



EST. 1987

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

**Patrick Woodie, President  
North Carolina Rural Economic  
Development Center**

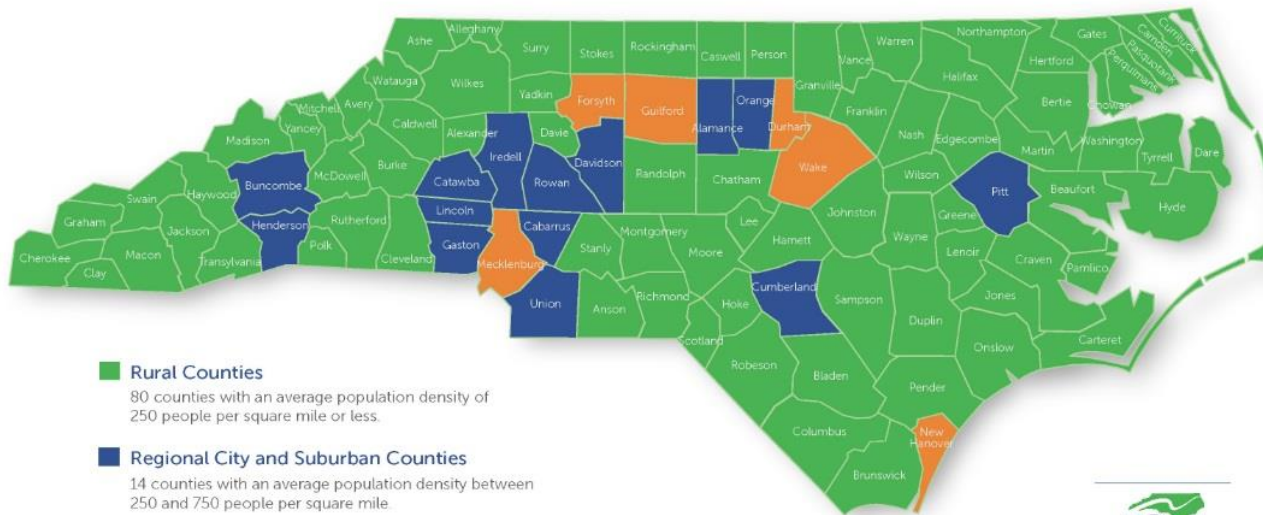
**July 25, 2016**

# About the Rural Center

- Private 501(c)3 non-profit approaching its 30<sup>th</sup> 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.

*Densities 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 1,072

2015 REDI Grads TOTAL ALUMNI

45 700

REDI Alumni participated in focus groups in 2015 ALUMNI ENGAGED IN NETWORKING ACTIVITIES SINCE 2010

13 18+

People received disaster relief training in 2015 TOTAL HOURS SINCE 2014



2,992 47,168

2015 training hours 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

WOMEN



53%

STARTUPS



30%

MINORITIES



57%

**New  
Generation  
Ventures**

2012-2015

371

Scholarships

145

Jobs created

59

Business startups

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  
10x  
PRIVATE  
LEVERAGE  
SINCE  
2012



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.