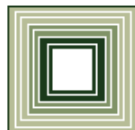


North Carolina  
**Economic Development Inventory**

December 2007



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

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## Introduction

S.L. 2007-522 (Extra Session) requires the Joint Select Committee on Economic Development Incentives (Committee) to compile a report that lists and quantifies all economic development incentives offered by the State. To fulfill this requirement, the Committee directed the Fiscal Research Division (FRD) to create the following document – *North Carolina Economic Development Inventory* (EDI).

The EDI covers two types of State economic development spending: *direct incentives* and *support programs*. Direct incentives are defined as those programs that provide funds either directly to a company or to a county or a municipality for a specific company. Examples include tax credits, the Job Development Investment Grant (JDIG), and the One North Carolina Fund. Support programs are those that exist to provide services to businesses or companies considering locating or expanding in the State. Examples include the North Carolina Community College System's Small Business Center Network or the Department of Commerce's Regional Offices. Programs that exist to administer direct incentives programs, such as the Commerce Finance Center, are included in this category.

The inventory does not contain comprehensive figures on all State economic development spending in North Carolina, nor does it analyze all spending related to the State's priorities on education and workforce development, the regulatory business environment or infrastructure projects such as highway construction. While these spending priorities may be considered a part of a State's total economic development effort, the scope of this report is to account for spending identified as directly related to an economic development purpose. If the program would still exist if the State discontinued all business support services and incentives efforts, then it is not included in this inventory.

## Summary

The EDI is divided into three sections based on the source of funds: Tax Incentives, General Fund appropriations, and Transportation. Tax incentive information is provided through FY 2006-07 (the latest information available). For General Fund programs, current appropriations levels are provided, as well as historical data back to FY 2002-03. Transportation information includes program data from FY 2002-03 through FY 2007-08. In FY 2006-07, total estimated tax credits and appropriations for economic development were approximately \$1.26 billion. Table 1 below breaks these figures out for each fund source.

**Table 1: Economic Development by Fund Source, FY 2006-07**

<b>Fund Source</b>	<b>Amount</b>
Bill Lee Tax Incentives	\$ 93,763,666
Tax Incentives	\$ 992,300,000
General Fund Appropriations	\$ 117,411,973
Transportation	\$ 62,005,000
<b>Total</b>	<b>\$1,265,480,639</b>

Table 2 shows the aggregated spending and the overall growth rates since FY 2002-03. Because data on other tax incentives has only been available since FY 2005-06, only Bill Lee tax information is included in this table.

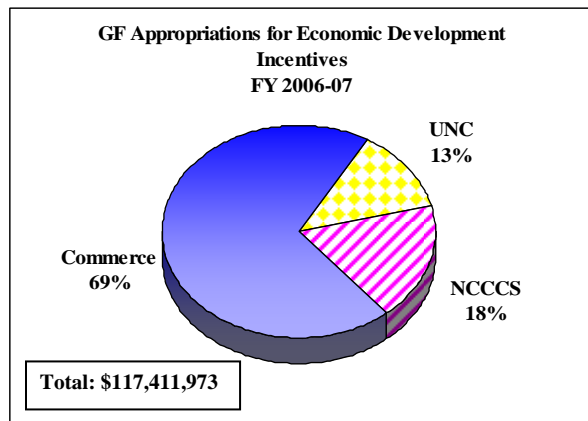
**Table 2:**

<b>Economic Development Spending and Growth</b>					
<b>FY 2002-03 to FY 2006-07</b>					
(In Millions)					
	<b>FY 02-03</b>	<b>FY 03-04</b>	<b>FY 04-05</b>	<b>FY 05-06</b>	<b>FY 06-07</b>
General Fund	\$42.0	\$93.5	\$65.5	\$98.3	\$117.4
Transportation	\$27.5	\$27.3	\$24.8	\$51.8	\$62.0
Bill Lee Act	\$74.2	\$79.3	\$66.4	\$90.5	\$93.8
<b>Total</b>	<b>\$143.7</b>	<b>\$200.1</b>	<b>\$156.7</b>	<b>\$240.6</b>	<b>\$273.2</b>
Nominal Annual Growth		39.1%	-21.6%	52.9%	13.6%
Real Annual Growth*		36.3%	-24.0%	47.9%	10.7%

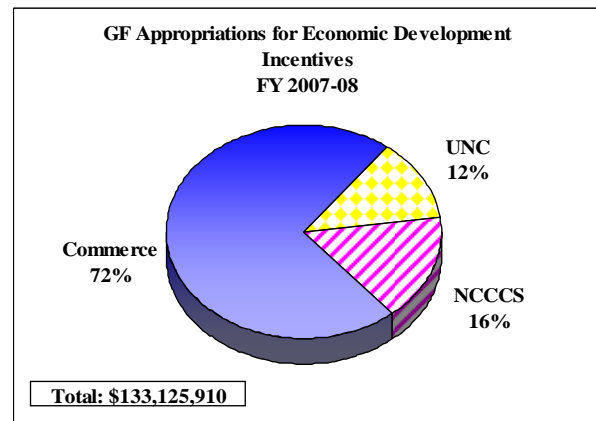
\* Adjusted for inflation using the Consumer Price Index, Bureau of Labor Statistics

Tax incentives through the Bill Lee Act plus other tax incentives totaled \$1.09 billion in FY 2006-07. Tax incentives do not directly reduce any given appropriation, but rather lower the General Fund availability for other appropriations. Ninety percent of all State spending on economic development is from tax incentives.

In FY 2006-07, the General Assembly appropriated \$117.4 million for economic development to the Department of Commerce, the North Carolina Community College System (NCCCS), and the University of North Carolina (UNC). Figure 1 below shows the breakdown of these appropriations. That amount increased by 13 percent to \$133.1 million in FY 2007-08 (see Figure 2).



**Fig. 1: General Fund Appropriations, FY 06-07**



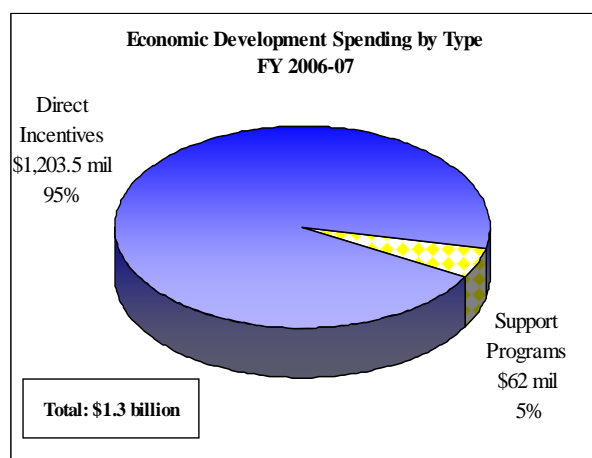
**Fig. 2: General Fund Appropriations, FY 2007-08**

NCCCS and UNC are playing an increasingly significant role in economic development. Combined, appropriations for economic development to these entities grew by over fifty percent between FY 2002-03 and FY 2006-07. Appropriations to Commerce administered programs, such as One NC and JDIG,

increased by over 325 percent during the same period, from \$19 million to \$81.5 million. However, all of these appropriations still only represent 0.62 percent of the total FY 2006-07 General Fund budget.

Transportation appropriations are another component of economic development spending in the State. Appropriations in this category increased 126% between FY 2002-03 and FY 2006-07.

The EDI categorizes economic development spending as direct incentives or support programs. By definition, all tax incentives are considered direct. Figure 3 shows State spending separated into these two categories.



**Fig. 3: Economic Development Spending by Type**

Ninety-five percent (\$1.2 billion) of the \$1.3 billion in State funding in FY 2006-07 was targeted directly to a particular business or industry. Of that \$1.2 billion, 82 percent (\$992 million) was tax incentives (excluding Bill Lee). Bill Lee credits accounted for eight percent of direct economic development incentives, while transportation and General Fund appropriations were each five percent. Support programs, including pass-through appropriations to non-State entities, accounted for five percent (\$62 million) of FY 2006-07 spending.

The following sections provide summaries of State economic development by fund source (tax incentives, General Fund appropriations, and Transportation). Detailed information on all of the incentives programs included in the EDI may be found in the appendices at the end of the document.

### **Tax Incentives**

In 1996, the General Assembly enacted the Bill Lee Act (G.S. 105 Article 3A), which set forth a comprehensive tax incentive program to compete with other states that had been adopting similar economic development legislation since the mid-1980s. Since then, efforts to attract and retain businesses have led to numerous revisions of the Bill Lee Act, as well as enactment of additional tax programs. In FY 2006-07, tax relief intended for economic development purposes equaled an estimated \$1.09 billion. An additional \$174.6 million in tax incentives were generated during the 2006 tax year.

The Bill Lee Act is an incentive program that allows tax credits against the income, franchise, or gross premiums insurance tax. Credits can be earned for job creation and investments. Certain eligibility requirements are required in order to earn the tax credits (see Appendix B for more detail). The Act has been amended numerous times since its inception and, in 2007, was replaced with Article 3J credits. Article 3J credits represent a new system of credits intended to be more narrowly focused on job creation and investment. Since 2002, the nominal dollar amount of credits taken has increased by 26 percent. Total credits taken fluctuate from year to year because the credits are claimed against taxpayer tax liability, which can be highly variable and subject to swings in the business cycle. The number of credits generated in 2006 was 12 percent less than in 2002. Appendix B provides detailed data on the number of credits generated and taken and the dollar amounts generated and taken since FY 2002-03.

In addition to Bill Lee Act or Article 3J credits, there are many other tax relief efforts targeting businesses and industries. All other tax relief efforts outside the Bill Lee Act credits are referred to as other tax incentives in this report. These other tax incentives are an exemption, deduction, credit, refund, cap, or preferential tax rate that reduces the amount of tax revenue which would otherwise be collected from the taxpayer. While there are many tax reductions written into the General Statutes, some have been targeted specifically to businesses and industries.

In FY 2007-08, it is estimated that approximately \$1.3 billion of a total \$4.9 billion in tax reductions had an economic development purpose. A tax reduction with an economic development purpose is defined as a change to the tax code that directly reduces the tax liability of a particular business or industry. Tax changes that affect all taxpayers, both businesses and consumers, nonprofits, or are community service-based (such as the Low-Income Housing tax credit) are not included as economic development tax incentives in this report. An example of a tax incentive that has an economic development purpose and is not a part of the Bill Lee Act incentives is the tax credit for North Carolina Research and Development (G.S. 105-129.55(a)), a credit allowed for qualifying research expenses. The Sales and Use tax incentives are the largest category of incentives identified as having an economic development purpose. They are estimated to be just under \$500 million for FY 2007-08.

Tax incentives reported here are estimates based on the Department of Revenue's 2005 and 2007 Biennial Tax Expenditure Reports for 2005 and 2007, and the Department's reports on the Bill Lee Act. For a variety of reasons including the availability of completed tax data and taxpayer confidentiality, some tax incentives cannot be estimated. As such, the economic development tax incentives data represents an estimation of the loss in revenue and not an actual accounting.

### **General Fund Programs**

The General Fund Program section of the EDI includes program data for economic development incentive programs that receive General Fund appropriations. Summary data is shown at the appropriation level, not the expenditure level, because many direct incentives programs provide grants that may be paid out over several years, causing expenditures to seem artificially low in any given year. Appendix C provides additional detail on all of the General Fund economic development programs.

**Department of Commerce.** The Department of Commerce is the primary agency for economic development in the State. Commerce administers most direct incentives programs and provides most business support services (except for workforce training). In addition, most pass-through funding to nonprofits for economic development programs goes through Commerce. In FY 2007-08, the General Assembly appropriated a total of \$97,558,980 to Commerce for economic development incentives and support.

Commerce currently administers nine direct incentives programs, five of which received appropriations in FY 2007-08. The largest of these are the Job Development Investment Grant (JDIG), and the One North Carolina Fund. These two programs received 81% (\$26.4 million) of the \$32.5 million appropriated to direct incentive programs in FY 2007-08. Other direct incentives programs were created with one-time appropriations that have carried forward from year to year as grants are awarded. For example, the General Assembly appropriated \$24 million in FY 2003-04 for the Site Infrastructure Grant. A grant agreement is currently being negotiated, but no expenditures are anticipated until 2009.

In addition to direct incentives programs, the General Assembly appropriated \$65 million to Commerce for economic development incentives support programs in FY 2007-08. \$56.4 million of this represents pass-through funding to non-State entities that have an economic development purpose: \$20 million for the NC Rural Economic Development Center, \$15 million to the NC Biotechnology Center, \$6.7 million



to the Regional Economic Development Commissions, and \$14 million to various other non-State programs. The remainder (about \$8.6) million is used by Commerce to administer the nine direct incentives programs, and to provide various support services to business and industry. More detailed information on these programs may be found in Appendix C.

**Higher Education.** An educated and skilled workforce is one of the key attributes that attracts businesses to locate and invest in a certain area. Consequently, the State's total investment in education promotes economic development. However, this inventory highlights only those education programs that either 1) directly benefit certain companies that the State seeks to attract or retain, or 2) provide support to businesses through technical assistance and research.

In FY 2007-08, the General Assembly appropriated \$12.7 million for three NC Community College System (NCCCS) programs specifically designed to help entice certain companies to locate, expand, or remain in North Carolina: Customized Industry Training (CIT), Focused Industrial Training (FIT), and New and Expanding Industry Training (NEIT). Each targeting different types of businesses, these programs provide funding to support assessment and specialized training for specific companies.

NCCCS also received \$8.7 million in FY 2007-08 for four programs focused on providing technical assistance in specific industry sectors. The Hosiery Technology Center and the Textile Center offer product testing, research and development, and industry-specific training. The NC Military Business Center seeks to connect North Carolina businesses and individuals with military contracting and other defense-related business opportunities. Through counseling, referrals, information, and training, the Small Business Center Network promotes the development of small businesses within the state.

As the State's lead agency for providing workforce development training (G.S. 115D-1.1), all NCCCS institutions offer occupational continuing education courses. These courses provide individuals the opportunity to upgrade existing knowledge and develop new skills. While these courses indirectly benefit North Carolina businesses by developing a more educated workforce, they are not included in this inventory since they are open to the general public and are not provided directly to businesses.

The Board of Governors for the University of North Carolina system (UNC) has made economic development one of its six strategic priorities. The Board and the UNC System President have created an Economic Transformation Council with members appointed from each campus to carry out the campus response to the economic development strategic priority. The President is also advised on economic issues by an Associate Vice President for Economic Development Research, Policy and Planning.

In FY 2007-08, the General Assembly appropriated \$14.4 million to UNC for three statewide economic development support programs: the North Carolina Cooperative Extension Service, the Industrial Extension Service, and Small Business Technology Development Centers. An additional \$2 million was appropriated for various campus initiated programs such as the Ben Craig Center at UNC-Charlotte.

### **Transportation Programs**

There is a close relationship between the strength of a region's transportation infrastructure and its economic development potential. In addition to transportation projects that aid individual industries or companies, the network of highways and other transportation infrastructure aid the State's overall economic development by tying North Carolina to the national and global economy. The overall transportation network allows firms within the State to more easily source materials from around world and to market their products aggressively. An inadequate transportation system creates bottlenecks that limit cost savings and inhibit growth.

Transportation infrastructure projects do not guarantee that economic development will occur but they support economic development by lowering costs, saving time, and increasing reliability for users of the transportation network. Cost savings include:

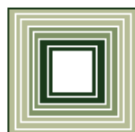
- Gathering raw materials and supplies;
- Delivering products to customers;
- Assembling employees;
- Maintaining contact with customers and suppliers.

The North Carolina Department of Transportation has several programs explicitly created to encourage and support economic development. The Department works with State and local economic development agencies and can commit significant resources in aid of major industrial recruiting projects. On a smaller scale the Department has programs to support individual industries or industrial parks (e.g. turn lanes to improve truck access, better signals to improve traffic flow for employees, etc.) The Department also has programs to improve rail infrastructure.

Draft

North Carolina  
Economic Development Inventory

**Appendix A**



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### Economic Development by Fund Source

		FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
UNC	Support	\$9,596,763	\$11,504,382	\$12,425,872	\$14,393,223	\$14,918,378	\$16,455,063	\$15,794,965
	Direct	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>UNC Subtotal</b>	<b>\$9,596,763</b>	<b>\$11,504,382</b>	<b>\$12,425,872</b>	<b>\$14,393,223</b>	<b>\$14,918,378</b>	<b>\$16,455,063</b>	<b>\$15,794,965</b>
NCCCS	Support	\$5,388,598	\$5,755,885	\$8,153,963	\$7,168,434	\$8,253,283	\$8,718,855	\$8,618,855
	Direct	\$7,990,573	\$7,995,158	\$9,993,012	\$12,618,012	\$12,743,012	\$12,743,012	\$6,714,471
	<b>NCCCS Subtotal</b>	<b>\$13,379,171</b>	<b>\$13,751,043</b>	<b>\$18,146,975</b>	<b>\$19,786,446</b>	<b>\$20,996,295</b>	<b>\$21,461,867</b>	<b>\$15,333,326</b>
Commerce	Support	\$5,921,160	\$7,889,194	\$7,840,415	\$8,388,348	\$8,732,196	\$8,563,876	\$8,277,281
	Support (Non-State)	\$12,533,974	\$16,083,358	\$21,284,890	\$39,394,997	\$30,044,997	\$54,094,997	\$28,581,247
	Direct	\$569,713	\$44,320,107	\$5,820,107	\$16,320,107	\$42,720,107	\$32,550,107	\$5,320,107
	<b>Commerce Subtotal</b>	<b>\$19,024,847</b>	<b>\$68,292,659</b>	<b>\$34,945,412</b>	<b>\$64,103,452</b>	<b>\$81,497,300</b>	<b>\$95,208,980</b>	<b>\$42,178,635</b>
<b>Total General Fund Appropriations</b>		<b>\$42,000,781</b>	<b>\$93,548,084</b>	<b>\$65,518,259</b>	<b>\$98,283,121</b>	<b>\$117,411,973</b>	<b>\$133,125,910</b>	<b>\$73,306,926</b>
<b>Total Transportation</b>		<b>\$27,463,083</b>	<b>\$27,309,605</b>	<b>\$24,785,361</b>	<b>\$51,767,121</b>	<b>\$62,005,000</b>	<b>\$36,000,000</b>	<b>\$21,000,000</b>
<b>Bill Lee Incentives (Taken)</b>		<b>\$74,196,701</b>	<b>\$79,334,636</b>	<b>\$66,446,464</b>	<b>\$90,515,214</b>	<b>\$93,763,666</b>		
<b>Other Tax Incentives</b>			Data Not Available		<b>\$1,006,800,000</b>	<b>\$992,300,000</b>	<b>\$1,031,100,000</b>	
<b>Total Economic Development Spending</b>					<b>\$1,247,365,456</b>	<b>\$1,265,480,639</b>	<b>\$1,200,225,910</b>	

### Economic Development by Type

		FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Direct, General Fund		\$8,560,286	\$52,315,265	\$15,813,119	\$28,938,119	\$55,463,119	\$45,293,119	\$12,034,578
Direct, Transportation		\$27,463,083	\$27,309,605	\$24,785,361	\$51,767,121	\$62,005,000	\$36,000,000	\$21,000,000
Direct, Bill Lee Act		\$74,196,701	\$79,334,636	\$66,446,464	\$90,515,214	\$93,763,666		
Direct, Other Tax Incentives			Data Not Available		\$1,006,800,000	\$992,300,000	\$1,031,100,000	
	<b>Subtotal Direct</b>	<b>\$110,220,070</b>	<b>\$158,959,506</b>	<b>\$107,044,944</b>	<b>\$1,178,020,454</b>	<b>\$1,203,531,785</b>	<b>\$1,112,393,119</b>	<b>\$33,034,578</b>
Support, General Fund		\$33,440,495	\$41,232,819	\$49,705,140	\$69,345,002	\$61,948,854	\$87,832,791	\$61,272,348
	<b>Total Support</b>	<b>\$33,440,495</b>	<b>\$41,232,819</b>	<b>\$49,705,140</b>	<b>\$69,345,002</b>	<b>\$61,948,854</b>	<b>\$87,832,791</b>	<b>\$61,272,348</b>
<b>Total Economic Development Spending</b>					<b>\$1,247,365,456</b>	<b>\$1,265,480,639</b>	<b>\$1,200,225,910</b>	<b>\$94,306,926</b>

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North Carolina  
Economic Development Inventory

**Appendix B**



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Tax Incentives  
**WILLIAM S LEE ACT (ARTICLE 3A)**

Enacted in 1996, and revised many times since, the William S. Lee Act (Bill Lee) provides tax credits that may be taken against State income, franchise, or gross premiums tax. The credits are for job creation, investment, worker training, and research & development. The level of tax credit allowed is determined by the county's economic well-being in which the economic activity is taking place. This act was replaced by Article 3J beginning in the 2007 tax year.

<b>Tax Credits</b>							
Fiscal Year <sup>1</sup>	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Credits Generated</b>	\$ 198,385,012	\$ 175,543,475	\$ 167,895,925	\$ 207,160,014	\$ 174,459,922	\$ -	\$ -
<b>Credits Taken</b>	\$ 74,196,701	\$ 79,334,636	\$ 66,446,464	\$ 90,515,214	\$ 93,763,666	\$ -	\$ -

1. Assumes that credits are generated and taken in the second half of the calendar year for the purpose of fiscal year calculations.

**General Statute Authorization:** G.S. 105 Article 3A

**Eligibility:** The taxpayer must satisfy all general eligibility requirements in order to qualify for any of the credits listed in Section III, except the credit for development zone projects. If a taxpayer is uncertain about its eligibility for a credit, the taxpayer may request specific advice in writing from the Secretary of Revenue. Eligible recipients must be an eligible business type and meet the wage standard for the credit. In addition, businesses must provide health insurance for employees, have good environmental and Occupational Safety and Health Act (OSHA) records, and have no overdue tax debts. Article 3A only allows credits for certain kinds of businesses as described in G.S. 105-129.2.

**Key Statistics:**

	2002-03	2003-04	2004-05	2005-06	2006-07
Total Credits (a single taxpayer may take multiple credits)					
Generated	603	616	520	646	711
Taken	2,328	1,778	1,675	1,812	1,659

Tax Incentives  
**Other Tax Incentives**

A tax expenditure is an exemption, deduction, credit, refund, cap, or preferential tax rate that reduces the amount of tax revenue which would otherwise be collected from the taxpayer. The tax expenditures included in this report are ones that directly reduce the tax liability of a particular business or industry. Tax expenditures that affect both businesses plus consumers, nonprofits, or are community service-based are not included.

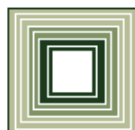
<b>Expenditures (In millions)</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07<sup>1</sup></b>	<b>2007-08</b>	<b>2008-09</b>
<b>Corporate Income Tax</b>				\$156.3	\$135.0	\$114.2	
<b>Franchise Tax</b>				\$203.2	\$168.2	\$133.2	
<b>Sales Tax</b>				\$473.1	\$486.9	\$496.1	
<b>Business &amp; Energy Tax Credits (Art. 3B)</b>				\$29.7	\$28.1	\$26.5	
<b>Recycling Incentives (Art. C)<sup>2</sup></b>				\$0.0	\$0.0	\$0.0	
<b>Research and Development Credits (Art. 3F)</b>				\$12.5	\$7.0	\$1.4	
<b>Major Computing Facilities (Art. 3G)</b>				NA	\$2.0	\$10.0	
<b>Railroad Intermodal Facilities (Art. 3K)</b>				NA	NA	\$0.2	
<b>Tax Credits for Growing Businesses (Art. 3J)</b>				\$0.0	\$0.0	\$69.1	
<b>Personal Income</b>				\$7.7	\$8.8	\$8.8	
<b>Insurance companies</b>				\$124.3	\$156.3	\$162.6	
<b>Piped Gas: Preferential rates</b>				\$0.0	\$0.0	\$9.0	
<b>Total</b>				\$1,006.8	\$992.4	\$1,031.1	

Source: NCDOR Biennial Tax Expenditure Report, 2005 and 2007.

1. Estimated using linear interpolation, tax revenue growth rates, and industry employment statistics
2. Included with Corporate Tax for taxpayer confidentiality

North Carolina  
Economic Development Inventory

Appendix C



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Department of Commerce  
**Office of International Trade**

The International Trade Division provides expert assistance to North Carolina businesses looking to develop markets for their products overseas. Division employees help these companies make contacts and tap into resources to make the most of global business opportunities. The Division operates two domestic offices in Raleigh and High Point, and six international offices in Canada, Mexico, Germany, China, Korea, and Japan. Services provided by the division include preparing marketing plans, handling export operations, market research, advice on finance and insurance, and working to find customers and partners.

<b>Budget and Expenditures</b>									
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i>		<b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	\$ 2,329,469	\$ 2,424,925	\$ 2,459,731	\$ 2,434,724	\$ 2,503,188	\$ 2,503,188		\$ 2,503,188	\$ 2,503,188
<b>Receipts</b>	\$ 288,881	\$ 287,073	\$ 210,980	\$ 225,879	\$ 244,943	\$ 244,943		\$ 244,943	\$ 244,943
<b>Total</b>	<b>\$ 2,618,350</b>	<b>\$ 2,711,998</b>	<b>\$ 2,670,711</b>	<b>\$ 2,660,603</b>	<b>\$ 2,748,131</b>	<b>\$ 2,748,131</b>		<b>\$ 2,748,131</b>	<b>\$ 2,748,131</b>
<b>Positions (FTE)</b>	11.00	11.00	11.00	11.00	11.00	11.00		11.00	11.00

**General Statute Authorization:** 143B-428

**Eligibility:** Any North Carolina company can utilize the services provided by the International Trade Division.

**Key Statistics:**

	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Companies Assisted	261	234	264	272	301
Est. Value of Trade*	\$35,347,851	\$45,635,063	\$63,029,776	\$129,204,002	\$186,765,839

\* Amounts shown are estimates by individual businesses assisted by International Trade of the total value of their exports/imports.

Department of Commerce  
**Economic Development Information System (EDIS)**

Initially funded in FY 2004-05, the Economic Development Intelligence System (EDIS) is a web-based database system that provides users with access to a wide variety of analytical, statistical, and mapping tools to support strategic economic development activities and research. Companies seeking information about the State can search for business locations, find demographic data, create maps, and locate local support industries. It is anticipated that EDIS will be fully operational by November, 2007.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>			\$ 375,000	\$ 797,898	\$ 797,898	\$ 597,898	\$ 297,898
<b>Receipts</b>							
<b>Total</b>	\$ -	\$ -	\$ 375,000	\$ 797,898	\$ 797,898	\$ 597,898	\$ 297,898
<b>Positions (FTE)</b>				1.00	1.00	1.00	1.00

**General Statute Authorization:** NA

**Eligibility:** Anyone can access information on EDIS through the Department of Commerce website.

**Key Statistics:**

No relevant information to report.

Department of Commerce

**Regional Offices**

The Department of Commerce operates nine regional offices throughout the State to assist existing industry and to help attract new industry. Existing Industry Specialists call on existing companies to spot opportunities and problems in their early stages and to assist in issue resolution. Economic Developers work collaboratively with the Regional Economic Development Commissions to market the regions and to assist prospects. Offices are located in Greenville (Eastern Region), Edenton (Northeastern Region), Raleigh (Research Triangle Region), Greensboro (Piedmont Triad Region), Charlotte (Charlotte Region), and Bryson City, Boone, and Fletcher (Western Region).

**Budget and Expenditures**

Fiscal Year							<i>Budgeted</i>	
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	
<b>Appropriation</b>	\$ 1,475,169	\$ 1,548,365	\$ 1,536,240	\$ 1,605,287	\$ 1,646,509	\$ 1,738,956	\$ 1,738,956	
<b>Receipts</b>								
<b>Total</b>	<b>\$ 1,475,169</b>	<b>\$ 1,548,365</b>	<b>\$ 1,536,240</b>	<b>\$ 1,605,287</b>	<b>\$ 1,646,509</b>	<b>\$ 1,738,956</b>	<b>\$ 1,738,956</b>	
<b>Positions (FTE)</b>	19.75	19.75	19.75	19.75	19.75	21.75	21.75	

**General Statute Authorization:**

**Eligibility:** Anyone operating an existing business in North Carolina or seeking to locate a business in North Carolina may use the services offered by the Regional Offices.

**Key Statistics:**

	Calendar Year				
	2002	2003	2004	2005	2006
Existing Industry Calls	2,766	2,897	2,410	2,099	2,245
Project Assignments	234	266	234	233	250

Department of Commerce  
**Executive Aircraft**

The Executive Aircraft Division provides air transportation for the Department for economic development and for use by State officials. The Division maintains two planes and one helicopter to provide transportation service to prospective businesses considering locations in the State.

<b>Budget and Expenditures</b>									
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i>		<b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	\$ 1,619,543	\$ 3,483,854	\$ 2,510,898	\$ 2,575,175	\$ 2,725,563	\$ 2,665,869		\$ 2,678,811	
<b>Receipts</b>	\$ 1,037,898	\$ 343,583	\$ 381,829	\$ 431,829	\$ 368,733	\$ 470,179		\$ 470,179	
<b>Total</b>	<b>\$ 2,657,441</b>	<b>\$ 3,827,437</b>	<b>\$ 2,892,727</b>	<b>\$ 3,007,004</b>	<b>\$ 3,094,296</b>	<b>\$ 3,136,048</b>		<b>\$ 3,148,990</b>	
<b>Positions (FTE)</b>	8.00	8.00	8.00	7.00	7.00	7.00		7.00	7.00

**General Statute Authorization:** 143B-437.011

**Eligibility:** Executive Aircraft may be used by the Department or other State officials. Priority is given to the Business & Industry Division for economic development purposes.

**Key Statistics:**

	2002-03	2003-04	2004-05	2005-06	2006-07
Bus. & Industry Flights	71	73	74	83	70



Department of Commerce  
**Business ServiCenter**

Transferred to the Department of Commerce in FY 2004-05, the Business ServiCenter provides one-stop shopping to both entrepreneurs and small businesses. The ServiCenter provides businesses with information about existing programs and resources for small businesses, license requirements, and government contracts.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>			\$ 533,500	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000
<b>Receipts</b>							
<b>Total</b>	\$ -	\$ -	\$ 533,500	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000
<b>Positions (FTE)</b>			8.00	8.00	8.00	8.00	8.00

**General Statute Authorization:** 143B-431(e); 143B-432.1

**Eligibility:** Anyone is eligible to use the Business ServiCenter.

**Key Statistics:**

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Clients Served*	17,015	35,918	34,644

\*Unduplicated headcount

Department of Commerce  
**Commerce Finance**

The Commerce Finance Center oversees most economic development incentives programs administered by the Department of Commerce. They are responsible for the administration of One NC, Industrial Development Fund (IDF), Industrial Revenue Bonds, Job Development Investment Grants (JDIG), Site Infrastructure Grants, Green Business Fund, and the Job Maintenance and Capital Development Fund. In addition, Commerce Finance is responsible for tracking, maintaining, and analyzing incentive data over time.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	\$ 390,135	\$ 427,913	\$ 414,910	\$ 447,424	\$ 532,664	\$ 528,782	\$ 529,245
<b>Receipts</b>							
<b>Total</b>	<b>\$ 390,135</b>	<b>\$ 427,913</b>	<b>\$ 414,910</b>	<b>\$ 447,424</b>	<b>\$ 532,664</b>	<b>\$ 528,782</b>	<b>\$ 529,245</b>
<b>Positions (FTE)</b>	6.00	6.00	6.00	6.00	6.00	6.00	6.00

**General Statute Authorization:** G.S. 143B-437, G.S. 143B-437.01-2, 143B-437.07-8, 143B-437.50-63, 143B-437.70-74

**Eligibility:** NA

**Key Statistics:**

No relevant information to report.

Department of Commerce  
**Economic Development Board**

Created in 1977, the Economic Development Board is charged with oversight of State economic development, research, and planning and makes policy recommendations to the Secretary of Commerce, the Governor and the General Assembly. The Board is comprised of 37 people, including State government officials, citizens, and members of the General Assembly.

**Budget and Expenditures**

<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	\$ 106,844	\$ 4,137	\$ 10,136	\$ 2,840	\$ 1,374	\$ 4,183	\$ 4,183
<b>Receipts*</b>	\$ 45,000						
<b>Total</b>	<b>\$ 151,844</b>	<b>\$ 4,137</b>	<b>\$ 10,136</b>	<b>\$ 2,840</b>	<b>\$ 1,374</b>	<b>\$ 4,183</b>	<b>\$ 4,183</b>

\* Receipts in FY 02-03 were from the NC Economic Development Association.

**General Statute Authorization:** G.S. 143B-434, 143B-434.01, 143B-437.03

**Eligibility:** NA

**Key Statistics:**

No relevant information to report.

Department of Commerce  
**Industrial Development Fund**

Created in 1989, the Industrial Development Fund (IDF) assists town, city, or county governments with incentive industrial financing for eligible industries in Tier I or II areas. Grants may be awarded for improved public infrastructure, and loans are available for building renovations or equipment purchases.

<b>Budget and Expenditures</b>									
<b>Fiscal Year</b>	<b>2002-03</b>		<b>2003-04</b>		<b>2004-05</b>		<b>2005-06</b>		<i>Budgeted</i> <b>2006-07</b>
Carryforward Prior Year	12172155	\$	8,555,293	\$	7,428,631	\$	5,169,577	\$	5,894,227
Appropriation	\$ 569,713	\$	320,107	\$	320,107	\$	320,107	\$	320,107
Receipts*	\$ 756,024	\$	472,531	\$	677,366	\$	781,669	\$	164,515
<b>Subtotal Available Funds</b>	<b>\$ 13,497,892</b>	<b>\$</b>	<b>9,347,931</b>	<b>\$</b>	<b>8,426,104</b>	<b>\$</b>	<b>6,271,353</b>	<b>\$</b>	<b>6,378,849</b>
Grant Payments	\$ 1,763,727	\$	682,362	\$	268,180	\$	377,126	\$	1,425,057
Loans Awarded	\$ 175,000	\$	67,500	\$	-	\$	-	\$	-
<b>Subtotal Expenditures</b>	<b>\$ 1,938,727</b>	<b>\$</b>	<b>749,862</b>	<b>\$</b>	<b>268,180</b>	<b>\$</b>	<b>377,126</b>	<b>\$</b>	<b>1,425,057</b>
Legislative Adjustments	\$ (3,003,872)	\$	(1,169,438)	\$	(2,988,347)	\$	-	\$	-
<b>Total EOY Availability</b>	<b>\$ 8,555,293</b>	<b>\$</b>	<b>7,428,631</b>	<b>\$</b>	<b>5,169,577</b>	<b>\$</b>	<b>5,894,227</b>	<b>\$</b>	<b>4,953,792</b>
									<b>\$ 1,509,234</b>
									<b>\$ (1,765,535)</b>

\*Receipts are primarily interest earned on loans or loan principal repayments.

**General Statute Authorization:** G.S. 143B-437.01

**Eligibility:** Projects must be located in Tier I or Tier II counties. Funding is limited to the lower of \$500,000 per project or \$5,000 per job created. Projects in Tier II counties require a 25% match by the local government. Eligible industries are the same as those for Article 3J tax credits: company headquarters, air courier services, information technology and services, manufacturing, and warehousing or wholesale trade.

**Key Statistics:**

	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
Number of Awards	6	5	4	7	4
Total Grants Awarded	\$1,065,000	\$294,052	\$800,000	\$1,850,838	\$123,079
Total Loans Awarded	\$242,500	\$100,000	\$0	\$0	\$0
Average Award Amt	\$217,917	\$78,810	\$200,000	\$264,405	\$30,770

Department of Commerce  
**One North Carolina Fund**

Created in 1993, the One North Carolina Fund (originally called the Governor's Industrial Recruitment Competitiveness Fund) provides grants to local governments to help recruit new and expanding businesses to create quality jobs in certain industries.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
Carryforward Prior Year	\$ 18,900,000	\$ 1,800,966	\$ 35,045,454	\$ 32,372,182	\$ 33,654,932	\$ 43,728,432	
Appropriation	\$ -	\$ 20,000,000	\$ 1,000,000	\$ 6,000,000	\$ 15,000,000	\$ 14,000,000	
Receipts*	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	
<b>Subtotal Available Funds</b>	<b>\$ 18,975,000</b>	<b>\$ 21,875,966</b>	<b>\$ 36,045,454</b>	<b>\$ 38,447,182</b>	<b>\$ 48,654,932</b>	<b>\$ 57,728,432</b>	
Administration	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	
Grant Payments	\$ 910,534	\$ 1,657,978	\$ 2,373,272	\$ 3,492,250	\$ 3,626,500	\$ -	
Transfer to JWU	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	
Transfer to DENR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,000	
<b>Subtotal Expenditures</b>	<b>\$ 1,210,534</b>	<b>\$ 2,957,978</b>	<b>\$ 3,673,272</b>	<b>\$ 4,792,250</b>	<b>\$ 4,926,500</b>	<b>\$ 950,000</b>	
<b>Total EOY Availability</b>	<b>\$ 17,764,466</b>	<b>\$ 18,917,988</b>	<b>\$ 32,372,182</b>	<b>\$ 33,654,932</b>	<b>\$ 43,728,432</b>	<b>\$ 56,778,432</b>	

\*Receipts are repaid grants from recipients who have defaulted on their grant agreement.

**General Statute Authorization:** G.S. 143B Article 10, Part 2H (G.S. 143B-437.70-75)

**Eligibility:** Grants may be used for installation or purchase of equipment, structural repairs, improvements, or renovations to existing buildings, construction of utility infrastructure for existing or proposed buildings or for any other purpose specifically authorized by the General Assembly. Funds are disbursed in accordance with a schedule established in the agreement, usually in four equal installments. Eligible recipients must create new jobs, and a local match is required.

**Key Statistics:**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Number of Awards	29	28	44	56	58
Total Grants Awarded	\$7,686,706	\$4,188,000	\$10,249,575	\$9,231,750	\$15,148,500
Average Award Amt	\$265,059	\$149,571	\$232,945	\$164,853	\$261,181

Department of Commerce  
**One North Carolina Small Business Fund**

The General Assembly created the One North Carolina Small Business Fund in 2005 to provide matching funds of up to \$100,000 to businesses that have been awarded federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08      2008-09</b>	
Carryforward Prior Year				\$ -	\$ 478,158	\$ 2,860,513	
Appropriation	\$ -			\$ 1,000,000	\$ 5,000,000	\$ 4,830,000	
<b>Subtotal Available Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 5,478,158</b>	<b>\$ 7,690,513</b>	
Grant Payments*				\$ 521,842	\$ 2,617,645	\$ -	
<b>Subtotal Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 521,842</b>	<b>\$ 2,617,645</b>	<b>\$ -</b>	
<b>Total EOY Availability</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 478,158</b>	<b>\$ 2,860,513</b>	<b>\$ 7,690,513</b>	
*75% of grant awards are paid upon award. The remaining 25% is paid after program performance/completion criteria are met.							

**General Statute Authorization:** G.S. 143B Article 10, Part 2I (G.S. 143B-437.80-83)

**Eligibility:** North Carolina based businesses that have received a SBIR/STTR Phase I award from a federal agency are eligible for the grants. Businesses must certify that at least 51% of the research described in the federal SBIR/STTR Phase II proposal will be conducted in the State and that the business will remain a North Carolina-based business for the duration of the Phase II project.

**Key Statistics:**

	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
# Grants Awarded				25	51
Total Grant Amount				\$1,078,100	\$4,533,955
Average Grant Amt				\$43,124	\$88,901

Department of Commerce  
**Job Development Investment Grant (JDIG)**

The Job Development Investment Grant (JDIG) is a discretionary grant program created in 2002 to provide incentives to companies who would choose to locate elsewhere if the grant were unavailable. The program is set to expire January 1, 2010. Grants are awarded by the Economic Investment Committee (EIC).

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
Carryforward Prior Year				\$ 3,089,931	\$ 7,797,730	\$ 16,061,083	
Appropriation	\$ -		\$ 4,500,000	\$ 9,000,000	\$ 12,400,000	\$ 12,400,000	
<b>Subtotal Available Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,500,000</b>	<b>\$ 12,089,931</b>	<b>\$ 20,197,730</b>	<b>\$ 28,461,083</b>	
Grant Payments			\$ 920,531	\$ 3,356,423	\$ 3,146,433	\$ 14,250,000	
Transfer to Utility Account			\$ 489,538	\$ 935,778	\$ 990,214	\$ 4,750,000	
<b>Subtotal Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,410,069</b>	<b>\$ 4,292,201</b>	<b>\$ 4,136,647</b>	<b>\$ 19,000,000</b>	
<b>Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,089,931</b>	<b>\$ 7,797,730</b>	<b>\$ 16,061,083</b>	<b>\$ 9,461,083</b>	

**General Statute Authorization:** G.S. 143B Article 10, Part 2G (G.S. 143B-437.50-63)

**Eligibility:** Eligible projects are those that create a minimum of 10 jobs in a Tier I area or 20 jobs in Tier II or III areas. Up to 25 businesses can receive grants lasting up to 12 years. The maximum annual liability cannot exceed \$15 million (\$30 million in 2006; \$25 million in 2007). Grant awards can be anywhere from 10% to 75% of withholdings for eligible positions. Projects must result in a net increase in employment in the State - awards cannot be granted to companies relocating from one place to another with no increase in employment. All award agreements must contain clawback provisions in the event the company does not meet stated performance levels.

**Key Statistics:**

	2003	2004	2005	2006
# Grants Awarded	6	18	10	19
Total Grant Liability	\$39,360,658	\$107,576,413	\$50,965,000	\$188,533,424
Average Grant Amt.	\$6,560,110	\$5,976,467	\$5,096,500	\$9,922,812

Department of Commerce  
**Job Maintenance and Capital Development Fund**

Created in 2007 (S.L. 2007-552 Extra Session), the Job Maintenance and Capital Development Fund provides incentives to existing companies in Tier I counties that will be making significant capital investments in the State. This is the first direct incentive program created for existing businesses that does not require job creation.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>						\$	5,000,000
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<b>5,000,000</b>

**General Statute Authorization:** G.S. 143B-437.11

**Eligibility:** This new fund will provide grants to existing businesses in Tier I counties that are making significant capital investments in the State and that employ and will continue to employ at least 2,000 people. Businesses must meet wage standard requirements and provide health insurance for employees in order to qualify. Performance requirements and clawback provisions will be included in all grant agreements. No more than 5 grants may be made, the total aggregate cost of which may not exceed \$60 million. No single agreement may exceed an annual cost of \$4 million, and grant periods may not extend beyond ten years.

**Key Statistics:**

No relevant information to report.



Department of Commerce  
**Green Business Fund**

Created in 2007, the Green Business Fund will provide grants to private businesses, non-profits, and State agencies to encourage the growth of a green economy in the State. Grants will be used to encourage the development of the biofuels and green building industries, and to leverage investments in additional clean technology and renewable energy products and businesses.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>						\$ 1,000,000	
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -
<b>Positions (FTE)</b>							

**General Statute Authorization:** G.S. 143B-437.4-8

**Eligibility:** The Department of Commerce is in the process of developing guidelines for this program.

**Key Statistics:**

No relevant information to report.

Department of Commerce  
**Site Infrastructure Grant**

The Site Infrastructure Grant was created in the 2003 Extra Session to provide grants or forgivable loans to businesses, governmental units, or non-profits to acquire or improve land for industrial purposes.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
Carryforward Prior Year			\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	
Appropriation	\$ -	\$ 24,000,000					
<b>Subtotal Available Funds</b>	<b>\$ -</b>	<b>\$ 24,000,000</b>	<b>\$ 24,000,000</b>	<b>\$ 24,000,000</b>	<b>\$ 24,000,000</b>	<b>\$ 24,000,000</b>	
Grant Payments							
<b>Subtotal Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Balance</b>	<b>\$ -</b>	<b>\$ 24,000,000</b>	<b>\$ 24,000,000</b>	<b>\$ 24,000,000</b>	<b>\$ 24,000,000</b>	<b>\$ 24,000,000</b>	

**General Statute Authorization:** G.S. 143B--437.02

**Eligibility:** Eligible businesses must invest at least \$100 million of private funds in the project and employ at least 100 new employees.

**Key Statistics:**

No relevant information to report.

Department of Commerce  
**Utility Account**

The Utility Account provides grants to local governments in Tier I and Tier II counties for the construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed industrial buildings to be used for eligible industrial operations. Funding is currently provided from JDIG grants to companies located in Tier III counties. 25% of these grants must be paid to the Utility Account.

**Budget and Expenditures**

<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i>	
						<b>2007-08</b>	<b>2008-09</b>
Carryforward Prior Year	\$ 842,910	\$ 199,412	\$ 110,315	\$ 642,450	\$ 1,603,176	\$ 2,474,513	\$ 2,131,043
Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from JDIG	NA	NA	\$ 489,538	\$ 935,778	\$ 990,214	\$ 937,007	\$ 937,007
Receipts*	\$ 11,617	\$ -	\$ 42,597	\$ 42,598	\$ 50,343	\$ 42,597	\$ 42,597
<b>Subtotal Available Funds</b>	<b>\$ 854,527</b>	<b>\$ 199,412</b>	<b>\$ 642,450</b>	<b>\$ 1,620,826</b>	<b>\$ 2,643,733</b>	<b>\$ 3,454,117</b>	<b>\$ 3,110,647</b>
Grants or Loans	\$ 655,115	\$ 89,097	\$ -	\$ 17,650	\$ 169,220	\$ 1,323,074	\$ 1,323,074
<b>Subtotal Expenditures</b>	<b>\$ 655,115</b>	<b>\$ 89,097</b>	<b>\$ -</b>	<b>\$ 17,650</b>	<b>\$ 169,220</b>	<b>\$ 1,323,074</b>	<b>\$ 1,323,074</b>
<b>Total EOY Availability</b>	<b>\$ 199,412</b>	<b>\$ 110,315</b>	<b>\$ 642,450</b>	<b>\$ 1,603,176</b>	<b>\$ 2,474,513</b>	<b>\$ 2,131,043</b>	<b>\$ 1,787,573</b>

\*Receipts are primarily interest earned on loans or loan principal repayments.

**General Statute Authorization:** G.S. 143B-437.01(b1); G.S. 143B-437.61

**Eligibility:** Utility Account funds are limited to use for utility infrastructure only, and they must be expended to create jobs in either manufacturing and processing, warehousing and distribution, or data processing. The infrastructure or utility must be located on the site of the building or, if not located on the site, shall be directly related to the operation of the specific industrial activity. There is no maximum funding amount or job creation requirement.

**Key Statistics:**

	2002-03	2003-04	2004-05	2005-06	2006-07
# Grants Awarded	1	0	0	2	1
Total Grant Amount	\$121,768			\$546,845	100,000

Department of Commerce  
**Economic Development Reserve**

The General Assembly established the Economic Development Reserve in FY 2006-07 to provide a source of funding for governments and nonprofits seeking to implement local economic development projects or acquire land for economic development purposes.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
Carryforward Prior Year			\$ -	\$ -	\$ -	\$ 10,000,000	
Appropriation	\$ -				\$ 10,000,000		
<b>Subtotal Available Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	
Grant Payments							
<b>Subtotal Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	

**General Statute Authorization:** G.S. 143B--437.02

**Eligibility:** Local governments and non-profits were eligible to apply for the grants.

**Key Statistics:**

Eleven government and non-profit entities recieved grants in two categories – economic development projects and site acquisition and infrastructure. The maximum funding available for individual economic development project grants was \$500,000 per project. The maximum funding for individual site acquisition and infrastructure grants was \$5 million per project.

Commerce - State Aid  
**Regional Economic Development Commissions**

In FY 1993-94, the General Assembly directed the Department of Commerce to develop a “program for promoting the expansion of economic development efforts such that all counties in the State participate in and benefit from organized regional economic development activities [and to] encourage county participation in public/private partnerships for economic development through membership in regional economic development commissions” (S.L. 1993-769, Sec. 28.7). That year, three Regional Economic Development Commissions (“Commissions”) were created in statute: NC's Southeast, NC's Northeast, and Advantage West. Three commissions had already been created by private partners: the Charlotte Regional Partnership, the Piedmont Triad Partnership, and the Research Triangle Regional Partnership. They began receiving State funding in FY 1994-95. The seventh commission, originally called the Global Transpark but now named NC's Eastern Region, was created by the General Assembly in FY 1995-96.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	\$5,830,000	\$6,775,000	\$8,525,000	\$6,775,000	\$6,775,000	\$6,775,000	\$ 6,436,250
<b>Total</b>	<b>\$ 5,830,000</b>	<b>\$ 6,775,000</b>	<b>\$ 8,525,000</b>	<b>\$ 6,775,000</b>	<b>\$ 6,775,000</b>	<b>\$ 6,775,000</b>	<b>\$ 6,436,250</b>

**General Statute Authorization:** G.S. 158 Article 2 (158.8-15)

Commerce - State Aid  
**NC Biotechnology Center**

Created in FY 1984-85, the NC Biotechnology Center is a private, non-profit organization whose mission is to support biotechnology research, development, and commercialization in the State. The Center administers several grant and loan programs, hosts conferences, collaborates with the community colleges on a workforce training initiative, and works with local community leaders to strengthen biotechnology throughout the State.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	\$5,214,195	\$5,792,708	\$10,883,395	\$12,083,395	\$13,083,395	\$15,583,395	\$15,583,395
<b>Total</b>	<b>\$ 5,214,195</b>	<b>\$ 5,792,708</b>	<b>\$ 10,883,395</b>	<b>\$ 12,083,395</b>	<b>\$ 13,083,395</b>	<b>\$ 15,583,395</b>	<b>\$ 15,583,395</b>

Commerce - State Aid  
**NC Institute for Minority Economic Development**

Established in 1986, the Institute of Minority Economic Development (the Institute) seeks to foster economic development within the State's women and minority-owned business community through policy analysis, information and technical assistance, and resource expansion. The Institute concentrates its activities in the areas of business development, resource, data and information collection, and demonstration initiatives.

Budget and Expenditures														
Fiscal Year	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09	
Appropriation	\$	1,294,779	\$	1,320,650	\$	1,337,495	\$	2,347,602	\$	1,847,602	\$	2,847,602	\$	2,847,602
Total	\$	1,294,779	\$	1,320,650	\$	1,337,495	\$	2,347,602	\$	1,847,602	\$	2,847,602	\$	2,847,602

Commerce - State Aid  
**Other Pass-Through Appropriations**

The following table lists most economic development funds provided to non-State entities on a non-recurring basis since FY 2004-05 (no funds were appropriated to programs other than those established within the Department of Commerce in FY 2002-03 and FY 2003-04).

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
NC Center for Automotive Research (NCCAR) <sup>1</sup>			\$ 200,000	\$ 7,500,000	\$ 3,750,000	\$ 3,500,000	
Various Community Development Corporations				\$ 200,000			
High Point Furniture Market <sup>2</sup>				\$ 750,000	\$ 1,750,000	\$ 1,875,000	\$ 875,000
Duplin Agribusiness Center				\$ 500,000			
Gaston County Economic Development Commission				\$ 300,000			
Kerr-Tar Regional Economic Development Commission				\$ 4,000,000		\$ 2,175,000	
Hoke County Regional Industrial Park				\$ 100,000			
Johnson & Wales University (JWU) <sup>3</sup>						\$ 2,000,000	
Defense and Security Technology Accelerator <sup>4</sup>				\$ 2,000,000		\$ 1,500,000	
<b>Total Appropriation</b>			<b>\$ 200,000</b>	<b>\$ 15,350,000</b>	<b>\$ 5,500,000</b>	<b>\$ 11,050,000</b>	<b>\$ 875,000</b>

*Notes:*

1. Formerly the Advance Vehicle Research Center (AVRC)
2. \$875,000 of the funds appropriated for the Furniture Market Authority in FY 2006-07 was recurring.
3. JWU had previously received \$4 million through the One NC fund. Their first direct appropriation occurred in FY 2007-08..
4. The \$2 million appropriation in FY 2005-06 was passed through the Community College budget.



Commerce - State Aid  
**Rural Economic Development Center - Institute for Rural Entrepreneurship**

The Institute for Rural Entrepreneurship works to stimulate and support the development of micro, small, and medium-size enterprises in North Carolina's 85 rural counties. The institute began in 2003 and receives funding from the State and the W.K. Kellogg Foundation. The figures below represent funding received via direct appropriation from the General Assembly.

<b>Budget and Expenditures</b>								
Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	
<b>Appropriation</b>			\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000
<b>Carryforward</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>			\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000

**General Statute Authorization:** n/a - Funding is provided each year in the Appropriations Bill.

**Eligibility:** The institute works with leaders in the State's 85 rural counties to develop workshops and community college-based grant programs to assist dislocated workers with business development training. The institute also provides grants to communities pursuing entrepreneurship as an economic development strategy.

Commerce - State Aid  
**Rural Economic Development Center - Microenterprise Loan Program**

Created in 1989, the Microenterprise Loan Program provides loans for the start-up or expansion of small businesses by individuals in rural areas who have sound ideas and do not qualify for bank loans.

Budget and Expenditures														
Fiscal Year	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09	
Appropriation	\$	195,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000
Carryforward	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
Total	\$	195,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000	\$	195,000

**General Statute Authorization:** n/a - Funding is provided each year in the Appropriations Bill.

**Eligibility:** Anyone who wishes to start or expand a small business in the 85 rural counties of North Carolina may apply. Specific emphasis is place on serving rural, low-income, female, and minority participants.

**Note:** State funding is provided to support the loan fund and operations of the loan fund. The Microenterprise Loan Fund receives funding from other entities as well.

Commerce - State Aid

**Rural Economic Development Center - Rural Economic Transition Program - Rural Venture Fund**

This program was created in 2007 as part of the Rural Economic Transition Program. Funding for this program comes from the State, Golden LEAF, and other funds at the Rural Center. The numbers below reflect the amount of funding provided by the State.

<b>Budget and Expenditures</b>							
Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Appropriation</b>						\$ 3,800,000	
<b>Carryforward</b>							
<b>Total</b>						\$ 3,800,000	

**General Statute Authorization:** n/a - Funding is provided each year in the Appropriations Bill.

**Eligibility:** Existing businesses with owner management experience that are located in Tier One counties. Eligible businesses must demonstrate growth potential and show that the owner would not receive equity or subordinated debt financing from other sources.

Commerce - State Aid

**Rural Economic Development Center - Economic Infrastructure Program  
Research & Demonstration/Economic Innovation Grants**

This program began in 2004 with the purpose of investing in major research and demonstration projects with the potential to stimulate business activity, job creation, and further public/private investment in the State's 85 rural counties.

**Budget and Expenditures**

Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Appropriation</b>	\$ -	\$ 2,000,000	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 13,700,000	\$ 2,500,000
<b>Carryforward</b>							
<b>Total</b>	\$ -	\$ 2,000,000	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 13,700,000	\$ 2,500,000

\*The program began in 2004 but received FY 2003-04 funding due to a budget surplus at the end of that fiscal year.

**General Statute Authorization:** n/a - Funding is provided each year in the Appropriations Bill.

**Eligibility:** Units of local government, nonprofit organizations, or educational institutions located in one of North Carolina's 85 rural counties or a Tier One county. An applicant may be located outside of these areas so long as the project is located within the eligible areas.

Fayetteville State University  
**FAYETTEVILLE BUSINESS CENTER**

The Mission of the Fayetteville Business Center is to promote economic development in the City of Fayetteville and the Murchison Road corridor by providing nurturing to entrepreneurs including business assistance in the growth and development of small business concerns. The FBC is a business incubator that began its formal operations on October 19, 2001.

<b>Budget and Expenditures</b>									
<b>Fiscal Year</b>	<b>2002-03</b>		<b>2003-04</b>		<b>2004-05</b>		<b>2005-06</b>		<i>Budgeted</i> <b>2006-07      2007-08      2008-09</b>
<b>Appropriation</b>	\$	75,000	\$	75,000	\$	78,750	\$	80,655	\$ 86,705 \$ 91,101
<b>Carryforward</b>	\$	-	\$	-	\$	-	\$	-	\$ -
<b>Total</b>	\$	<b>75,000</b>	\$	<b>75,000</b>	\$	<b>78,750</b>	\$	<b>80,655</b>	\$ <b>86,705</b> \$ <b>91,101</b>
<b>Expended</b>	\$	75,000	\$	75,000	\$	78,750	\$	80,655	\$ 86,705

**General Statute Authorization:**

**Eligibility:**

North Carolina State University/North Carolina A & T State University  
**NC Cooperative Extension Service**

**Description:** The North Carolina Cooperative Extension Service was established by the Smith-Lever Act on May 18, 1914. Cooperative Extension is supported by funding from all 100 county governments plus the Cherokee Reservation, the state government and the U.S. Department of Agriculture and through partnerships with other educational institutions, including North Carolina A&T State University, agencies and organizations. It is an educational partnership helping people put research-based knowledge to work for economic prosperity, environmental stewardship and an improved quality of life. Our educational programs focus upon: enhancing agricultural, forest and food systems; strengthening and sustaining families; developing responsible youth; building quality communities; and conserving and improving the environment and natural resources.

Budget and Expenditures														
Fiscal Year	2002-03		2003-04		2004-05		2005-06		2006-07		<i>Budgeted</i> 2007-08	2008-09		
Appropriation	\$	7,021,428	\$	6,898,207	\$	7,080,897	\$	7,816,589	\$	8,069,399	\$	8,631,444	\$	8,539,271
Carryforward	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total	\$	7,021,428	\$	6,898,207	\$	7,080,897	\$	7,816,589	\$	8,069,399	\$	8,631,444	\$	8,539,271
Expended	\$	7,021,428	\$	6,898,207	\$	7,080,897	\$	7,816,589	\$	8,069,399				
Balance	\$	-	\$	-	\$	-	\$	-	\$	-				

**General Statute Authorization:**

**Eligibility:** NA

**Key Statistics:** The following represent some selected economic benefits that were a direct result of Cooperative Extension Programs in 2006: By using Extension recommended practices, the diverse animal sectors gained \$26.2 million, aquatic species (\$2.3M); dairy producers (\$2.5M); beef cattle producers (\$13.3M); hog producers (\$8.8M); the horse industry (\$3.6M); and sheep and goat producers (\$3.5M). Producers of field, fruit and vegetable crops implementing Extension recommended production and marketing practices increased their net income by over \$90 million. The NC green industry increased income by \$4.56 million using Extension programs. Finally, North Carolina 4-Hers saved their communities over \$566,550 by performing community service projects, increasing their impact by over 32% from 2005. As a result of their 4-H project work, \$543,572 was earned, and \$429,613 was saved by 4-Hers. 4-Her's received over \$325,578 in scholarships to continue their education beyond high school.

North Carolina State University  
**Economic Development Partnership**

The Economic Development Partnership (EDP) was created in 2003 to ally with Wake County Economic Development to transform high-tech research into well-paying jobs for the county. Since its inception, the EDP has expanded statewide its effort to serve as a portal to connect the unique resources of NC State University in order to enhance productivity and competitiveness of North Carolina's existing and traditional industries as well as technology-based emerging companies. The EDP leverages university resources toward high priority industry clusters that are able to transform high-tech research into higher-skilled, higher-paying jobs and bring related corporate investment. The EDP works directly with industry, economic developers, the NC Department of Commerce, and other agencies to increase and retain jobs and investment in the state.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	N/A	\$ 121,200	\$ 125,400	\$ 126,729	\$ 333,065	\$ 849,719	\$ 349,719
<b>Carryforward</b>	N/A		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>N/A</b>	<b>\$ 121,200</b>	<b>\$ 125,400</b>	<b>\$ 126,729</b>	<b>\$ 333,065</b>	<b>\$ 849,719</b>	<b>\$ 349,719</b>
<b>Expended</b>	N/A	\$ 121,200	\$ 125,400	\$ 126,729	\$ 333,065		
<b>Balance</b>	N/A	\$ -	\$ -	\$ -	\$ -		

**General Statute Authorization:** G.S. 115D-5.1

**Eligibility:** Industry, economic developers, and other agencies are eligible for EDP services .

**Key Statistics\*:**

	<b>2002-03</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
# of Jobs		200	370	200
Investment		\$25,000,000	\$147,000,000	\$65,000,000

\*Nonwoven industry only

North Carolina State University  
**Industrial Extension Service**

Created in 1955, the Industrial Extension Service (IES) of NC State University helps small and mid sized manufacturers in the State apply innovative technologies and improve their product design, manufacturing processes and industrial management systems. IES provides direct engineering and technical assistance; continuing education in areas of product quality, manufacturing process, technology application; environmental assistance; and technical demonstrations, referrals and networking.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	\$ 1,888,243	\$ 2,377,195	\$ 3,333,306	\$ 3,220,252	\$ 3,573,270	\$ 3,573,270	
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total</b>	<b>\$ 1,888,243</b>	<b>\$ 2,377,195</b>	<b>\$ 3,333,306</b>	<b>\$ 3,220,252</b>	<b>\$ 3,573,270</b>	<b>\$ 3,573,270</b>	
<b>Expended</b>	\$ 1,888,243	\$ 2,377,195	\$ 3,333,306	\$ 3,220,252			
<b>Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -		

**General Statute Authorization:**

**Eligibility:** North Carolina manufacturers are eligible for service.

**Key Statistics:**

No relevant information to report.



UNC  
Small Business Technology Development Center (SBTDC)

Created in 1984 by the Board of Governors, the SBTDC is a statewide business and technology extension service of the UNC system administered by NCSU. The SBTDC provides management counseling and educational services to small & mid-sized business in NC, as well as to start-up businesses. The primary focus is management counseling addressing financing, marketing, human resources, operations, business planning and feasibility assessment. In addition, SBTDC also provides targeted educational services focused on change management, strategic performance and leadership. Other programs include assistance with selling to government agencies, export financing, boating industries, technology development and commercialization.

**Budget and Expenditures**

Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
						<i>Budgeted</i>	
<b>Appropriation</b>	\$ 2,061,680	\$ 2,003,254	\$ 2,092,073	\$ 2,089,491	\$ 2,132,772	\$ 2,217,495	\$ 2,217,495
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 2,061,680</b>	<b>\$ 2,003,254</b>	<b>\$ 2,092,073</b>	<b>\$ 2,089,491</b>	<b>\$ 2,132,772</b>	<b>\$ 2,217,495</b>	<b>\$ 2,217,495</b>
<b>Expended</b>	\$ 2,061,680	\$ 2,003,254	\$ 2,092,073	\$ 2,089,491	\$ 2,132,772		
<b>Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -		

**General Statute Authorization:** GS 116-11

**Eligibility:** SBTDC services are provided to clients in all 100 counties of NC through a statewide network of 75 employees in 17 offices. Management Counseling is free and educational services have a modest cost recovery fee.

**Key Statistics:**

	2002-03	2003-04	2004-05	2005-06	2006-07
Clients Counseled	5,310	4,759	4,943	5,239	5,300
Hours of Counseling	53,065	54,784	63,061	64,337	55,500
Training Attendees	3,372	6,858	7,425	6,667	6,161
Training Events	204	264	257	213	304

UNC Charlotte  
**Ben Craig Center**

The Ben Craig Center was established in 1986 as a non-profit Business Incubator in partnership with the University of North Carolina at Charlotte. The Incubator Program, Education and Community events, and Advisory services offered by the BCC offer full support for dozens of companies each year. The BCC focuses on community businesses and University startups that benefit most directly from proximity to expertise, services, and equipment that only the BCC and the University can provide.

<b>Budget and Expenditures</b>										
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i>		<b>2007-08</b>	<b>2008-09</b>	
<b>Appropriation</b>	\$ 81,295	\$ 92,253	\$ 88,590	\$ 104,729	\$ 116,058	\$ 116,500		\$ 116,500		\$ 116,500
<b>Carryforward</b>										
<b>Total</b>	<b>\$ 81,295</b>	<b>\$ 92,253</b>	<b>\$ 88,590</b>	<b>\$ 104,729</b>	<b>\$ 116,058</b>	<b>\$ 116,500</b>		<b>\$ 116,500</b>		<b>\$ 116,500</b>
<b>Expended</b>	\$ 81,295	\$ 92,253	\$ 88,590	\$ 104,729	\$ 116,058					
<b>Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -					

**General Statute Authorization:** G.S. 116-30.2

**Eligibility:** To be eligible to participate, the potential company must demonstrate high growth potential, six to twelve months worth of available funding, a scalable business model, a strong management team, current momentum, and willingness to participate in Ben Craig Center events. Retailers, construction contractors, businesses whose primary job creation is in commissioned sales (e.g., real estate, insurance, etc.) and professional counselors (e.g., accountants, attorneys, financial planners, etc.) are ineligible for consideration due to the nature of the Incubator program.

**Key Statistics:**

Incubator clients have historically entered the program with 3-5 employees and between \$250,000 and \$1.5 million in revenue or start-up capital. Incubator clients represent a broad range of business sectors, 44% technology, 39% service oriented, and 17% product sales.

Western Carolina University  
**Institute for the Economy and the Future (IEF)**

The IEF conducts economic policy analysis and applied research, and administers public service projects on economic and community capacity building and strategic development. The economic development mission of the IEF is to attract, identify, qualify and assist regional businesses and to leverage the university's resources of research, science, engineering, arts and humanities faculty and students, as well as the core staff of the Institute (analysts, planners, and faculty fellows) for business growth, including the transfer and application of new technologies and the commercialization of ideas.

<b>Budget and Expenditures</b>										
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i>		<b>2007-08</b>	<b>2008-09</b>	
<b>Appropriation</b>	\$ 357,360	\$ 394,024	\$ 466,796	\$ 723,620	\$ 830,820	\$ 837,364		\$ 837,364	\$ 860,000	
<b>Carryforward</b>										
<b>Total</b>	<b>\$ 357,360</b>	<b>\$ 394,024</b>	<b>\$ 466,796</b>	<b>\$ 723,620</b>	<b>\$ 830,820</b>	<b>\$ 837,364</b>		<b>\$ 837,364</b>	<b>\$ 860,000</b>	
<b>Expended</b>	\$ 302,351	\$ 338,266	\$ 436,479	\$ 667,442	\$ 810,857					
<b>Balance</b>	\$ 55,009	\$ 55,758	\$ 30,317	\$ 56,178	\$ 19,963					

**General Statute Authorization:**

**Eligibility:**

**Key Statistics:**

No relevant information to report.

UNC - Chapel Hill  
Office of Economic and Business Development

Created in April 2004, the Office of Economic and Business Development (OEBD) works to identify, articulate, and improve the economic development resources of UNC-Chapel Hill and connect those resources to North Carolina governments, communities, and businesses.

**Budget and Expenditures**

Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Appropriation</b>	\$ -	\$ 32,201	\$ 116,171	\$ 118,104	\$ 129,307	\$ 138,170	\$ 138,710
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 25	\$ -
<b>Total</b>	\$ -	\$ 32,201	\$ 116,171	\$ 118,104	\$ 129,317	\$ 138,195	\$ 138,710
<b>Expended</b>	\$ -	\$ 35,417	\$ 109,152	\$ 118,094	\$ 129,292		
<b>Balance</b>	\$ -	\$ (3,216)	\$ 7,019	\$ 10	\$ 25		

**General Statute Authorization:** N/A

**Eligibility:** There are no specific eligibility requirements to access OEBD services. The Office will work with any person or group affiliated with UNC-Chapel Hill and interested in impacting economic development in the state. Likewise, any group, business, government, individual, etc. from the State of North Carolina may approach the Office for assistance in locating and accessing economic development resources at the University.

**Key Statistics:**

	2004-05	2005-06	2006-07
Major University-Community ED Summit Hosted		1	
Interdisciplinary ED Seminars	3	4	9
Public Service Projects Coordinated/Performed	1	1	2
Public Service Projects Funded by OEBD	--	2	14
\$\$ awarded by OEBD for ED Public Service Projects*	--	\$12,000	\$213,514
Internal ED public service meetings/presentations	120	103	70
External ED outreach meetings/presentations	78	70	86

NC Community College System  
**Customized Industry Training (CIT)**

Created in 2006, the CIT program helps existing North Carolina businesses and industries improve their productivity and profitability to assure their continued presence in North Carolina. The program augments the services provided by NEIT and FIT, when their current guidelines do not apply.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>				\$ 2,625,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
<b>Carry forward</b>					\$ -	\$ -	\$ -
<b>Total</b>	\$ -	\$ -	\$ -	\$ 2,625,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
<b>Expended</b>				\$ 101,127	\$ 1,113,156		
<b>Balance</b>	\$ -	\$ -	\$ -	\$ 2,523,873	\$ 1,636,844		

**General Statute Authorization:** G.S. 115D-5.1

**Eligibility:** CIT resources are applied at the discretion of the North Carolina Community College System President upon the recommendation of the Vice President for Economic and Workforce Development to projects on behalf of private for-profit business/industry where the company:

1. Has made an appreciable capital investment which involves the use of new technology;
2. Requires the enhancement of workforce skills to utilize the new technology; and
3. May or may not create net new jobs, but with the assistance will be more productive or more profitable, and as a result, will more likely remain a viable North Carolina corporate citizen.

**Key Statistics:**

	<b>2005-06</b>	<b>2006-07</b>
Number of Projects	12	19
# of Trainees	297	1,253
Average Cost per Trainee	\$340	\$888

NC Community College System  
**Focused Industrial Training (FIT)**

Created in 1981, the FIT program (originally called “cooperative skills training”) provides customized training and services for North Carolina businesses to help them become more productive and competitive. FIT is directed toward workers who need to update their skills and technical knowledge because of technological changes. In addition to incumbent worker training, FIT centers assist with training needs assessment and the development of company- or industry-specific training plans. Funds are allocated among FIT centers based on the size of existing manufacturing base in the service area.

<b>Budget and Expenditures</b>								
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i>		
						<b>2007-08</b>	<b>2008-09</b>	
<b>Appropriation</b>	\$ 1,962,032	\$ 1,962,032	\$ 3,964,471	\$ 3,964,471	\$ 3,964,471	\$ 3,964,471	\$ 3,964,471	\$ 3,964,471
<b>WTTF*</b>	\$ 1,450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>WIA*</b>	\$ -	\$ 599,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Carry forward</b>	\$ 1,829,481	\$ 1,729,190	\$ 839,746	\$ 1,122,177	\$ 783,246	\$ 783,246	\$ 783,246	\$ -
<b>Total</b>	<b>\$ 5,241,513</b>	<b>\$ 4,290,906</b>	<b>\$ 4,804,217</b>	<b>\$ 5,086,648</b>	<b>\$ 4,747,717</b>	<b>\$ 4,747,717</b>	<b>\$ 4,747,717</b>	<b>\$ 3,964,471</b>
<b>Expended</b>	\$ 3,552,714	\$ 3,356,524	\$ 3,682,040	\$ 3,748,560	\$ 3,916,821			
<b>Balance</b>	\$ 1,688,799	\$ 934,382	\$ 1,122,177	\$ 1,338,088	\$ 830,896			

\*Worker Training Trust Fund (WTTF); Workforce Investment Act (WIA)

**General Statute Authorization:** G.S. 115D-5.1

**Eligibility:** FIT services are available to manufacturing industries and companies whose main product is the design and programming of computers and telecommunication systems. Eligible trainees include the employees of such companies that are skilled or semi-skilled production workers, computer programmers, industrial maintenance workers, and front-line supervisors.

**Key Statistics:**

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
# of Fit Centers	40	40	40	37	36	36	36
# of Companies Served	630	754	834	701	797	623	563
# of Trainees	13,404	10,488	8,438	10,559	11,159	10,557	10,728
# of Skills Classes	1,519	1,100	955	1,071	1,205	1,074	603

NC Community College System  
**New and Expanding Industry Training (NEIT)**

Created in 1958, the NEIT program provides customized training assistance in support of new, full-time production positions created in the State of North Carolina. Resources may support training, assessment, program development, instructional costs, and training delivery.

<b>Budget and Expenditures</b>								
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i>		<b>2007-08</b>
<b>Appropriation</b>	\$ 6,028,541	\$ 6,033,126	\$ 6,028,541	\$ 6,028,541	\$ 6,028,541	\$ 6,028,541	\$ 6,028,541	\$ 6,028,541
<b>Carry forward</b>	\$ 9,989,181	\$ 9,053,569	\$ 10,930,286	\$ 11,094,476	\$ 8,399,976	\$ 4,954,728		
<b>Total</b>	\$ 16,017,722	\$ 15,086,695	\$ 16,958,827	\$ 17,123,017	\$ 14,428,517	\$ 10,983,269	\$ 6,028,541	
<b>Expended</b>	\$ 4,324,263	\$ 4,156,409	\$ 5,864,351	\$ 8,703,156	\$ 9,473,788			
<b>Balance</b>	\$ 11,693,459	\$ 10,930,286	\$ 11,094,476	\$ 8,419,861	\$ 4,954,729			

**General Statute Authorization:** G.S. 115D-5.1

**Eligibility:** Companies creating 12 or more production jobs in excess of their previous 3-year maximum employment level are eligible for assistance through NEIT. Eligible trainees include new front-line personnel involved in the direct production of goods and services and their first-line supervisors.

**Key Statistics:**

	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
# of Projects	203	155	131	121	164	197	208
New	82	65	52	38	70	92	97
Expanding	121	90	79	83	94	105	111
# of Trainees	24,068	14,771	10,610	10,117	12,398	23,799	19,380
Average Cost per Trainee	\$292	\$365	\$377	\$380	\$442	\$352	\$463

NC Community College System  
**Hosiery Technology Center**

Established in 1990, the Hosiery Technology Center assists the hosiery industry to compete in a global environment through training, research and development, hosiery testing, E-commerce and new product development. The center has a physical presence at Catawba Valley Community College and Randolph Community College; both colleges are located in two major regions of North Carolina where hosiery manufacturing is centered.

<b>Budget and Expenditures</b>											
Fiscal Year	2002-03		2003-04		2004-05		2005-06		2006-07		<i>Budgeted</i> 2007-08 2008-09
<b>Appropriation</b>	\$	125,000	\$	125,000	\$	350,000	\$	600,000	\$	600,000	\$ 726,006 \$ 626,006
<b>WTTF*</b>	\$	250,000	\$	120,000	\$	250,000	\$	-	\$	-	\$ - \$ -
<b>Carry forward</b>	\$	-	\$	-	\$	-	\$	-	\$	-	\$ - \$ -
<b>Total</b>	\$	375,000	\$	245,000	\$	600,000	\$	600,000	\$	600,000	\$ 726,006 \$ 626,006
<b>Expended</b>	\$	375,000	\$	245,000	\$	600,000	\$	600,000	\$	600,000	
<b>Balance</b>	\$	-	\$	-	\$	-	\$	-	\$	-	

\*Worker Training Trust Fund (WTTF)

**General Statute Authorization:** No specific authorization; workforce development programs in general are authorized under G.S. 115D-1.

**Eligibility:** Hosiery companies located in or doing business within North Carolina.



NC Community College System  
**Textile Center**

The Textile Center was reorganized and merged with Gaston College in 2005. It's current mission is to develop a world-class workforce for the textile industry in North Carolina and to support the textile industry by identifying problems confronting the industry and assisting the industry in solving them, garnering support from the textile industry for the work of the center, and serving as a statewide center of excellence that serves all components of the textile industry. To accomplish this mission, the Center does new and sample product development, product testing, training, and consulting.

<b>Budget and Expenditures</b>									
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i>		<b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	\$ 1,402,489	\$ 1,402,489	\$ 1,213,401	\$ 963,401	\$ 963,401	\$		\$ 994,142	\$ 994,142
<b>Receipts</b>	\$ 123,463	\$ 116,334	\$ 41,598	\$ -	\$ -	\$		\$ -	
<b>Carry forward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$		\$ -	
<b>Total</b>	<b>\$ 1,525,952</b>	<b>\$ 1,518,823</b>	<b>\$ 1,254,999</b>	<b>\$ 963,401</b>	<b>\$ 963,401</b>	<b>\$</b>		<b>\$ 994,142</b>	<b>\$ 994,142</b>
<b>Expended</b>	\$ 1,482,469	\$ 1,517,926	\$ 1,223,475	\$ 963,400	\$ 963,400				
<b>Balance</b>	\$ 43,483	\$ 896	\$ 31,524	\$ 1	\$ 1				

**General Statute Authorization:** G.S. 115D-67.1

**Eligibility:** Textile business located in or doing business within North Carolina.

NC Community College System  
**NC Military Business Center (NCMBC)**

Started in 2004, the mission of the NC Military Business Center is to leverage the presence of the military in North Carolina to promote economic development and quality of life for all. The Center seeks to increase military business for existing North Carolina companies, to integrate transitioning military personnel and family members into the workforce, and to support recruitment and development of defense-related businesses in North Carolina. To accomplish these goals, the Center provides free access to MatchForce.org, which helps connect NC businesses with military contracting opportunities. The Center also helps clients develop proposals and bid on military contracts.

<b>Budget and Expenditures</b>							
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i> <b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>			\$ 2,000,000	\$ 200,000	\$ 1,000,000	\$ 1,250,000	\$ 1,250,000
<b>Carry forward</b>			\$ -	\$ 1,200,447	\$ 543,112	\$ 487,885	
<b>Total</b>			<b>\$ 2,000,000</b>	<b>\$ 1,400,447</b>	<b>\$ 1,543,112</b>	<b>\$ 1,737,885</b>	<b>\$ 1,737,885</b>
<b>Expended</b>			\$ 651,611	\$ 857,335	\$ 1,055,227		
<b>Balance</b>			\$ 1,348,389	\$ 543,112	\$ 487,885		

**General Statute Authorization:** No specific authorization; workforce development programs in general are authorized under G.S. 115D-1

**Eligibility:** Businesses and individuals in North Carolina interested in military contracting opportunities.

**Key Statistics:**

From the program's inception to August 2007, firms working with NCMBC won 287 contracts, worth \$446-724 million.

As of August 2007, MatchForce.org had 9,532 NC businesses and 15,837 individuals registered to access the 10,219 contract and 2,804 job opportunities listed on the website.

NC Community College System  
**Small Business Center Network (SBCN)**

The objective of the SBCN is to increase the success rate and the number of viable small businesses in North Carolina by providing high quality, readily-accessible assistance to prospective and existing small business owners and their employees. Each Small Business Center (SBC) is a community-based provider of education and training, counseling, information, and referral. Confidential counseling services and access to resource libraries are free of charge. Some seminars and workshops require a minimal registration fee. The first 13 SBCs were established in 1984. The program was expanded, and by 1995 SBCs were located at all 58 community colleges.

<b>Budget and Expenditures</b>									
<b>Fiscal Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<i>Budgeted</i>		<b>2007-08</b>	<b>2008-09</b>
<b>Appropriation</b>	\$ 3,861,109	\$ 4,228,396	\$ 4,590,562	\$ 5,405,033	\$ 5,689,882	\$ 5,748,707		\$ 5,748,707	
<b>Carry forward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
<b>Total</b>	<b>\$ 3,861,109</b>	<b>\$ 4,228,396</b>	<b>\$ 4,590,562</b>	<b>\$ 5,405,033</b>	<b>\$ 5,689,882</b>	<b>\$ 5,748,707</b>		<b>\$ 5,748,707</b>	
<b>Expended</b>	\$ 3,858,410	\$ 4,162,271	\$ 4,508,476	\$ 5,343,047	\$ 5,658,468				
<b>Balance</b>	\$ 2,699	\$ 66,125	\$ 82,086	\$ 61,986	\$ 31,414				

**General Statute Authorization:** No specific authorization; workforce development programs in general are authorized under G.S. 115D-1.

**Eligibility:** Anyone in North Carolina interested in entrepreneurship.

**Key Statistics:**

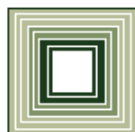
	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
# of seminars/ workshops provided	3,038	2,979	2,931	2,219	2521
# of seminar/ workshop participants	48,791	44,475	44,993	51,312	55,526
# of counseling clients*	14,723	18,493	20,090	6,117	5,333
# of referrals	3,113	5,831	5,310	4,873	4,365
Total # of clients	66,627	68,799	70,393	76,893	70,448

\*Counseling figures through FY 2004-05 include services provided in person, over the telephone, and via e-mail. Starting in FY 2005-06, figures have been adjusted to exclude telephone and short-term counseling.

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North Carolina  
Economic Development Inventory

**Appendix D**



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Department of Transportation  
**Highway Fund Economic Development**

Funds are provided for economic development transportation projects. Funding began in FY 2005-06.

<b>Budget and Expenditures</b>							
Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Appropriation</b>				\$ 28,000,000	\$ 38,000,000	\$ 14,000,000	
<b>Programmed</b>				\$ 7,395,000	\$ 29,708,200		
<b>Expended</b>				\$ 274,945	\$ 8,784,665		

**General Statute Authorization:**

**Eligibility:** S.L. 2007-323 provides that the funds are to be allocated equally among the fourteen Highway Divisions for economic development transportation projects recommended by the member of the Board of Transportation representing that Division in consultation with the Division Engineer and approved by the Board of Transportation. Funds not needed for economic development projects shall be used on spot safety needs to enhance safety, reduce congestion, improve traffic flow, reduce accidents, and for system preservation. Any remaining funds in each Division shall be used on Transportation Improvement Program projects.

**Key Statistics:**

No relevant information to report.

Department of Transportation  
**S.B. 1005 Discretionary Funding**

The Department of Transportation was directed to use certain Highway Trust Fund cash balances in FY2000-01, FY2001-02, and FY2002-03 for highway improvement projects furthering economic growth and development.

<b>Budget and Expenditures</b>							
Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Authorized</b>	\$ 15,000,000	\$ 15,000,000					
<b>Programmed</b>	\$ 16,814,981	\$ 11,427,334	\$ 1,123,959	\$ 1,112,637	\$ 1,621,096		
<b>Expended</b>	\$ 2,544,532	\$ 7,667,821	\$ 11,757,013	\$ 6,789,606	\$ 4,582,580		

**General Statute Authorization:** G.S. 136-176 (a1)

**Eligibility:** The projects had to be individually approved by the Board of Transportation. Funds were distributed according to the Equity Formula. Generally, project funding was limited to \$400,000.

**Key Statistics:**

No relevant information to report.



Department of Transportation  
**State Transportation Improvement Program - Economic Development Program**

The State Transportation Improvement Program is the State's seven-year plan for major transportation projects, as approved by the Board of Transportation. In recent years \$20 million per year has been allocated for industrial recruitment projects approved by the Board.

<b>Budget and Expenditures</b>								
Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	
<b>Allocated</b>	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
<b>Programmed</b>	\$ 9,415,000	\$ 300,000	\$ 5,388,000	\$ 9,065,000	\$ 24,422,000	\$ 27,259,000	\$ 9,616,000	
<b>Expended</b>	\$ 5,720,465	\$ 9,640,785	\$ 13,752,707	\$ 6,512,130	\$ 14,535,922			

**General Statute Authorization:** G.S. 143B-150 f(4)

**Eligibility:** The funds are generally used for significant industrial recruitment or expansion projects, generally developed in cooperation with state and local economic development agencies. The geographical distribution of State Transportation Improvement Program funds is by the statutory Equity Formula (G.S. 136-17.2A) and the project costs are charged to the funding region in which the project is located. Cities and others contribute to the funding of these projects.

**Key Statistics:**

No relevant information to report.

Department of Transportation  
**Contingency Fund**

These funds are used for rural or small urban highway improvements. On average, approximately 6% of the funds have been programmed for economic development projects.

<b>Budget and Expenditures</b>								
Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	
<b>Appropriation</b>	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
<b>Programmed-Econ Dev*</b>	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000				
<b>Expended-Econ Dev*</b>	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000			
*Estimated Average								

**General Statute Authorization:** NA

**Eligibility:** The funds are used statewide for rural or small urban highway improvements and transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects are approved by the Secretary of Transportation and the Board of Transportation.

**Key Statistics:**

No relevant information to report.

Department of Transportation  
**Short Line Infrastructure Program**

The program was created in 2005 to provide funds to short line railroads (railroads that operate over a short distance or as switching or terminal railroads) to rehabilitate and modernize track and bridge infrastructure. The goal is to upgrade transportation infrastructure required to retain and attract industry.

<b>Budget and Expenditures</b>							
Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Appropriation</b>			\$ 2,000,000	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000	
<b>Programmed (Net)</b>			\$ 1,954,692	\$ 1,484,000	\$ 2,041,000		
<b>Expended</b>			\$ 139,207	\$ 1,234,714	\$ 1,067,309		

**General Statute Authorization:** NA

**Eligibility:** Short line and regional railroads are eligible. Recipients may receive a maximum of 50 percent of project costs. The following factors are considered: benefit/cost ratio, project impact, safety impact, transportation system impact, employment impact, community development impact, and whether the project match exceeds the 50 percent requirement.

**Key Statistics:**

No relevant information to report.

Department of Transportation  
**Public Access Fund**

These funds are used to provide access for schools, volunteer fire departments, and industries.

Budget and Expenditures														
Fiscal Year	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09	
Allocated - All Uses	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000
Programmed for														
Economic Dev.	\$	353,083	\$	129,605	\$	675,361	\$	657,121	\$	795,000				
Expended-Econ Dev	\$	255,909	\$	600,800	\$	139,587	\$	150,294	\$	734,458				

**General Statute Authorization:**

**Eligibility:** The maximum amount for school projects is \$50,000. The amount for industries is generally based on the number of jobs created at \$1,000 per job. The projects are approved by the Board of Transportation.

**Key Statistics:**

	2002-03	2003-04	2004-05	2005-06	2006-07
Grants made			9	10	12
Proj. carloads/yr			49,999	52,073	49,992
Proj. jobs			4,994	4,620	4,141
Companies served			50	67	97

Department of Transportation  
**Rail Industrial Access Program**

The Rail Industrial Access Program provides industries with an incentive to locate or expand their facilities in North Carolina. The funding helps ensure that companies have the railroad tracks needed to transport freight and materials by providing state funds to assist in constructing or refurbishing tracks.

Budget and Expenditures														
Fiscal Year	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09	
Appropriation	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000
Programmed (Net)	\$	306,000	\$	777,903	\$	810,289	\$	317,597	\$	330,065				
Expended	\$	926,912	\$	239,783	\$	315,691	\$	275,512	\$	639,349				

**General Statute Authorization:**

**Eligibility:** Local governments, community development agencies, railroad companies and industries are eligible for funds to improve rail access. Approval of requests is based on economic benefit of the project, including the number of potential new jobs that will be created, the amount of capital investment, rail use, and the area's economic condition. The maximum grant is 50 percent of the project cost.

**Key Statistics:**

	2002-03	2003-04	2004-05	2005-06	2006-07
Grants made		5	10	9	
Annual rail car loadings		9,798	8,203	12,576	

Department of Transportation  
**Small Construction**

The Small Construction Program funds a variety of transportation projects for municipalities, counties, businesses, schools, and industries. On average, approximately 1 percent of funds are programmed for economic development projects.

<b>Budget and Expenditures</b>								
Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	
<b>Appropriation</b>	\$ 21,000,000	\$ 28,000,000	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	\$ 35,000,000	\$ 21,000,000	
<b>Programmed-Econ Dev*</b>	\$ 210,000	\$ 280,000	\$ 210,000	\$ 210,000	\$ 210,000			
<b>Expended-Econ Dev*</b>	\$ 75,600	\$ 100,800	\$ 75,600	\$ 75,600	\$ 75,600			
*Estimated average								

**General Statute Authorization:** Budget Bills. S.L 2007-323 Section 27.5

**Eligibility:** These projects are recommended by the Board of Transportation Member representing the Division in which the project is to be constructed in consultation with the Division Engineer. The projects are approved by the Board of Transportation. There is a \$250,000 maximum amount per request per year. Projects with a total cost greater than \$150,000 require a resolution or letter of support from the city, town or county.

**Key Statistics:**

No relevant information to report.