Presentation to the House Select Committee on Strategic Transportation Planning and Long Term Funding Solutions

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About the Rural Center

• Private 501(c)3 non-profit approaching its 30th Anniversary

• Our mission is to develop, promote and implement sound economic strategies to improve the quality of life of rural North Carolinians, with a special emphasis on individuals with low to moderate incomes and communities with limited resources.
How We See North Carolina

North Carolina Counties

- **Rural Counties**: 80 counties with an average population density of 250 people per square mile or less.
- **Regional City and Suburban Counties**: 14 counties with an average population density between 250 and 750 people per square mile.
- **Urban Counties**: 6 counties with an average population density that exceeds 750 people per square mile.

*Density as reported in the 2014 U.S. Census population estimates.*
Rural Center Impacts

• Leadership
• Community Engagement
• Entrepreneurship and Small Businesses
• State Small Business Credit Initiative
Leadership

- **34** 2015 REDI Grads
- **1,072** Total Alumni
- **45** REDI Alumni participated in focus groups in 2015
- **700** Alumni engaged in networking activities since 2010
- **13** People received disaster relief training in 2015
- **180** Total Hours since 2014
- **2,992** 2015 Training Hours
- **47,168** Total Hours since 1989
- **30%** of REDI students received financial assistance since 2010
Community Engagement

11 SMALL TOWNS
Engaged in 2015

67
SINCE 2006

$8.5 million
invested/leveraged

2,800 PARTICIPANTS
SINCE 2006

In 2015:

25 WORKSHOPS

540 PARTICIPANTS

2,701
2015 training hours

TOTAL HOURS
SINCE 2006

12,201

8 TOWNS
began a Small Business Development Initiative in 2015
Entrepreneurship & Microenterprise

- 600 Attendees
- 45 Seminars
- $13,635 Average Loan
- $9.6 million loaned since 1991
- 200 Clients assisted for 1,110 Hours
- 200 Clients
- 371 Scholarships
- 59 Business startups
- 145 Jobs created
- Cost per job: $2,360
State Small Business Credit Initiative

118 loans/investments for $8 million in 2015

613 loans/investments since 2011

$460 million in loans or investments since 2012

10x private leverage

1st in country for funds deployed

1,500 jobs created/retained in 2015

10,700 jobs created/retained since 2011
10 Strategies for Rural North Carolina’s Future

- Education & Workforce Development
- Rural Health
- Fiber Broadband
- Water & Wastewater
- **Transportation & Natural Gas**
- Entrepreneurship and Small Business
- Manufacturing
- Agriculture, Bio-tech, and Value Added Processing
- Regional Collaboration and Partnerships
- Rural Development Funding and Capacity Building
Transportation is a Fundamental Rural Issue

• Highlighted as a critical issue in six regional sessions attended by over 300 rural citizens

• For this presentation we reached out to rural transportation planners across the state
Rural Needs Are Different

• **Urban** - transportation needs largely driven by congestion – a serious, legitimate need!

• **Rural** - transportation needs center around safety, economic development and maintenance of existing stock – also serious, legitimate needs.

• Different needs, but equally important to residents of rural and urban counties.
Rural Needs Are Different

• Examples of rural economic development priorities:
  – Federal designation of Highway 70 Corridor at future I-42
  – Priority completion of I-74
  – Federal designation of I-87 to link eastern NC to Tidewater Virginia
  – I-95 reconstruction
The Major Issues

• The Big Issues
• The Small Issues
• Not Enough Funding
The Big Issues

• Data Driven prioritization is sound planning and good policy

• **BUT** the formula is weighted to congestion - this minimizes economic development related projects critical to rural counties.
Distribution of Prioritization 4.0

- In the recently released Statewide Prioritization 4.0 List:
  - 79 percent of the total $3.1 billion will go to urban counties
  - 68 percent of it will go to 4 urban counties
  - 11.5 percent will be awarded to projects in Regional City/Suburban counties
  - 9.5 percent will be awarded to rural counties – 2 counties out of the 80 rural counties

- Looked at another way – just 4.5 percent ($142.4 million) will go to RPO counties.
The Big Issues - 2

• The Governor’s Transportation Vision economic development objectives cannot be achieved by the process

• Modest changes can make a difference, for example, getting stronger rural representation on the workgroup
The Small Issues

• Because of the pressure to aggregate points to secure larger projects in the Statewide tier, it is now exceptionally difficult to secure funding for smaller projects as they cascade down the Regional and Division tiers.

• Transportation Alternative Program (TAP) - the 20 percent local match is onerous for small towns. Waiver for towns in Tier 1 counties?
Not Enough Funding

• Governor’s 25 Year Vision Statement for transportation notes a $70 billion need. We are only funding a small fraction.

• Insufficient funding equals very short priority lists – rural projects will inevitably not be addressed.

• The Vision Statement states well that there is risk to doing nothing.
Funding Solutions

• Pay-as-you-go is not equal to North Carolina’s challenges.

• We concur with others that we have to seriously consider supplemental and alternative funding revenue streams.

• The State should consider a significant bond commitment specifically for transportation projects.

• North Carolina’s urban transportation needs are real, so are those of rural communities. We need modest, reasonable changes in decision making, and major changes in funding levels to meet the transportation needs for all North Carolina communities.