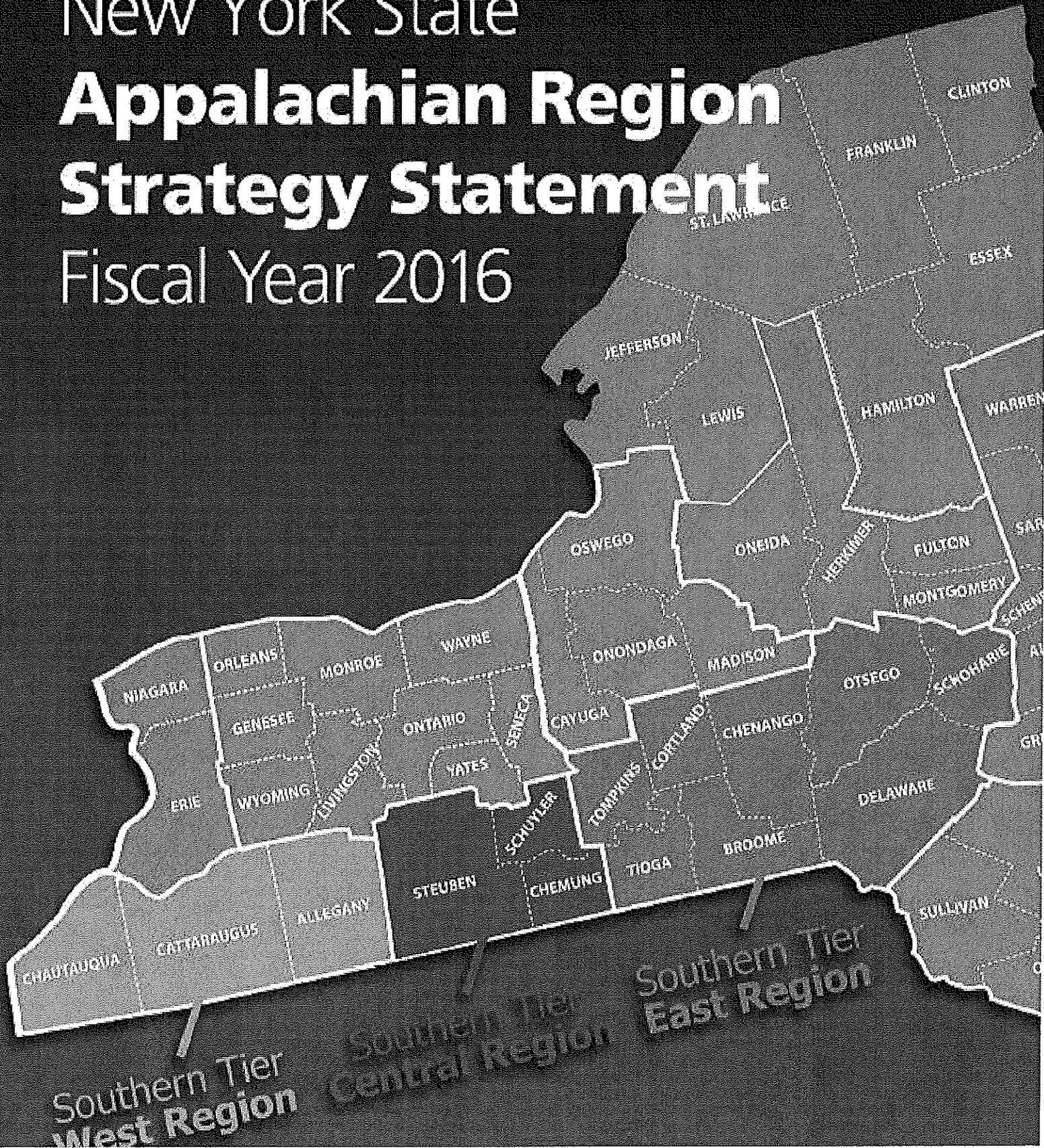




New York State Appalachian Region Strategy Statement Fiscal Year 2016





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Executive Summary

This Fiscal Year 2016 Strategy Statement, submitted in accordance with Section 5.3 of the Appalachian Regional Commission (ARC) Code, describes the current year's needs and challenges facing New York State's 14-county Appalachian Region, strategies to boost the Region's economy by developing its local community capacity, business climate, workforce, and infrastructure, and strategies to leveraging the Appalachian Development Highway System (ADHS) in New York State (NYS). This document directly relates to the ARC's Strategic Plan, "Investing in Appalachia's Future; The Appalachian Regional Commission's Five-Year Strategic Plan for Capitalizing on Appalachia's Opportunities 2016 – 2020" and to NYS's "Appalachian Regional Development Plan 2015 – 2018".

The NYS Appalachian Regional Development Program (NYS ARC Program) is coordinated by the NYS Department of State (DOS). Deputy Secretary of State for Local Government Dierdre Scozzafava, who reports to Secretary of State Cesar A. Perales, is NYS's Alternate to the ARC. All projects submitted through NYS's ARC Program should articulate an economic development benefit to help Appalachian New York become a more competitive destination for 21st Century commerce.

This Strategy Statement:

1. Assesses the current economic challenges and opportunities condition of New York's 14-county Appalachian Region and highlights the relationship between the NYS ARC Program, the Region's three Local Development Districts (LDDs), the Region's four regional development council and the Region's local governments;
2. Provides an overview of the ARC's Investment Goals for 2016 – 2020, NYS's Implementing Strategies for 2016, and NYS's targeted investment priorities for the program year; and
3. Sets forth the state operating program policies.

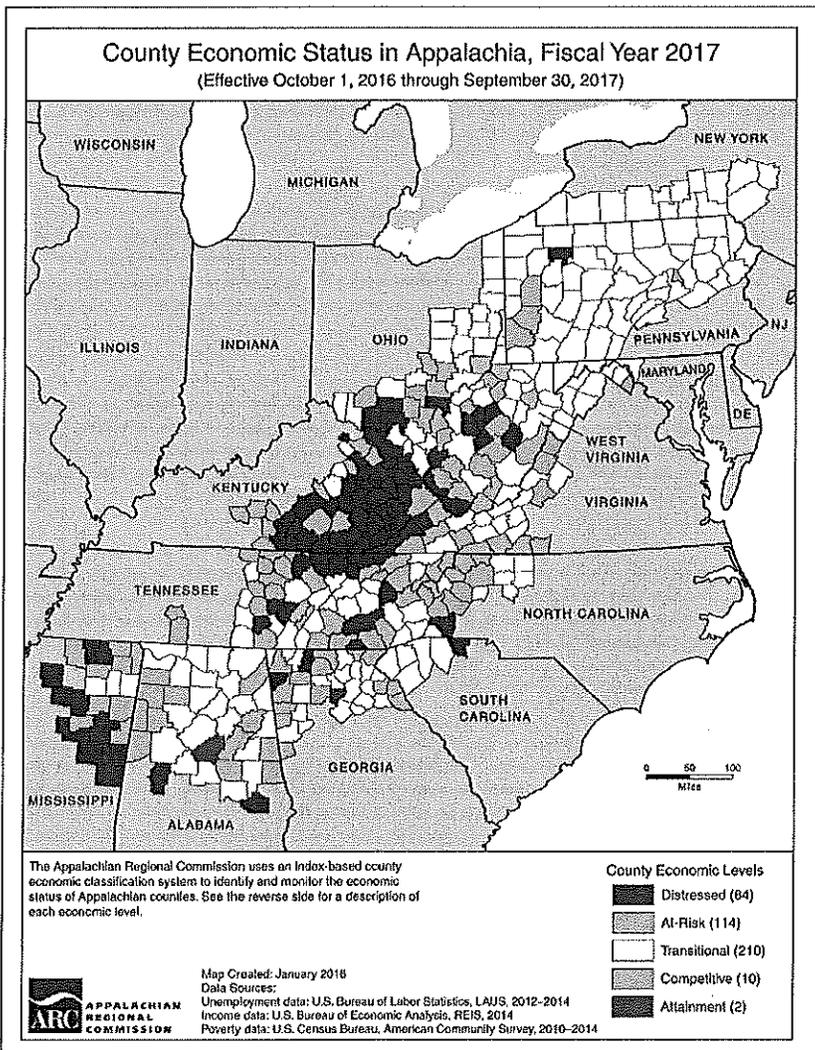
This Strategy Statement is intended to meet the requirements of the ARC Code, while being flexible enough to adapt to new local and regional planning needs, and to the priorities of New York's Regional Economic Development Councils (REDCs), which Governor Andrew M. Cuomo has charged with developing regionally significant and transformative projects to create jobs throughout the state.

Section I: Updated Overview of the Region

A. Appalachia and the New York State Appalachian Region

The Appalachian Regional Commission (ARC) is a state and federal partnership concerned with the socio-economic development of the Appalachian Region of the United States. Established by an act of Congress in 1965, ARC has progressed over the past 46 years to become a model for regional economic development. The 205,000-square-mile federally-designated Appalachian Region extends more than 1,000 miles along the spine of the Appalachian Mountains from southern New York to northern Mississippi. The U.S. Appalachian Region is comprised of 420 counties and is home to 24.8 million people. (See Map 1.) The ARC's leadership consists of the governors of the 13 Appalachian states, appointed state Alternates, and the Presidentially-appointed Federal Co-Chair.

Map 1: Appalachia and the New York State Appalachian Region



The NYS Appalachian Region, also known as NYS's "Southern Tier" (and as "the Region" where the context is appropriately clear), consists of fourteen counties extending approximately 285 miles from eastern Schoharie County to the southwestern corner of Chautauqua County. (See Map 2.) The Region covers 24.8 percent of the State's total land area, and has a population of slightly more than one million, which represents about 5.5 percent of total state population. Roughly half of the Region's residents live in or around medium to small cities or villages with the largest population clusters located around the cities of Binghamton (Broome County), Elmira (Chemung County), Ithaca (Tompkins County), Cortland (Cortland County), and Jamestown (Chautauqua County).

Local-level leadership and participation in the ARC Program is coordinated through multi-county local development districts

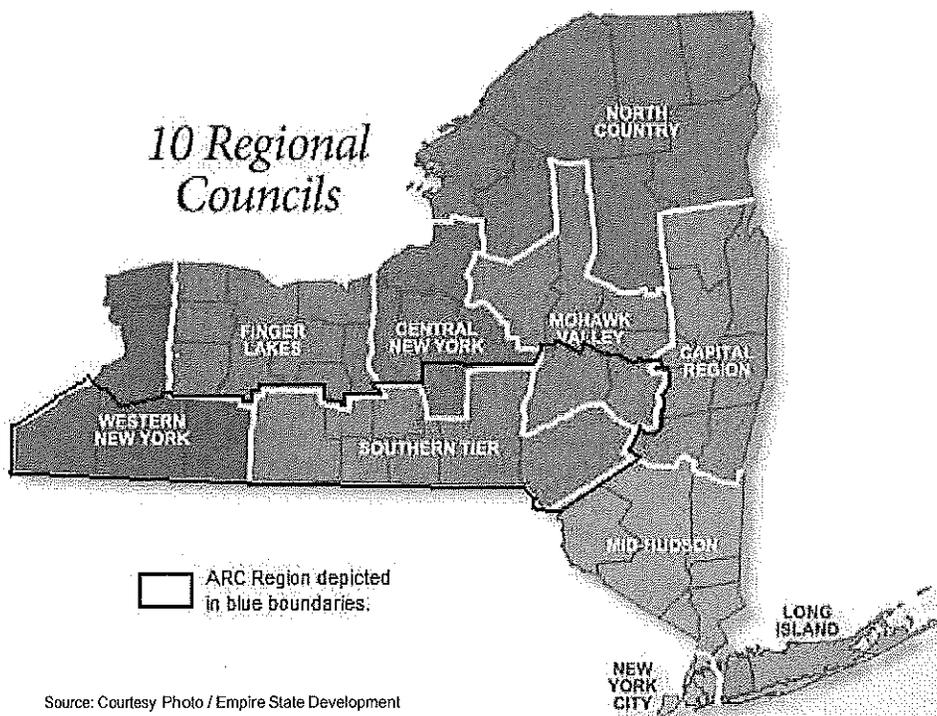
B. Strategic Overview

The ARC requires Appalachian States to focus ARC investments on the following five goals identified in ARC's Strategic Plan, "Investing in Appalachia's Future: The Appalachian Regional Commission's Five-Year Strategic Plan for Capitalizing on Appalachia's Opportunities 2016 – 2020":

- Goal 1: Economic Opportunities
Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy.
- Goal 2: Ready Workforce
Improve the education, knowledge, skills, and health of residents to work and succeed in Appalachia.
- Goal 3: Critical Infrastructure
Invest in critical infrastructure—especially broadband; transportation, including the Appalachian Development Highway System; and water/wastewater systems.
- Goal 4: Natural and Cultural Assets
Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets.
- Goal 5: Leadership and Community Capacity
Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development.

These goals and their implementing strategies are each closely aligned with the priorities of New York State's ten REDCs, which were established by Governor Andrew M. Cuomo to help transform the statewide approach to long-term economic development. REDCs are composed of local experts and stakeholders from business, academia, local government, and non-governmental organizations, and have been tasked to develop strategic plans that emphasize each region's strengths and unique assets. (See Map 3.)

Map 3: New York State Regional Economic Development Councils



Source: Courtesy Photo / Empire State Development

The REDC process is highly correlated with ARC's approach to economic development that emphasizes local decision-making. Further, NYS's 2015 – 2018 Appalachian Regional Development Plan adopts ARC's Investment Goal #5 "Leadership and Community Capacity" as a key priority for leveraging ARC resources to obtain the greatest positive effect.

This Strategy Statement complements both the development plans of the REDCs and the ARC's Investment Goals and Strategic Objectives. The NYS ARC Program urges LDDs to seek out project sponsors capable of leveraging local resources to deliver projects in line with the locally developed REDC economic development plans

Table 1: County Economic Status, Fiscal Year 2016: Appalachian New York

	County Economic Status, FY 2016	Three-Year Avg. Unemployment Rate, 2011–2013	Per Capita Market Income, 2013	Poverty Rate, 2009–2013	Three-Year Avg. Unemp. Rate, Percent of U.S. Avg., 2011–2013	Per Capita Market Income, Pct. of U.S. Avg., 2013	PCMI, Percent of U.S. Avg., 2013	Poverty Rate, Pct. of U.S. Avg., 2009–2013	Comp. Index Value, FY 2016	Index Rank of 3,110 counties in U.S., (1 is the best), FY 2016	Quartile (1 is the best), FY 2016	
	United States	8.1%	\$37,127	15.4%	100.0%	100.0%	100.0%	100.0%	-	-	-	
	Appalachian USA	8.2%	\$27,979	17.0%	100.5%	75.4%	132.7%	110.8%	-	-	-	
	New York State	8.1%	\$45,030	15.3%	99.9%	121.3%	82.5%	99.6%	-	-	-	
	Appalachian NYS	8.0%	\$29,141	16.4%	98.7%	78.5%	127.4%	106.7%	-	-	-	
	County											LDD*
	Allegany	8.2%	\$22,824	16.5%	100.9%	61.5%	162.7%	107.2%	123.6	2,037	3	STW
	Broome	8.4%	\$30,057	17.4%	102.9%	81.0%	123.5%	113.2%	113.2	1,685	3	STE
	Cattaraugus	8.6%	\$27,847	17.9%	105.2%	75.0%	133.3%	116.8%	118.4	1,862	3	STW
	Chautauqua	8.1%	\$24,749	19.1%	99.3%	66.7%	150.0%	124.1%	124.5	2,064	3	STW
	Chemung	8.2%	\$29,663	15.7%	101.1%	79.9%	125.2%	101.9%	109.4	1,573	3	STC
	Chenango	7.9%	\$29,180	15.5%	97.4%	78.6%	127.2%	101.0%	108.5	1,536	2	STE
	Cortland	8.4%	\$28,023	14.7%	102.9%	75.5%	132.5%	95.4%	110.2	1,602	3	STE
	Delaware	8.5%	\$27,913	14.2%	104.2%	75.2%	133.0%	92.3%	109.9	1,585	3	STE
	Otsego	7.5%	\$28,745	15.5%	92.3%	77.4%	129.2%	100.9%	107.5	1,486	2	STE
	Schoharie	9.1%	\$33,095	11.5%	111.8%	89.1%	112.2%	75.0%	99.7	1,181	2	STE
	Schuyler	7.9%	\$29,331	11.5%	97.7%	79.0%	126.6%	75.0%	99.8	1,184	2	STC
	Steuben	9.4%	\$30,751	15.5%	115.1%	82.8%	120.7%	100.8%	112.2	1,655	3	STC
	Tioga	8.1%	\$31,843	9.3%	99.5%	85.8%	116.6%	60.8%	92.3	932	2	STE
	Tompkins	5.5%	\$33,711	20.5%	68.1%	90.8%	110.1%	133.4%	103.9	1,344	2	STE

Source: <http://www.arc.gov/reports/>

C. The NYS Appalachian Region in Economic and Social Context

1. County Economic Status

The ARC assigns a county's economic status based on economic strength determined as described below, under the following categories:

- Distressed - Counties that rank in the bottom 10% of the nation's counties;
- At-risk - Counties that rank between 10% and 25% of the nation's counties;
- Transitional – Counties that rank between 25% and 75% of the nation's counties;
- Competitive - Counties that rank between 75% and 90% of the nation's counties; and,
- Attainment – Counties in that rank between 90% and 100% of the nation's counties.

Table 1 details rankings for each county in the NYS Appalachian Region scored by an economic index based on the ARC's most current year's data for the following economic statistics: 1) rolling three-year average unemployment rate; 2) per capita market income; and 3) American Community Survey US Census poverty rate. According to the ARC's scale of economic strength, all of NYS's Appalachian counties are in the "Transitional" category, scoring in the middle 50% of all U.S. counties for FFY-2016. Six of the NYS Appalachian counties rank in the 2nd quintile of U.S. counties (Chenango, Otsego, Schoharie, Schuyler, Tioga, and Tompkins); eight rank in the 3rd quintile (Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Cortland, Delaware, and Steuben).

2. Current Trends and Emerging Issues and Opportunities

Significant trends impacting the economic status of the NYS Appalachian counties include: the Region's relatively lower income compared to the rest of the state and the United States; the decline of manufacturing as a source of jobs; out-migration of corporate employers from many parts of the Region; the slow decline of the family farm; and population decline due to out-migration and limited in-migration. These topics are discussed below.

- While NYS is generally considered a high-income state, the state's average per-capita market income (PCMI) of \$45,030 is skewed by the relatively high incomes from Downstate areas dominated by New York City. The Southern Tier's PCMI of \$29,141 is low even compared to the rest of the nation (PCMI of \$37,127) and is barely above the income of the US Appalachian Region at large (PCMI of \$29,141).
- Although a significant technology and manufacturing presence still exists within the Southern Tier, manufacturing employment has dropped from the Region's top employment category in 2000, to its 4th ranked category, now employing just 9.9% of workers. Across the Region, the counties, municipalities, Industrial Development Agencies (IDAs) and economic development professionals have been working to stem the loss of corporate jobs, but offsetting relatively high taxes, insurance and utility costs with other incentives to enhance the Region's competitiveness can be challenging. To balance the Region's dependence on corporate employment, a broad-based effort to encourage entrepreneurship in the Region has been supported by the NYS ARC Program.
- A recurring challenge has been the high risk of localized flooding and the effect of heavy rains on the Region's watersheds, infrastructure and businesses. The tropical storms of 2011 (Irene and Lee) caused considerable damage to many communities, jeopardizing the economic foundations of many municipalities. Significant and successful efforts were made to keep businesses in the storm damaged region and NYS funds were allocated from numerous programs for rebuilding.
- The demise of agriculture and family agribusiness across the Southern Tier is a perennial challenge. Dairy production and family farms have been affected by rising production costs and declining profits. The NYS ARC Program has and will continue to work with the Region's farmers to help them brand their products and to provide other technical assistance. The NYS ARC Program has helped farmers across the Region find ways to cater to the green-markets within the Region and in nearby larger metropolitan areas, as well as collaborating with the REDCs to ensure that agribusinesses across the Southern Tier receive technical assistance and support on par with what is afforded to other industries. Particular note should be mentioned about the recent successful growth of the Greek yogurt industry and of dairy farming in the Region and across NYS.
- The Region's population loss continued, but at a slower pace, during the 2000–2010 Census cycle. Eight counties experienced a decline, as shown in Table 2. While the Region's out-migration was approximately proportionate to other regions of the country, the aging of the population has led to a higher gross mortality, and in-migration has been insufficient to counteract mortality and out-migration trends. In contrast to the general trend,

Tompkins County, which has consistently ranked as an attractive micropolitan county, saw the greatest absolute and relative change in population, gaining 5,063 new residents during the 2000–2010 Census cycle. This increase of 5.2% pushed the county's population above 100,000 residents. Schoharie County, which has become an exurb of the Albany metropolitan area, also saw an increase, growing by 1,167 residents, or 3.7%. Both of these counties remain very rural, despite their recent growth in population. In contrast, Chemung, Chautauqua, Cattaraugus and Schuyler counties saw continued population declines this past decade.

- The success of the Appalachian Development Highway System (ADHS) has alleviated some of the economic strain on NYS Appalachian municipalities. The completion of I-86 across the state, the authorization of ADHS Corridor U-1 to become part of future I-99, and the impact of other interstate highways that transit through the Southern Tier have been catalysts for economic development as several national employers have sited projects within the Southern Tier, partly offsetting the Region's loss of manufacturing jobs. New interstate links and regional cooperation have raised interest in the Southern Tier, but several other issues continue to affect the Region's economic prospects.
- DOS, through its Local Government Efficiency (LGE) Program, has worked with many communities in the Southern Tier to promote inter-municipal cooperation for the provision of public services to reduce the cost of local services or full municipal consolidation.

Table 2: Population and Geographic Area of Appalachian New York

Source: www.ARC.gov

	Population, April 1, 2000	Population, April 1, 2010	Numeric Population Change, 2000 to 2010	Percent Population Change, 2000 to	Land Area (square miles), 2010	Persons Per Square Mile, 2010
United States	281,421,906	308,745,538	27,323,632	9.7%	3,531,905	87.4
Appalachian Region	23,642,578	25,243,456	1,600,878	6.8%	204,452	123.5
New York	18,976,457	19,378,102	401,645	2.1%	47,126	411.2
Appalachian New York	1,072,786	1,066,421	-6,365	-0.6%	11,681	91.3
County						
Allegany	49,927	48,946	-981	-2.0%	1,029	47.6
Broome	200,536	200,600	64	0.0%	706	284.2
Cattaraugus	83,955	80,317	-3,638	-4.3%	1,308	61.4
Chautauqua	139,750	134,905	-4,845	-3.5%	1,060	127.2
Chemung	91,070	88,830	-2,240	-2.5%	407	218.1
Chenango	51,401	50,477	-924	-1.8%	894	56.5
Cortland	48,599	49,336	737	1.5%	499	98.9
Delaware	48,055	47,980	-75	-0.2%	1,442	33.3
Otsego	61,676	62,259	583	0.9%	1,002	62.2
Schoharie	31,582	32,749	1,167	3.7%	622	52.7
Schuyler	19,224	18,343	-881	-4.6%	328	55.9
Steuben	98,726	98,990	264	0.3%	1,391	71.2
Tioga	51,784	51,125	-659	-1.3%	519	98.6
Tompkins	96,501	101,564	5,063	5.2%	475	214

3. Major New Initiatives:

The NYS REDCs have become new players in the economic development field as they work to establish a community-driven approach to the allocation of public resources to create jobs. Annually, each REDC submits a customized five-year development plan focused on producing comprehensive, sustainable strategies for regional growth, building partnerships between the state, the private sector and higher education and ensuring that public funding aligns with local priorities. The NYS ARC Region spans four REDCs, but lies predominately within two (The Southern Tier REDC, comprised of eight ARC counties, and the Western New York REDC, comprised of the three Southern Tier West counties plus two larger, non-ARC counties: Erie and Niagara). DOS and NYS’s ARC Program are partners with the REDCs, as are the LDDs, which have key roles on REDC work groups. It is expected that there will be considerable overlap in the LDD’s Comprehensive Economic Development Strategies (CEDs) and opportunities to support REDCs’ priorities.

Creation of the REDCs complements the emphasis that the NYS ARC Program places on community revitalization, which is widely supported by local leaders and agencies. The revitalization of the Southern Tier’s urban and village centers is also a priority supported by NYS Homes and Community Renewal (HCR), the Environmental Facilities Corporation’s Co-Funding Initiative and by other DOS programs, such as the Brownfield Opportunity Areas (BOA) program and the Local Waterfront Revitalization Program (LWRP), and NYS’s new Municipal Restructuring Fund (MRF).



D. Areas of Strategic Interest for FY-2016

The NYS ARC Program for FY-2016 plans to be responsive to initiatives emanating from the strategic planning process of each of the four REDCs that overlap the NYS Appalachian Region and will seek to use its ARC funds and influence to address the following areas of strategic interest:

1. Expanding Community Capacity

NYS's baseline goal for its ARC program is to "Develop Leaders, Strengthen Community Capacity and Foster Regional Approaches to Economic Development." Successful economic development is a function of several community capacity factors including: effective community leadership and organizations; leveraging critical mass provided by inter-municipal cooperation; and promoting projects of regional significance. Communities that excel in these areas have a higher success rate in delivering economic development projects. In 2016, the NYS ARC Program will leverage its role, and that of the LDDs, as information hubs for regional planning, economic development and common problem solving in order to expand community capacity within the Region and maximize the return on ARC investments. Supporting broad civic engagement will help communities develop home-grown leadership and organizations to leverage indigenous assets.

2. Revitalization of Business Districts and Distressed Areas

As previously discussed, the NYS Appalachian counties rank in the middle 50% of all U.S. counties on a scale of economic strength weighing unemployment, per capita market income (PCMI) and poverty. A major focus of NYS's ARC Program is to ensure that the Region's communities remain economically competitive by working with Industrial Development Agencies (IDA) and other state and federal entities to promote economic development and to revitalize local business districts. This is partly achieved by

Table 3: Distressed Census Tracts (Appalachian NYS)

LDD	County	Number of Distressed Tracts	Distress Tract(s) Population	% of Population
STE		16	43,771	7.3%
	Broome	11	28,713	14.3%
	Cortland	1	4,956	10.0%
	Tompkins	2	3,898	3.8%
	Otsego	1	3,123	5.0%
	Chenango	1	3,081	6.1%
	Delaware	0	0	0.0%
	Schoharie	0	0	0.0%
	Tioga	0	0	0.0%
STC		8	23,985	11.6%
	Chemung	7	21,620	24.3%
	Steuben	1	2,365	2.4%
	Schuyler	0	0	0.0%
STW			34,835	13.2%
	Chautauqua	6	20,185	15.0%
	Cattaraugus	4	14,650	18.2%
	Allegany	0	0	0.0%
NYS ARC Region		42	102,591	9.6%

Source: Appalachian Regional Commission, May 2015

funding community capacity and planning projects and/ or by helping communities address infrastructure needs that impact public health or economic development.

In addition, the ARC identifies census tracts that are characterized as "pockets of distress" across the 13-state Appalachian Region. According to the ARC, NYS has 34 census tracts that qualify when ranked against the same economic metrics as the counties. These densely populated "pockets of distress" (listed in Table 3) require approaches that are tailored to resolving urban Rust-Belt ills, rather than to those of rural Appalachia, but are also prime candidates for community capacity building projects.

3. Workforce Development

Fifty-six percent of first time, full-time community college students in the

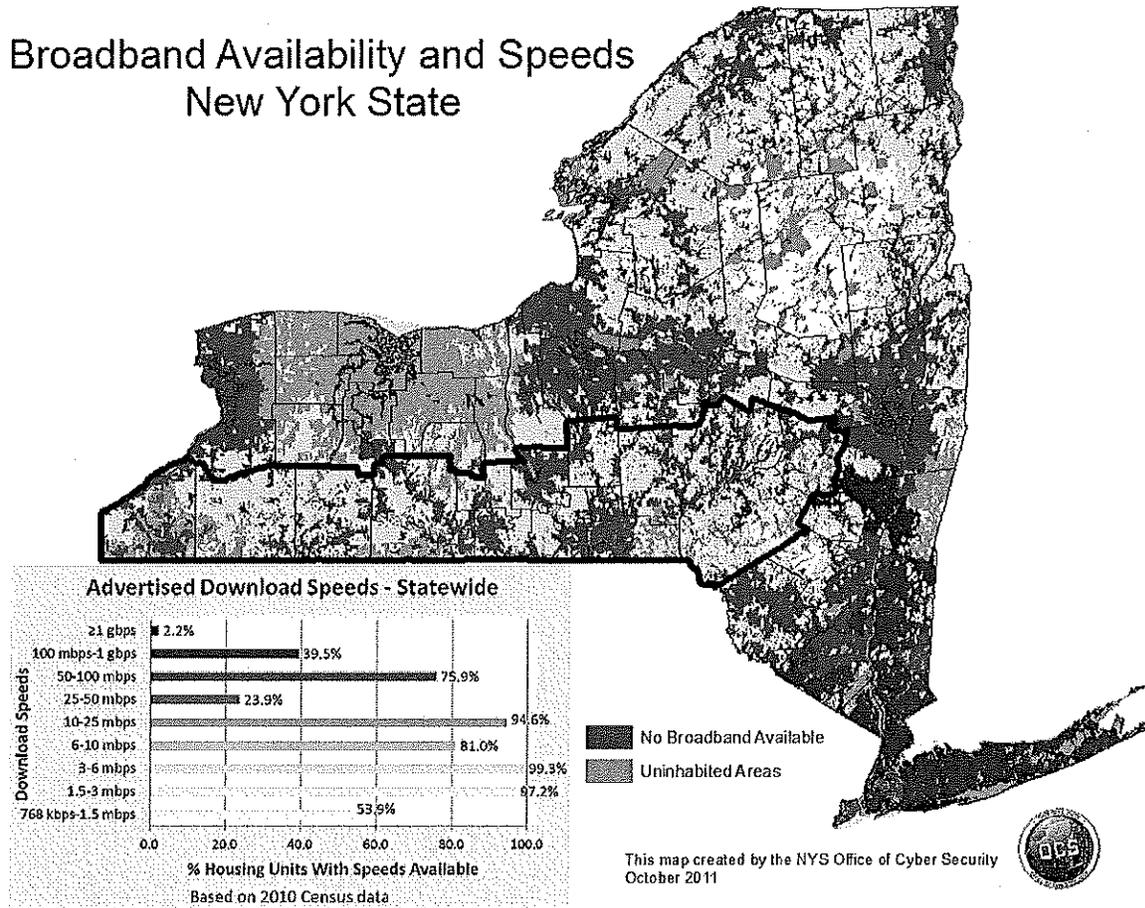
Southern Tier require at least one non-credit bearing remedial class to qualify for enrollment. Over 30% of people taking required pre-employment math and reading tests at local companies located in the Southern Tier do not pass. NYS's ARC Program will work collaboratively with the LDDs, DOS's Division of Community Services (DCS), the NYS Department of Labor (DOL), the Workforce Investment Boards (WIBs), and others to expand literacy services across the Southern Tier. In addition, the ARC program will seek to address the shortage of qualified job candidates that has increased in severity due to declining population in certain counties, retiring baby boomers, and limited career pipelines. The ARC program will also work with New York's farm industry to meet their workforce needs.

4. Infrastructure Enhancements

The infrastructure challenges in the NYS Appalachian Region are significant due to the Region's isolation, aging and obsolescence of existing systems, and often declining tax bases that hinder the capacity of local communities to upgrade or modernize infrastructure. In the age of internet connectivity, the Region's economic prospects are particularly tied to building out a telecommunications infrastructure that can handle the opportunities of the 21st Century economy. The following are DOS's infrastructure priorities:

a) Telecommunications: The Southern Tier is one of two large geographic regions in NYS that are underserved by broadband connectivity (see Map 4). This reduces the Region's competitiveness in retaining businesses, families and young adults. The NYS ARC program will continue to explore ways that the LDDs may be able to increase the Region's connectivity to the global economy via improved telecommunications.

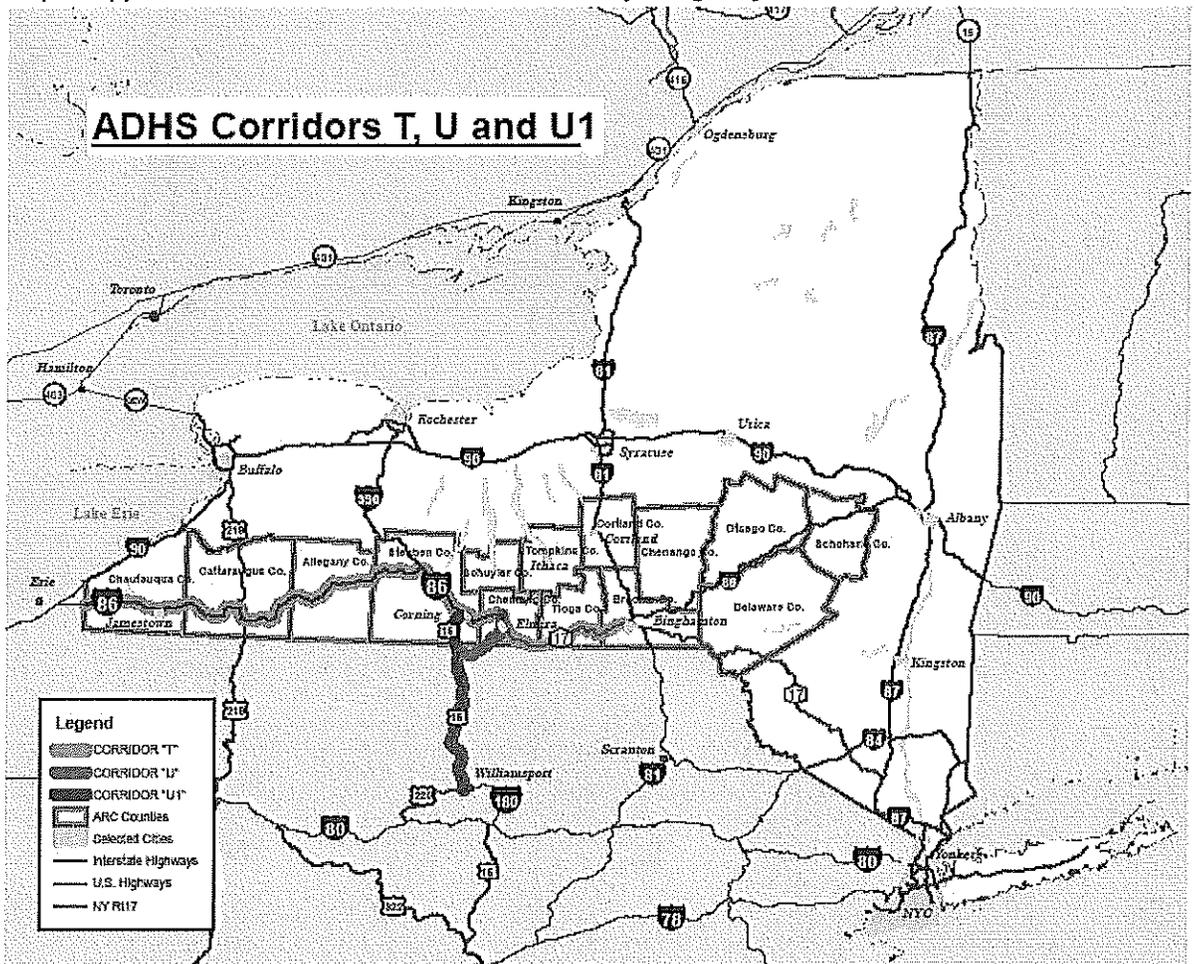
Map 4: Average Broadband Download Speed by Zip Code in NYS



b) Transportation: The Appalachian Development Highway System (ADHS) has three corridors in NYS (T, U, and U1; see Map 5). ADHS Corridor T, the Southern Tier Expressway (also known as NYS 17/ I-86), is part of the ADHS for 256 miles across the Southern Tier from Binghamton to Erie, Pennsylvania, and has opened up the Region and its attractions to travelers from metropolitan centers such as Cleveland, Toronto, Boston, New York City and Philadelphia. A group known as the “I-86 Coalition” has been advocating for improved transportation access to remedy capacity constraints for transporting freight and to provide a restructured east-west thoroughfare essential for tourism, commerce and job growth across the Region. This group has been a strong advocate for regional economic development along Corridor T.

ADHS Corridors U and U1 link the cities of Elmira and Corning, respectively, to Pennsylvania’s ADHS Corridor P and are crucial to the economic development of these two cities. Map 5 illustrates how these corridors link the Region to markets and manufacturing centers in the eastern U.S. and Canada. Maximizing the capacity of the ADHS for economic development remains a recurring priority for NYS’s ARC program.

Map 5: Appalachian New York ADHS Corridors and Major Highways,



Source: NYS DOT

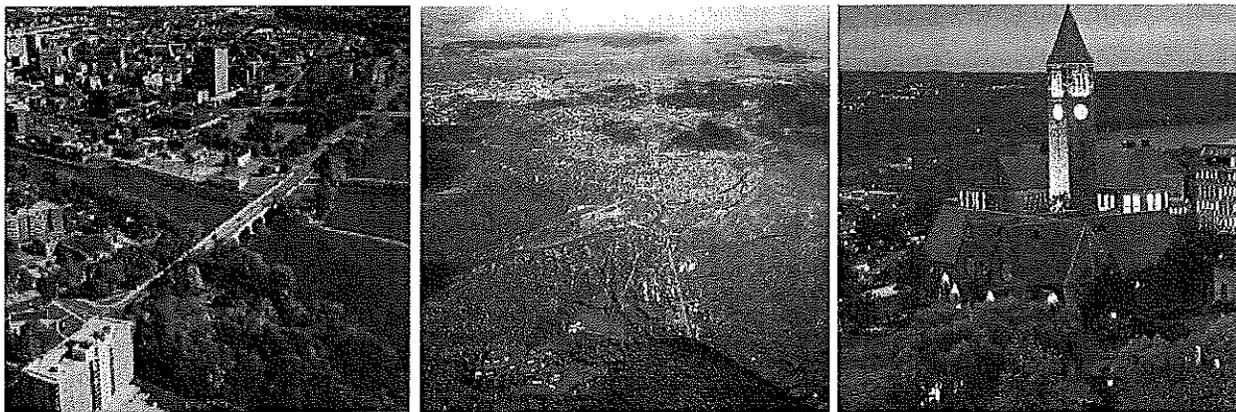
c) Water and Wastewater Infrastructure: The NYS ARC Program is an important advocate for maintaining healthy and economically efficient drinking water and wastewater systems across the Southern Tier. In NYS, water and wastewater infrastructure is largely monitored and regulated by the NYS Department of Health (DOH) and NYS Department of Environmental Conservation (DEC), while the NYS Environmental Facilities Corporation (EFC) is the primary state funding agency for

infrastructure projects related to the repair or replacement of these systems. NYS HCR and the United States Department of Agriculture – Rural Development also offer funding for such projects. In the Southern Tier, the LDDs have helped communities identify funding for improvements, using ARC resources to supplement other programs for water and sewer system upgrades and new construction. The NYS ARC Program will continue to facilitate local government needs assessments throughout the Region to encourage affordability and economic development.

5. Smart Growth and Community Revitalization

The Southern Tier region is rich in historic communities and structures, natural resources and cultural opportunities, the preservation of which is essential to the growth and restructuring of NYS's regional economies. A broad range of programs are available for communities undertaking preservation or revitalization projects, including DOS's LWRP program and Brownfield Opportunity Areas program.

In addition, HCR's NYS Main Street program provides financial and technical assistance to local governments, business improvement districts, and other not-for-profit organizations, to help revitalize historic downtowns, mixed-use neighborhood commercial districts and village centers. The NYS ARC Program will work with the LDDs and other organizations to coordinate the use of these programs and others to leverage local and regional assets promote smart growth and regional economic development.



Binghamton, Elmira, and Ithaca

Section II: NYS Goals and Strategies

This Section identifies the NYS strategies to guide the investment of ARC resources in the NYS Appalachian Region. The strategies were established for NYS's ARC Program in response to ARC's Strategic Plan "Investing in Appalachia's Future: The Appalachian Regional Commission's Five-Year Strategic Plan for Capitalizing on Appalachia's Opportunities 2016 - 2020" and to "NYS's Appalachian Regional Development Plan 2015 -2018".

NYS ARC-PROGRAM AREA DEVELOPMENT IMPLEMENTING STRATEGIES

DOS serves as the interagency liaison with state and federal agencies for coordination of efforts to achieve the ARC's goals within the State. DOS coordinates local contact and area development project solicitation with the three regional LDDs. Each of the ARC's Investment Goals has been matched with Implementing Strategies that have been adapted to meet the needs of the NYS Appalachian Region. All applicants for ARC area development grant funding for projects in NYS must address one of the ARC's five Investment Goals and one of NYS's related Implementing Strategies as explained herein. (NYS programs related to the ADHS in NYS are administered by NYS Department of Transportation (DOT)).

ARC INVESTMENT GOAL 1: Economic Opportunities

Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy. Increase Job Opportunities and Per Capita Income in Appalachia to Reach Parity with the Nation

NYS Condition: The NYS ARC Program emphasizes three themes related toward this goal: Fostering the capacity of communities to leverage their resources to plan regionally and to raise funds to complete regionally significant projects; working with the REDCs and county leaders to identify projects that will have a transformative impact toward developing the regional economy; and collaborating across government and program boundaries to accelerate the growth of the Region's economic base.

NYS Implementation Strategies to Promote Economic Opportunities:

Strategy 1.1: Encourage and supports entrepreneurship and local business development through technical assistance, incubation and acceleration, capital access, mentoring, networking, business-ownership transition, and other types of support.

Rationale: Locally owned businesses need an environment that encourages and supports entrepreneurship and business development through technical assistance, incubation and acceleration, capital access, mentoring, networking, business-ownership transition, and other types of support.

Strategy 1.2: Support the growth and startup of high-potential businesses, particularly in targeted sectors that build on local and regional assets. This includes, but is not limited to: advanced manufacturing, clean energy, health care, high-technology, tourism, agriculture and local food systems.

Rationale: Supporting entrepreneurship and business development in targeted sectors that have growth potential and that build on local and regional assets provides the greatest opportunity for building a strong regional economy. These businesses also offer better job opportunities for Appalachia's workers. Targeted sectors can include manufacturing, diversified energy, tourism, local food systems, and health care, as well as other sectors with growth potential.

Strategy 1.3 Promote strategies to connect start-up and established businesses to global markets..

Rationale: Today's global marketplace provides the opportunity to sell goods and services on a much broader scale. Demand from outside the Region for goods and services has strong potential for growth. Helping Appalachian businesses tap into this growing external demand will contribute to their long-term success.

ARC INVESTMENT GOAL 2: Ready Workforce

Improve the education, knowledge, skills, and health of residents to work and succeed in Appalachia

NYS Condition: A healthy, skilled, ready workforce is a building block for a more prosperous Appalachian Region. NYS's REDCs and LDDs have identified workforce development as a key objective toward getting the Region's economy operating at a high level. The NYS ARC Program will emphasize workforce development strategies to help foster better matches between the available workforce and opportunities presented by local private employers, emphasize educational opportunities and address health professional shortages. In addition, NYS's ARC program will pursue strategies that will lead to a healthier region and one where barriers to employment are lowered for maximum workforce participation.

NYS Implementation Strategies to Promote Ready Workforce:

Strategy 2.1 Develop and support educational programs and institutions that contribute to a better educated workforce prepared for 21st Century careers.

Rationale: Education, particularly postsecondary education, is a key component of the business and entrepreneurial ecosystem and often a primary economic driver. Investments to connect education, workforce, and business interests in a seamless system that prepares the Region's young people to succeed in existing and emerging sectors, and creates new opportunities for workers transitioning to new employment is essential. These efforts must begin with strong educational programming and institutions, and ensure that all students have the basic skills, as well as the soft skills, needed for productive employment or entrepreneurship. Particular emphasis will be placed on providing education and training matched to the Region's current sectors and jobs, while increasing access to advanced skills training for the jobs of the future.

Strategy 2.2 Support programs that provide basic and soft skills training to prepare workers for employment.

Rationale: A ready workforce includes workers that have the basic knowledge and skills—such as literacy, numeracy, and problem solving—that are needed to succeed in the workplace. In addition, workers need soft skills—such as communication, time management, and interpersonal skills—in order to obtain and maintain employment.

Strategy 2.3 Increase local residents' access to STEAM and other skills training on state-of-the-art technology and processes across all educational levels.

Rationale: To take advantage of new employment opportunities prospective workers must have access to and engage in career-specific education and skills training that can help them succeed and advance in their careers. A number of emerging sectors require a workforce with strong science, technology, engineering, arts, and math (STEAM) skills. For workers to take advantage of employment opportunities in growing sectors, they must have both the foundational knowledge and the relevant technological skills needed to succeed.

Strategy 2.4 Improve access to affordable, high-quality health care for workers and their families.

Rationale: Many parts of Appalachia, particularly economically distressed areas, are underserved by health-care professionals and health-care facilities. Investments that increase access to quality, affordable health care are critical to the Region, as a healthy workforce is essential for Appalachia to compete in today's economy.

Strategy 2.5 Support public health practices and sustainable clinical services that address health conditions that affect the Region's economic competitiveness.

Rationale: The workforce can be better prepared by reducing high rates of chronic disease and by innovative initiatives that improve the health of the Region's residents to ensure a ready and able workforce.

Strategy 2.6 Develop and support sustainable programs that remove barriers to participating in the workforce.

Rationale: Access to reliable transportation, affordable elder or child care, and health services can affect workforce participation. Developing and supporting programs that are specifically designed to reduce employment barriers and increase workforce participation will help ensure a ready and able workforce.



Jamestown Community College's Manufacturing Technology Institute was funded in part with ARC grants.

ARC GENERAL GOAL 3: Critical Infrastructure

Invest in critical infrastructure—especially broadband; transportation, including the Appalachian Development Highway System; and water / wastewater systems

NYS Condition: To attract businesses investment and workers into the region, investment in critical infrastructure — especially broadband; transportation, and water/wastewater systems is essential. NYS has articulated several areas for emphasis: Telecommunications and Broadband Connectivity; Community Revitalization; Intermodal Transportation connections to the ADHS, and healthy efficient water/wastewater systems. In addition, brownfield remediation will be encouraged in cooperation with the state's Brownfield Opportunity Areas Program.

**** IMPORTANT NOTE:** All projects related to investment of ARC funds for the ADHS in NYS are administered by NYS Department of Transportation (DOT) via direct FHWA funding assistance, which is a decreasing source of funds as NYS's ARC-funded ADHS corridors are complete. DOT provides technical assistance regarding other transportation projects and policies for NYS's ARC Region.

NYS Implementation Strategies to Improve Critical Infrastructure:

Strategy 3.1 Promote the productive and strategic use of broadband and telecommunications infrastructure throughout the Region to increase connectivity and strengthen economic competitiveness.

Rationale: Telecommunications infrastructure can help reduce Appalachia's isolation and connect its communities with information and markets around the world. But many of the Region's communities, particularly those in distressed counties and areas, lack access to reliable and affordable telecommunications infrastructure. Investing in telecommunications for these communities, and supporting its productive use, will help strengthen Appalachia's economic competitiveness.

Strategy 3.2 Ensure communities have the adequate basic infrastructure (water, sewer, diversified energy, and housing) they need to implement their community and economic development objectives

Rationale: Communities need adequate water and wastewater systems, diversified energy sources, and quality affordable housing to sustain businesses, generate jobs, protect public health, and ensure a basic standard of living for residents. Many Appalachian communities continue to lack this basic infrastructure, compromising their ability to pursue broad community economic development objectives. Investing in basic infrastructure that can help advance local community and economic objectives is an investment in the economic potential of the Region, as well as in the health of its residents.

Strategy 3.3 Support the construction and adaptive reuse of business development sites and public facilities to generate economic growth and revitalize local economies.

Rationale: Communities must have adequate sites and facilities, tailored to the specific needs of the Region's growing sectors, in order to sustain and grow the businesses that generate local jobs. Investing to create and improve technology centers, incubators, shared work spaces, and commercial, industrial, health-care, creative, and educational sites and facilities, and to reclaim and reuse brownfields, is an important community economic development strategy

Strategy 3.4 Complete the Appalachian Development Highway System and construct local access roads that strengthen links between transportation networks and economic drivers.

Rationale: Investment in the Appalachian Development Highway System has significantly reduced the Region's isolation and opened up opportunities for economic growth. Completing the remaining portions and constructing local access roads will further connect the Region to strategic regional, national, and global economic opportunities.

Strategy 3.5 Invest in intermodal transportation planning and infrastructure that builds on the ADHS and maximizes the Region's access to domestic and international markets.

Rationale: In order to compete in a global economy, Appalachia must have reliable access to domestic and international markets. Connecting the ADHS to rail, waterway, and aviation routes can help link Appalachian businesses to regional, national, and international markets.

ARC INVESTMENT GOAL 4: Natural and Cultural Assets

Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets.

NYS Condition: NYS's Appalachian Region encompasses 11,681 sq. miles, or approximately 24.7% of YS's total 47,126 sq. mile area. The region also represents approximately 1/17th of the Federal Appalachian Region's land area. Approximately 285 miles long from west to east and approximately 41 miles from north to south. It contains historic urban areas surrounded by miles rural space. Within this area are headwaters of major drainage basins, including the Ohio/Mississippi Rivers, the Delaware River, the Mohawk/Hudson Rivers and the Finger Lakes/Great Lakes. Excellent agricultural assets and centuries of technological innovation have imbued the region with unique cultural assets. NYS is committed to asset-based development initiatives that will makes the most of the region's unique natural and cultural assets.

NYS Implementation Strategies to Promote Natural and Cultural Assets:

Strategy 4.1 Preserve and strengthen existing natural assets in support of economic opportunities that generate local and regional benefits.

Rationale: Natural assets, such as forests, land, water, and mountains, provide a strong base for the Appalachian economy. Providing for responsible stewardship of these assets can unlock even greater economic development potential for the Region.

Strategy 4.2 Preserve and strengthen existing cultural assets, such as unique historic, artistic, and heritage sites. through strategic investments that advance local and regional economic opportunities.

Rationale: Investments that strengthen cultural assets, such as helping maintain cultural traditions and improving or developing unique historic, artistic, and heritage sites—all of which attract tourists, new residents, and businesses to the Region—should be connected to strategic economic development opportunities.

Strategy 4.3 Support strategic plans and investment in building connections to and between the region's natural and cultural resources

Rationale: Strategic investment in activities such as developing and connecting regional multi-use trails and cultural heritage sites generates interest from residents and tourists alike and results in substantial economic impact in the Region.

Strategy 4.4 Support preservation and stewardship of downtown communities, historic districts, and main streets to advance local economic growth.

Rationale: Strategic investments in downtown redevelopment, gateway communities, historic districts, and other unique community features can help revitalize and enrich local economies.

ARC INVESTMENT GOAL 5: Leadership and Community Capacity

NYS Condition: NYS has articulated two areas of infrastructure for emphasis for Telecommunications and Broadband Connectivity and Community Revitalization. The NYS ARC Program will work with the REDCs, LDDs, counties, local governments and other state agencies to help communities access funding to upgrade these critical systems and prepare for economic growth, particularly in the villages and cities of the Region and at nodes of growth along the ADHS and other major highways throughout the Region. In addition, brownfield remediation will be encouraged in cooperation with the state's Brownfield Opportunity Areas Program.

Strategy 5.1 Work with local development districts and other regional and community planning organizations to articulate a vision and plans for sustainable regional economic development and enhanced community capacity.

Rationale: Long-term visioning and strategic planning by local and regional leadership is essential for maximizing resources available to advance regionally significant projects. In addition, communities need leadership that reflects their demographics, understands the local economic context, and is skilled in communication, collaboration, consensus building, and community engagement. This strategy intends to assist community organizations and institutions that have limited capacity.

Strategy 5.2 Ensure communities have the adequate basic infrastructure (water, sewer, diversified energy, and housing) they need to implement their community and economic development objectives

Rationale: Help develop civic leadership skills and community capacity at the local and regional level, especially among youth and next-generation leaders. Young leaders are critical to the future of Appalachia. Providing the next generation with meaningful leadership and engagement opportunities at the local and regional level will motivate them to stay in the Region—establishing careers, creating businesses, and otherwise contributing to community and economic development.

Strategy 5.3 Collaborate with other partners toward common objectives for the advancement of NYS's Appalachian Region.

Rationale: NYS's ARC Program will: collaborate with other regional networks that contribute to regional prosperity; invest in pilot initiatives to demonstrate new and promising community capacity practices; foster coordination among a broad range of economic development programs, plans and initiatives taking root in the region; advocate for Appalachian NYS, and develop co-investment partnerships with other organizations at all levels.

Strategy 5.4 Provide technical assistance and referrals to communities so they have the capacity and connections needed to pursue community development opportunities.

Rationale: As a multi-disciplinary economic development program, NYS's ARC Program has the ability to leverage its resources to assist local governments in multiple ways and to foster connections that enhance community capacity, including through training of community leaders and in opening up communications between communities and other resource providers that can advance the goals and objectives of the ARC's strategic plan.

Outcome Measurements

- Goal 1 primarily addresses ARC's performance targets to create and strengthen businesses, create and retain jobs, and leverage private investment.
- Goal 2 primarily addresses ARC's performance target to educate and prepare students and workers to participate in the Region's economic opportunities.
- Goal 3 primarily addresses ARC's performance target to increase access to improved infrastructure for businesses and households.
- Goal 4 primarily addresses ARC's performance target to create and strengthen businesses through initiatives tied to asset development.
- Goal 5 primarily addresses ARC's performance target to strengthen leaders and enhance community capacity.

Section III: NYS ARC Programs and Policies

This section summarizes the general policies established by New York for the NYS ARC Program, including policies for soliciting, reviewing, and selecting ARC projects, highlighting LDD and citizen roles; matching requirements and funding limits for projects; and other policies or operating procedures that address important administrative issues. These policies guide the preparation of the State's annual Appalachian Regional Investment Package, and were established in consultation with the three LDDs in the NYS Appalachian Region and cooperating state agencies.

A. ARC Program Organization:

As discussed above, the NYS ARC Program is coordinated by DOS. In addition, several state and federal community development agencies assist DOS in developing policies and priorities for the ARC Program. The program is staffed within DOS and is implemented at the local level in concert with three LDDs. The LDDs are participants in the policy development process and each is governed by a board of local leaders and professionals who keep the LDDs tied to the local economic and municipal structure of their constituent counties. This bottom up approach is a principal concept of the NYS ARC Program.

The submission of NYS's Annual ARC Project Investment Package represents an important implementation aspect of the NYS ARC area development strategy. The ARC's area development program has been a tool for generating grassroots interest and regional support for model projects designed to address regional concerns. DOS's responsibility is to work with each of the three LDDs to solicit and develop applications for Area Development proposals. DOS reviews and provides an analysis of projects and makes recommendations for funding submissions.

B. Project Application, Performance and Reporting:

All NYS ARC Program projects must address one of the four Strategic Goals for the Appalachian Region identified in the ARC Strategic Plan and one of the NYS implementing strategies. These strategies are fundamental to tracking the success of projects and justifying expenditure of ARC resources. Potential project sponsors must clearly show that proposed activities will implement one of the strategies.

Because NYS receives many more applications for ARC funding than can be approved, an extensive review process takes place, first at the LDD level and then at the DOS program level, before projects are recommended for transmittal to the ARC. Early in the solicitation/application drafting process, LDDs work closely with project sponsors and determine each applicant's financial need. When the LDDs vote on the applications and score the proposals, financial need is one of the key parts of the scoring rubric. Finally, when determining NYS's project recommendations, DOS considers the rankings of the LDDs and then independently reviews all proposed projects, also following the grant-review rubric.

In addition, all project sponsors are required to identify the outputs and outcomes of the project and the dates by which these measures will be achieved. Output measures quantify a project's immediate products and activities, which have been identified in the project application. Outcome measures assess longer-term results of project outputs by gauging project accomplishments in quantitative terms. Sponsors must formally agree to provide the LDD with project performance information during and after the project for a period of three years.

Performance Measures: As an investor in grassroots economic development, the ARC's performance is in large measure dependent on the achievements of its local, state, and regional partners. To measure its effectiveness, the NYS ARC Program will look at the following five areas of performance:

- **Leverage:** Measured by additional public and private financial and technical support attracted by ARC investments.
- **Jobs:** Measuring both jobs created and jobs retained through job-generating programs.
- **Employability:** Measured by improvements in high school graduation rates, increases in college attendance and graduation rates, the number of participants completing workforce training programs, and the number of children served in early childhood education programs.
- **Infrastructure Development and Connectivity:** Measured by the number of citizens served by new or improved infrastructure, connections made between modes of transportation, particularly between railways and highways, and highway miles opened to traffic.
- **Enhanced Local Capacity:** Measured by the number of communities and local leaders that have been assisted by the program and the regional projects that have been developed due to increased assistance.

In addition, the NYS ARC Program staff will work in conjunction with the ARC, LDDs, other state agencies, county and local governments and the REDCs to help achieve the ARC's General Goals and strategic objectives. It will also work to ensure that the Region's leaders and citizens have the capacity, capability, and resources needed to build and strengthen local economies. The ARC's structure as a federal-state-local partnership and as a regional agency makes it uniquely suited to help guide and foster the local efforts required for positive change.

C. New York State Area Development Policies

This section identifies general policies established by New York to guide the preparation of the NYS Appalachian Regional Investment Package. They were established in consultation with the three LDDs in the NYS Appalachian Region and cooperating state agencies.

1. **Eligible Project Activities:** All projects from New York receiving ARC resources under the Area Development Program must clearly implement one of the New York State Strategies.
2. **Ineligible Project Activities:** ARC resources may not be used to provide assistance for (1) relocating a business or industry, (2) recruitment activities placing a state in competition with one or more other states, or (3) projects promoting unfair competition between businesses within the same immediate service area.
3. **Dollar Limits For ARC Funding:** In order to foster diverse projects throughout the Southern Tier, DOS has placed a \$150,000 limit on the ARC-funded portion of most projects in NYS, EXCEPT for projects that result from recommendations of a REDC or which have been cited by DOS and the LDD as "regionally significant." In these cases, the ARC funding limit may be raised

to \$300,000 per LDD involved. Sponsors of such projects must document that additional ARC funding is indispensable to project implementation and funding cannot be obtained from other public or private resources.

4. Matching ARC Resources: Each Federal Fiscal Year, ARC designates the economic health of each county, and that designation, in turn, determines the match rate for projects in those counties. For the FFY-2016 program year, the fourteen Appalachian Counties in New York State are all designated as “transitional” by ARC. This designation means that projects in “transitional” counties may only request ARC financial assistance not to exceed 50% of the total eligible project cost.

Funds used to match the ARC grant may include both cash and documented “in-kind” contributions. All match funds must directly relate to and support specific project activities and represent new expenditures above and beyond ongoing activities of the project sponsor (see “Maintenance of Effort” below). In-kind contributions may involve equipment or other goods, paid personal services, or donated office space. However, in-kind “rental” charges for the following types of office space are NOT ACCEPTABLE as match: (1) space presently rented by the project sponsor, (2) space in facilities constructed with any federal funds, (3) space in any facility owned by the project sponsor or by an entity closely related to the project sponsor, or (4) space in any public building. All in-kind matching contributions must otherwise be allowable charges to the ARC grant.

Other federal funds may be used as matching funds for ARC grants, except as specifically limited by federal statutes. Total federal funding from all sources for infrastructure, construction and equipment projects is limited to 80% of total project cost. Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development are considered to be local funds for the purposes of matching ARC projects.

5. Time Limits for ARC Funding of Projects: Most approved projects will receive ARC funding for one program year. In limited cases, three years of ARC funding may be permitted. In these cases a second or third year application will be required and subsequent year funding will be based on project progress, demonstration of continued need and the availability to NYS of sufficient resources. Projects with an operations component are normally permitted funding for a reasonable start-up period plus twelve months of direct operations, not to exceed eighteen months. Start-up activities may include hiring and training staff, setting up offices, developing administrative policies, renovations for child care or vocational education facilities, etc.

Sponsors of ARC-funded projects may request approval of changes to project activities, including the project budget, and/or an extension of the period of performance. Such requests must be fully explained and documented and received by DOS from the formal project grantee no less than two months prior to the expiration of the approved project period. All such requests must be approved by NYS and recommended to ARC for final approval.

6. Maintenance of Effort: ARC funds cannot be used for activities previously or currently undertaken with other federal, state or local funds. Expansion of previous activities, however, can be funded to the extent of the expansion.
7. Indirect Costs: Overhead and other indirect expenses of a project sponsor are generally not eligible as project costs for operating projects, either as part of the ARC portion or of the match. Exceptions are made for expenses of LDDs as ARC grantees and expenses of participants in ARC Consolidated Technical Assistance Program grants.

8. Overruns and Underruns: ARC funding for project cost overruns should not be anticipated. ARC funds are considered to be the last dollars spent on a given project. If a project is closed out having spent less than the originally approved budget amount, ARC funds in the amount of the underrun are subject to recoupment by the ARC.
9. Waiver Policy For Construction/Renovation/Equipment Projects: A waiver of Section 4.5 of the ARC Project Guidelines to permit contracts prior to ARC project approval will be considered for construction, renovation or equipment projects that meet all of the following conditions:
 - a. The request for a waiver must come to DOS directly from the appropriate LDD with a strong recommendation for its approval.
 - b. The project must already have been approved by DOS and transmitted by the Secretary of State to ARC with a recommendation for approval.
 - c. Approval of the project by ARC would be held up beyond normal ARC processing time (at least 45 days) because of circumstances beyond the project sponsor's control. (Examples of such circumstances might include a delay in required action by the State Legislature or by a State or federal agency. The key point is that the project sponsor must have done all that is possible to obtain the required action by the other entity).
 - d. There must be written assurance from the appropriate federal (and State, if applicable) basic agency of support for or no objection to the granting of the waiver.

If all four conditions are met, waivers may be granted by the ARC Program Manager in a letter to the requesting LDD. The grant of a waiver in no way obligates DOS to continue to support the project or ARC to fund the project. The project sponsor therefore proceeds with contract execution or other actions at its own risk.

D. NYS's Energy Policy for Commercial Construction Projects

In accordance with ARC Resolution Number 718 of November 30, 2009, all applications for ARC-assisted construction projects will include a discussion of any efforts that may have been made to improve the energy efficiency of such project. In addition, the State's ARC Program will support programs designed to improve the understanding of energy efficiency strategies, programs, and technologies by providing outreach, education and training, and certification programs to community leaders, elected officials, planners, developers, contractors, educational institutions, and LDDs.

The Energy Conservation Construction Code of New York State (ECCCNYS), based on International Energy Conservation Code (IECC) 2009 and referencing ASHRAE 90.1-2007 became effective on December 28, 2010, and is more stringent than prior codes. DOS's Division of Code Enforcement and Administration can provide technical support through its administration of the code. In addition, the NYS Energy Research and Development Authority (NYSERDA) provides a number of incentives to foster energy efficiency in construction projects. DOS and the LDDs will continue to work with NYSERDA to help project coordinators exceed the requirements of the energy efficiency codes for ARC projects.

NYS's Renewable Portfolio Standard (RPS) policy is designed to increase the proportion of renewable electricity used by retail customers. It has adopted an aggressive goal of obtaining 30 percent of its electricity from renewable sources by 2015 – referred to as "30 x15". RPS energy targets for the 30 percent goal fall into three groups:

- Main Tier or Large Scale Generators – Large-scaled generators that sell power to the wholesale grid or in some cases generate power for onsite use.
- Customer-Sited Tier – Small-scaled generators such as a photovoltaic (PV) system on a residence
- Other Market Activities - Individuals and businesses that choose to pay a premium on their electricity bill to support renewable energy and state agencies that are subject to renewable energy purchasing requirements through similar policies.

NYSERDA is responsible for administering the Main Tier and the Customer Sited Tier aspects of the program. For a generating facility to be eligible for Main Tier program procurements, it must meet the generation type and fuel source eligibility requirements as defined and clarified by the Public Service Commission (PSC) in its various orders. The PSC orders issued for Case 03-E-0188 are the controlling authority for all determinations of eligibility of projects participating in the NYS RPS. As of April 2010, the PSC established new consumer-sited tier (CST) program goals for the previously approved technologies (photovoltaic, fuel cell, anaerobic gas-to-electric digester technologies, and on-site wind installations), authorized a new CST program aimed at encouraging additional customer-sited installations, and authorized a new CST program focused solely on the deployment of solar thermal energy systems. Customers interested in installing PV or small wind installations can work with one of NYSERDA's eligible installers. Incentives are available through the solar and wind installers. NYSERDA's Solar Photovoltaic (PV) Program Opportunity Notice (PON) 2112 provides cash incentives for the installation by Eligible Installers of new grid-connected Solar Electric or PV systems that are 7kW or less for residential, 25kW or less for not-for-profit and 50 kW or less for commercial sites. The goal of the program is to install 82 MW or 93,806 MWhrs of Solar Electric Power systems. Incentives will be granted on a first-come, first-served basis, and PV incentive applications will be accepted through December 31, 2015, or until funds are fully committed, whichever comes first. (Ref: <http://www.nyserdera.org/rps/index.asp>)

E. Preparation and Implementation Of The NYS Appalachian Regional Investment Package

1. Policies established in the federal ARC legislation, the ARC Code, Project Guidelines and Commission resolutions serve as the framework for the development of NYS policies for the implementation of the ARC non-highway programs, including especially the Area Development Program and Regional Initiatives. DOS discusses policies affecting the development and implementation of the Area Development Program with each of the LDDs and other agencies. The following documents are used for project solicitation and review:
 - a. An Application Guidance document for potential project sponsors, including: a detailed statement of NYS policies for Area Development projects, instructions for completing an application for ARC funding, application and budget formats, general information on technical assistance contacts, and the application process/schedule. For each ARC Strategic Goal, specific objectives, strategies, categories of eligible projects, encouraged policy thrusts and recommended performance measures (outputs and outcomes) are set forth.
 - b. A joint State-Local ARC Priority Point Rating System for evaluation of project proposals under each eligible project category.
 - c. A schedule for the project development and review process including target dates for initial program announcement, receipt of applications from project sponsors by the LDDs, provision of LDD priority recommendations to DOS and announcement of the draft Investment Package.

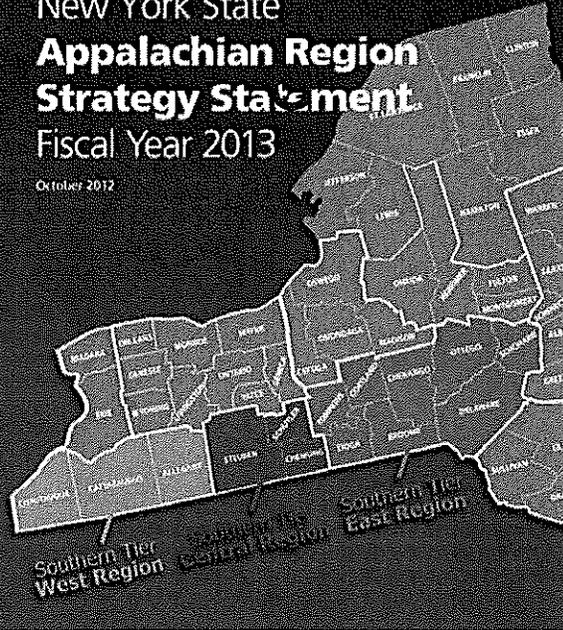
2. LDDs actively solicit applications from potential local project sponsors in the spring. Workshops on the Appalachian Development Program are held in each region, and LDD staff provides technical assistance to the sponsors to ensure that ARC and State requirements, as well as application rating criteria, are addressed.
3. Acting within deadlines set by DOS, LDDs submit project applications and develop regional priority rankings based on a scoring rubric known as the joint State-Local ARC Priority Point Rating System. Because NYS receives many more ARC project applications than can be funded, an extensive review process takes place at the LDD and DOS program levels before projects are recommended for transmittal to the ARC. Early in the solicitation/application drafting process, LDDs work closely with project sponsors and determine each applicant's financial need. When the LDDs vote on the applications and score the proposals, financial need is one of the key parts of the scoring rubric. Finally, when determining NYS's project recommendations, DOS considers the rankings of the LDDs and follows the Priority Point Rating System to independently review all proposed projects.
4. DOS will prepare a preliminary draft Investment Package early in the Federal Fiscal Year based upon the review of all applications according to the State-Local ARC Priority Point Rating System, taking into consideration LDD recommendations and comments. This Package will be prioritized into three groups of projects and presented to each LDD. The LDDs will be given the opportunity for comment on the package and present additional project information.
5. LDDs will be notified of the Investment Package priorities and will advise successful applicants. If necessary, meetings will be arranged with the LDDs, staff from ARC, DOS, cooperating State agencies, federal agencies and project sponsors to discuss any required application additions or changes. The intent is to assist sponsors in developing solid approvable applications by providing clarity regarding State and ARC expectations.
6. If resources become available, DOS will notify the LDDs that applications for specific standby projects will be accepted. These supplemental applications must be reviewed and approved by the LDDs prior to transmittal to DOS. If during the federal fiscal year any NYS Annual Investment Package projects are subsequently withdrawn or postponed, DOS will consider, on a case-by-case basis, allowing the LDD to submit or to sponsor replacement projects of regional importance. If an LDD cannot complete such submissions prior to the end of the federal fiscal year, other NYS LDDs will be allowed to make such submissions to take advantage of available funds. All such supplemental applications must be reviewed by DOS staff and approved by the State's Alternate before being submitted to the ARC.





New York State
**Appalachian Region
 Strategy Statement**
 Fiscal Year 2013

October 2012



New York State  Department of State

Appalachian Regional Development Program

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