objectives. (25 cumulative).

April 1, 2011 – June 30, 2011

Objective Statement: Provide employment related self-sufficiency services to 60 continuing families (Cumulative to date, including program graduates, of 135 families). Provide classroom and simulated job training support to 15 partnership program participants as part of cooperative agreements with other self-sufficiency programs. (Cumulative 35)

Activities:

1. Provided training to 28 students in advanced skill areas such as film services for video creation, editing, digital camera, video mixing, product processing and distribution, retail sales, digital imaging and hospitality services. (Cumulative 113)
2. Provided job development services and job search support group activities to 19 program participants. (Cumulative 43).
3. Provided job training opportunities to 16 customers of 2 partner training programs that provide assistance to individuals not included in WRLP full service job training.
4. Monitored WRLP job training programming individuals on a 30-60-90 day basis.

Projected Outcomes:

1. 43 students will successfully complete classes (83 Cumulative).
2. 11 program participant families have achieved an income above poverty guidelines through the efforts of WRLP-OIC. (33 Cumulative)
3. 6 individuals gained certifications in direct care fields.
4. Assisted 19 individuals to gain employment (55 Cumulative)
5. Completed one video project using students in primary production roles. (12 cumulative).
6. Worked with 16 Partnership Participants in meeting their training objectives. (30 cumulative).

Narrative

At the conclusion of WRLP's American Recovery and Reinvestment Act Community Service Block Grant period, WRLP evaluated the success and cost of its different training components. As a result of that evaluation, video production and product distribution activities were reduced, while newer areas of training such as electronic records management, hospitality services, materials recycling and personal care service received greater emphasis. Internships in each of the four areas were developed in conjunction with potential employers. In each of the expanded training areas, internships led to employment for several program participants. In addition to changes in the training emphasis areas, additional partnership agreements were developed. These agreements are in place in both the High Point and Greensboro service areas.

During the fourth quarter, the video production training program began a reorganization that will result in additional emphasis on training and de-emphasis of video production activities. As a result of outcome review on the entrepreneurial program, new program activities were ended during the second quarter pending additional evaluation and planning.