

**§ 143B-472.35. Establishment of fund; use of funds; application for grants; disbursal; repayment; inspections; rules; reports.**

(a) A fund to be known as the Main Street Solutions Fund is established in the Department of Commerce. This Fund shall be administered by the Department of Commerce. The Department of Commerce shall be responsible for receipt and disbursement of all funds as provided in this section. Interest earnings shall be credited to the Main Street Solutions Fund.

(a1) The Main Street Solutions Fund is a reimbursable, matching grant program. The Department of Commerce and the North Carolina Main Street Center are authorized to award grants from the Main Street Solutions Fund totaling not more than two hundred thousand dollars (\$200,000) to each eligible local government. Funds from eligible local governments, main street organizations, downtown organizations, downtown economic development organizations, and sources other than the State or federal government must be committed to match the amount of any grant from the Main Street Solutions Fund on the basis of a minimum of two non-State dollars (\$2.00) for every one dollar (\$1.00) provided by the State from the Main Street Solutions Fund.

(a2) Definitions. – For purposes of this section, the following definitions shall apply:

- (1) Active North Carolina main street community. – A community in a Tier 1, 2, or 3 county that has been selected by the Department of Commerce to participate in the Main Street Program or the Small Town Main Street Program and that meets the reporting and eligibility requirements of the respective Program.
- (2) Designated downtown area. – A designated area within a community that is considered the primary, traditional downtown business district of the community.
- (3) Designated micropolitan. – A geographic entity containing an urban core and having a population of between 10,000 and 50,000 people, according to the most recent federal decennial census.
- (4) Downtown economic development organization. – An agency that is part of a public-private partnership intended to develop and recruit business opportunities or to undertake economic development projects that will create jobs.
- (5) Downtown organization. – An agency that is part of a public-private partnership on the local level and whose core mission is to revitalize a traditional downtown business district.
- (6) Eligible local government. – A municipal government that is located in a designated micropolitan or an active North Carolina main street community.
- (7) Historic properties. – Properties that have been designated as historically significant by the National Register of Historic Places or a local historic properties commission.
- (8) Interlocal small business economic development project. – A project or group of projects in a cluster of communities or counties or in a region that share a common economic development strategy for small business growth and job creation.
- (9) Main Street Center. – The agency within the North Carolina Department of Commerce which receives applications and makes decisions with respect to Main Street Solutions Fund grant applications from eligible local governments.
- (10) Main Street Organization. – An agency working in a public-private partnership on the local level, guided by a professional downtown manager, board of directors, or revitalization committee, and charged with

administering the local Main Street Program initiative and facilitating revitalization initiatives in the traditional downtown business district through appropriate design, promotion, and economic restructuring activities.

- (11) Main Street Program. – The program developed by the National Trust for Historic Preservation to promote downtown revitalization through economic development within the context of historic preservation.
- (12) Mixed-use centers. – Areas zoned and developed for a mix of uses, including retail, service, professional, governmental, institutional, and residential.
- (13) Private investment. – A project or group of projects in a designated downtown area that will spur private investment and improve property. A project must be owned and maintained by a private entity and must provide a direct benefit to small businesses.
- (14) Public improvements and public infrastructure. – The improvement of property or infrastructure that is owned and maintained by a city or county.
- (15) Revolving loan programs for private investment. – A property redevelopment or small business assistance fund that is administered on the local level and that may be used to stabilize or appropriately redevelop properties located in the downtown area in connection with private investment or that may be used to provide necessary operating capital for small business creation or expansion in connection with private investment in a designated downtown area.
- (16) Small business. – An independently owned and operated business with less than 100 employees and with annual revenues of less than six million dollars (\$6,000,000).
- (17) Small Town Main Street Program. – A program based upon the Main Street Program developed by the National Trust for Historic Preservation to promote downtown revitalization through economic development within the context of historic preservation. The purpose of the Small Town Main Street Program is to provide guidance to local communities that have a population of less than 7,500 and do not have a downtown manager.
- (18) Tier 1, 2, or 3 counties. – North Carolina counties annually ranked by the Department of Commerce based upon the counties' economic well-being and assigned a Tier designation. The 40 most distressed counties are designated as Tier 1, the next 40 as Tier 2, and the 20 least distressed as Tier 3.

(a3) The purpose of the Main Street Program is to provide economic development planning assistance and coordinated grant support to designated micropolitans located in Tier 2 and 3 counties and to active North Carolina main street communities. To achieve the purposes of the Main Street Program, the Main Street Center shall develop criteria for community participation and shall provide technical assistance and strategic planning support to eligible local governments. Local governments, in collaboration with a main street organization, downtown organization, or downtown economic development organization, and the small businesses that will directly benefit from these funds may apply for grants from the Main Street Solutions Fund as provided in this section.

(a4) The Secretary of Commerce, through the Main Street Center, shall award grants from the Main Street Solutions Fund to eligible designated micropolitans and active North Carolina main street communities. Grant funds awarded from the Main Street Solutions Fund shall be used as provided by the provisions of this section and any rules or regulations adopted by the Secretary of Commerce.

(b) Funds in the Main Street Solutions Fund shall be available only to designated micropolitans in Tier 2 and 3 counties and to active North Carolina main street communities in

the State. Funds in the Main Street Solutions Fund shall be used for any of the following eligible activities:

- (1) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
- (1a) Downtown economic development initiatives that do any of the following:
  - a. Encourage the development or redevelopment of traditional downtown areas by increasing the capacity for mixed-use centers of activity within downtown core areas. Funds may be used to support the rehabilitation of properties, utility infrastructure improvements, new construction, and the development or redevelopment of parking lots or facilities. Projects under this sub-subdivision must foster private investment and provide direct benefit to small business retention, expansion, or recruitment.
  - b. Attract and leverage private-sector investments and entrepreneurial growth in downtown areas through strategic planning efforts, market studies, and downtown master plans in association with direct benefit to small business retention, expansion, or recruitment.
  - c. Attract and stimulate the growth of business professionals and entrepreneurs within downtown core areas.
  - d. Establish revolving loan programs for private investment and small business assistance in downtown historic properties.
  - e. Encourage public improvement projects that are necessary to create or stimulate private investment in the designated downtown area and provide a direct benefit to small businesses.
- (2) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
- (2a) Historic preservation initiatives outside of downtown core areas that enhance:
  - (i) community economic development and small business retention, expansion, or recruitment; and
  - (ii) regional or community job creation.
- (3) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
- (3a) Public improvements and public infrastructure outside of downtown core areas that are consistent with sound municipal planning and that support community economic development, small business retention, expansion, or recruitment, and regional or community job creation.
- (4) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
- (4a) Interlocal small business economic development projects designed to enhance regional economic growth and job creation.
- (5)-(7) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
- (c) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
- (c1) The application shall include each of the following:
  - (1) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
  - (1a) The proposed activities for which the funds are to be used and the projected cost of the project.
  - (2) The amount of grant funds requested for these activities.
  - (3) Projections of the dollar amount of public and private investment that are expected to occur in the designated micropolitan or designated downtown area as a direct result of the proposed activities.
  - (4) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
  - (5) An explanation of the nature of the private investment in the designated micropolitan or designated downtown area that will result from the proposed activities.
  - (6) Projections of the time needed to complete the proposed activities.

- (7) Projections of the time needed to realize the private investment that is expected to result from the proposed activities.
  - (8) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
  - (9) Any additional or supplemental information requested by the Division.
  - (d) A local government whose application is denied may file a new or amended application.
  - (e) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
  - (f) Repealed by Session Laws 2009-451, s. 14.10, effective July 1, 2009.
  - (g)
    - (1) A local government that has been selected to receive a grant shall use the full amount of the grant for the activities that were approved pursuant to the provisions of this section. Funds are deemed used if the local government is legally committed to spend the funds on the approved activities.
    - (2) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
    - (3) A local government that fails to satisfy the condition set forth in subdivision (1) of this subsection shall lose any funds that have not been used within three years of being selected. These unused funds shall be credited to the Main Street Solutions Fund. A local government that fails to satisfy the conditions set forth in subdivision (1) of this subsection may file a new application.
    - (4) Any funds repaid or credited to the Main Street Solutions Fund pursuant to subdivision (3) of this subsection shall be available to other applicants as long as the Main Street Solutions Fund is in effect.
  - (h) Repealed by Session Laws 2009-451, s. 14.10, effective July 1, 2009.
  - (i) After a project financed pursuant to this section has been completed, the local government shall report the actual cost of the project to the Department of Commerce.
  - (j) Inspection of a project for which a grant has been awarded may be performed by personnel of the Department of Commerce. No person may be approved to perform inspections who is an officer or employee of the unit of local government to which the grant was made or who is an owner, officer, employee, or agent of a contractor or subcontractor engaged in the construction of any project for which the grant was made.
  - (k) The Department of Commerce may adopt, modify, and repeal rules establishing the procedures to be followed in the administration of this section and regulations interpreting and applying the provisions of this section, as provided in the Administrative Procedure Act.
  - (l) The Department of Commerce and local governments that have been selected to receive a grant from the Main Street Solutions Fund shall prepare and file on or before September 1 of each year with the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Economic Development and Global Engagement Oversight Committee and the Fiscal Research Division a consolidated report for the preceding fiscal year concerning the allocation of grants authorized by this section.
- The portion of the annual report prepared by the Department of Commerce shall set forth for the preceding fiscal year itemized and total allocations from the Main Street Solutions Fund for grants. The Department of Commerce shall also prepare a summary report of all allocations made from the fund for each fiscal year; the total funds received and allocations made and the total unallocated funds in the Fund.
- The portion of the report prepared by the local government shall include each of the following:
- (1) The total amount of public and private funds that was committed and the amount that was invested in the designated micropolitan or designated downtown area during the preceding fiscal year.

- (2) Repealed by Session Laws 2010-31, s. 14.6A, effective July 1, 2010.
  - (3) The total amount of grants received from the Main Street Solutions Fund during the preceding fiscal year.
  - (4) Repealed by Session Laws 2009-451, s. 14.10, effective July 1, 2009.
  - (5) A description of how the grant funds and funds from public and private investors were used during the preceding fiscal year.
  - (6) Details regarding the types of private investment created or stimulated, the dates of this activity, the amount of public money involved, and any other pertinent information, including any jobs created, businesses started, and number of jobs retained due to the approved activities.
- (m) The Department of Commerce may annually use up to seventy-five thousand dollars (\$75,000) of the funds in the Main Street Solutions Fund for expenses related to the administration of the Fund. (1989, c. 751, s. 9(c); c. 754, ss. 40(b)-(m); 1991, c. 689, s. 140(a); 1991 (Reg. Sess., 1992), c. 959, s. 72; 1993, c. 553, ss. 50, 51; 1997-456, s. 27; 2009-451, s. 14.10; 2010-31, s. 14.6A; 2015-241, s. 15.4(e); 2017-57, s. 14.1(s); 2018-142, s. 13(a).)