

Rural Grants Program **(<http://www.nccommerce.com/rd/rural-grants-programs>)**

- **Created** – 2013
- **Statutory Authority** – G.S. 143B-472.126 to 472.128
- **Purpose** – Seeks to stimulate the creation of new, full-time jobs by offering grants to local governments that will partner with private business.
- **Allocation of Funds** – Categories of recurring funding include: **Economic Infrastructure, Building Reuse, Site Reuse, and Health Care Facility Construction/Expansion.**
- **Eligibility** – A local unit of government in collaboration with a business that is creating jobs. Minimum 5% cash match that must come from local resources and may not be derived from other State or federal grant funding (Building Reuse category requires a total match equal to the grant amount, i.e. a one-to-one match is required so that private business has an equal amount of investment into the project). Funding amount available per project depends upon the company type, salary and benefits offered, and the Tier level where the project is located. Project location requirements:
 - ✓ **Economic Infrastructure:** Projects in all counties are eligible with priority given to projects Tier 1 and 2 counties for publically owned water, sewer, natural gas line extension, access road, and rail spur improvements.
 - ✓ **Building Reuse:** Matching grants in Tier 1 and Tier 2 counties or in rural census tracts in Tier 3 counties to reuse vacant buildings; renovate and/or expand an existing building occupied by a resident company; or renovate, expand or construct health care facilities, and Site Reuse (Site Reuse grants are “demolition grants” and criteria is currently being developed for that category of program). Priority is given to towns with less than 5,000 population and resident companies as defined in G.S. 143B-472.127(a)(4). Tier 3 rural census tracts that have a population density of less than 500 people per square mile.
- **Grant Cycle** – Rural Infrastructure Authority makes award determinations every other month; there are no limits per cycle.
- **Governance** – Awards determined by the Rural Infrastructure Authority, a 16 member board comprised of the Commerce Secretary and appointments by the Governor and the General Assembly upon recommendation by the President Pro Tempore of the Senate and the Speaker of the House of Representatives [G.S. 143B-472.128]
- **Source of Funding** - FY 2014-15 recurring appropriation of \$13 million (up to 5% of which may be spent on administration) and an additional nonrecurring \$1.25 million.

- **Grant Demand** –

Rural Grants (FY 2013-14)					
	FY 2013-14				
	Total Applications		Awards		
Project Type	#	Amount	#	Amt	Matched*
Building Reuse	44	9,947,488	35	8,997,648	116,185,734
Economic Infrastructure	10	4,945,000	3	1,350,000	20,393,192
TOTAL	54	\$14,892,488	38	\$10,347,648	\$136,578,926
*Non-State sources					

- **Range of Grant Awards** – Maximum grant is \$500 K.
- **Grant Terms** –Two years from date of award.
- **Administrative Costs** – The Rural Economic Development Division administers this program. Pursuant to the enabling legislation, the Division may use up to 5% of the grant funds appropriated each fiscal year to administer the program. Based upon the current fiscal year allocation of \$13 million, the administrative costs for FY 14-15 are \$650,000 (5 FTEs). Nine time-limited FTEs administer grants transferred from the Rural Center in FY 2013-14 (\$72.4 million, of which up to 5% may be spent on administration. A total of 421 grants transferred).
- **Reporting Requirement** – Annual report by Sept 1 to House ANER, Senate NER, and FRD.
- **Funding History** –

Rural Grants (FY 2013-14 & FY 2014-15)		
		Bgt
	FY 2013-14	FY 2014-15
Actual Appropriation	10,646,300	13,439,560

**Competitive Grant Program for
Underserved and Limited Resource Communities
(ULRC)
(<http://www.nccommerce.com/rd>)**

- **Created** – 2013
- **Statutory Authority** – S.L. 2013- 360 and amended by S.L. 2014-100
- **Purpose** – “to provide grants to local governments and/or nonprofit organizations to encourage the development of economic development activities, services, and projects that benefit underserved populations and limited resource communities across the State”
- **Allocation of Funds** – For new or expanded services. Funds may not be used for: renting or purchasing land or buildings, financing debt, or paying for salaries or food.
- **Eligibility** – Nonprofit organizations and local governments in Tier 1 and 2 Counties or a rural census tract in a Tier 3 County that have a population density of less than 500 people per square mile. Project categories include:
 - ✓ Planning (maximum of 10 up to \$25 K each);
 - ✓ Coastal Tourism (maximum of 5 up to \$50 K each);
 - ✓ Micro-lending institution for small business development loans (max of 2 at \$300 K each);
 - ✓ Cultural and/or Performing Arts (max 10 up to \$25 K);
 - ✓ Agriculture (max of 3 up to \$50 K); and
 - ✓ Health Care (max of 10 up to \$25 K).

Priority given to entities that:

- ✓ Demonstrate established business involvement and community partnerships;
 - ✓ Match funds and/or have at least one other significant source of funding;
 - ✓ Demonstrate independent fundraising to achieve financial sustainability; or
 - ✓ Plan to use funds to engage in activity that improves/enhances an aspect of a local economy.
- **Grant Cycle** – Annual; Applications accepted until mid-December and awards announced in January.
 - **Governance** – Assistant Secretary of the Rural Economic Development Division.
 - **Source of Funding** – FY 2014-15 total appropriation of \$1.75 million (\$1.25 million recurring; \$500 K nonrecurring).
 - **Grant Demand** –This is a new program, therefore the grant demand cannot be determined at this time. However, for the first cycle of the program, there were 51 grant applications submitted in December 2014; 39 awards were announced February, 2015.

- **Range of Grant Awards** – See Eligibility and associated project category descriptions.
- **Grant Terms** – 15 months from award date.
- **Administrative Costs** – The Rural Economic Development Division administers this program through the Assistant Secretary and existing grants managers.
- **Reporting Requirement** – None.
- **Funding History** – FY 2014-15 appropriation: \$1.75M (of which \$1.25M is recurring).

Industrial Development Fund Utility Account (IDF-UA)

(<http://www.nccommerce.com/research-publications/incentive-reports/industrial-development-fund/utility-account>)

- **Created** – 2002, with the Job Development Investment Grant
- **Statutory Authority** – G.S. 143B-437.01 & 143B-437.61
- **Purpose** – “to assist the local government units of the most economically distressed counties in the State in creating and retaining jobs”
- **Allocation of Funds** – Purposes:
 - ✓ Reimbursable grants for construction or improvements to publically-owned:
 - New or existing water, sewer, gas, telecommunications, high speed broadband, electrical utility distribution lines or equipment, or
 - Transportation infrastructure for new, existing or proposed industrial buildings
 - ✓ Loans for private property, including:
 - Purchase or installation of equipment,
 - Structural repairs, improvements, or renovations of existing buildings
 - ✓ NOT for acquiring land or buildings or for constructing new buildings

Minimum local government match of 25% for public facility projects (for all but the 25 most distressed counties, as defined by G.S. 143B-437.08)

- **Eligibility** – Local governments within a Tier 1 or 2 County. Priority given to the following types of business projects:
 - ✓ Air courier services
 - ✓ Company headquarters that creates at least 75 new headquarters jobs
 - ✓ Information technology and services
 - ✓ Manufacturing
 - ✓ Warehousing and wholesale trade
- **Grant Cycle** – Rural Infrastructure Authority makes award determinations every other month; there are no limits per cycle.
- **Governance** – Awards determined by the Rural Infrastructure Authority, a 16 member board comprised of the Commerce Secretary and appointments by the Governor and the General Assembly upon recommendation by the President Pro Tempore of the Senate and the Speaker of the House of Representatives (G.S. 143B-472.128).
- **Source of Funding** – Financed through statutory deductions from Job Development Investment Grant payments (25% for Tier 3 county projects; 15% for Tier 2). Since JDIG payments are based on company performance, annual revenue for this program varies.

- **Grant Demand –**

Project Type	FY 2009-10 ¹				FY 2010-11 ²				FY 2011-12			
	Total Applications		Awards		Total Applications		Awards		Total Applications		Awards	
	#	Amount	#	Amt	#	Amount	#	Amt	#	Amount	#	Amt
Water	5.5	1,582,742	5.5	1,582,742	5	783,048	5	783,048	2	409,287	2	409,287
Sewer	6.5	2,155,295	6.5	2,155,295	5	1,289,897	5	1,289,897	4	1,193,080	4	1,193,080
Gas	1	500,000	1	500,000	3	1,025,000	3	1,025,000				
Electric Utility					1	500,000	1	500,000	2	750,000	2	750,000
Transportation Infrastru	1	500,000	1	500,000	3	1,500,000	3	1,500,000	1	500,000	1	500,000
TOTAL	14	\$4,738,037	14	\$4,738,037	17	\$5,097,945	17	\$5,097,945	9	\$2,852,367	9	\$2,852,367
1 FY 2009-10: Three partial awards have been deobligated, totaling \$42,351												
2 FY 2010-11: Six partial awards have been deobligated, totaling \$434,775												

Project Type	FY 2012-13				FY 2013-14			
	Total Applications		Awards		Total Applications		Awards	
	#	Amount	#	Amt	#	Amount	#	Amt
Water	2.25	996,020	##	996,020	4	1,630,139	4	1,630,139
Sewer	2.25	981,000	##	981,000	5.5	1,718,861	5.5	1,718,861
Transportation Infrastru	1.5	750,000	2	750,000	1.5	716,500	1.5	716,500
TOTAL	6	\$2,727,020	6	\$2,727,020	11	\$4,065,500	11	\$4,065,500

- **Range of Grant Awards –** No maximum.
- **Grant Terms –** Typical Grants are for two years, although a provision allows for up to three years when job creation is required.
- **Administrative Costs –** Commerce Finance Center administers this program, along with several other incentive programs (6 FTEs and 1PTE).
- **Reporting Requirement –** Annual report by Sept 1 to NER and FRD.
- **Funding History –**

IDF-Utility Account (FY 2009-10 to FY 2014-15)						
	Actuals					Dec Auth Bgt
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Prior Year Carryforward	6,830,573	9,488,723	10,271,002	11,514,318	13,767,325	23,431,036
Closure of IDF					1,118,769	
Transfer from JDIG	5,147,850	4,699,327	4,694,826	5,526,286	10,992,078	10,650,000
Subtotal Receipts	11,978,423	14,188,050	14,965,828	17,040,604	25,878,172	34,081,036
Grant Payments	2,489,700	3,383,857	3,451,510	3,273,279	2,447,136	2,250,000
Legislative Adjustment *		533,191				11,000,000
Subtotal Expenditures	2,489,700	3,917,048	3,451,510	3,273,279	2,447,136	13,250,000
Cash Balance	9,488,723	10,271,002	11,514,318	13,767,325	23,431,036	20,831,036
Encumbrances	6,803,127	10,521,002	9,260,862	8,026,591	22,550,959	12,945,860
Available Cash Balance	\$2,685,596	-\$250,000	\$2,253,456	\$5,740,734	\$880,076	\$7,885,175
* FY 2014-15: \$5M transfer to General Fund, \$5M transfer to Ag Gas Expansion Fund, \$1M transfer to Main Street Solutions Fund						

Main Street Solutions Fund (MSSF)

(<http://www.nccommerce.com/rd/main-street/main-street-solutions-fund>)

- **Created** – 2009 (S.L. 2009-451, Sec. 14.10)
- **Statutory Authority** – G.S. 143B-472.35
- **Purpose** – Seeks to strengthen the local economy and its role as a regional growth and employment hub by leveraging the state’s resources for small business development, spurring private investment, and providing economic development planning assistance and coordinated grant support.
- **Allocation of Funds** – Project purposes may include:
 - ✓ Downtown economic development initiatives;
 - ✓ Historic preservation initiatives;
 - ✓ Public improvement and public infrastructure;
 - ✓ Interlocal small business economic development initiatives.
- **Eligibility** – Municipalities that are designated micropolitans (a micropolitan is a geographic entity containing an urban core and having a population of between 10,000 and 50,000 people) located in Tier 2 and Tier 3 counties and active North Carolina Main Street communities, including communities in a Tier 1, 2 or 3 county that have been selected by the Department to participate in the Main Street Program or the Small Town Main Street Program.

Projects must spur private investment and retain or create jobs in association with small business.

Funds from eligible local governments, main street organizations, downtown organizations, downtown economic development organizations, and sources other than the state or federal government must be committed to match \$2 for every \$1 State dollar granted.

- **Grant Cycle** – Open-Round Funding Cycle. Applications are accepted from eligible communities on a first-come, first-serve basis until all available funds are exhausted.
- **Governance** – Applications are scored according to economic need, economic innovation, project timeline & capability, and economic impact. Rural Economic Development Division staff review applications and recommend awards to the Secretary, or his/her designee, who ultimately determines awards.
- **Source of Funding** – FY 2014-15 totals \$1 million, allocated from the Utility Account cash balance.

- **Grant Demand –**

	FY 2009-10 ¹					FY 2010-11 ²					FY 2011-12 ³				
	Total Applications		Awards			Total Applications		Awards			Total Applications		Awards		
Project Type	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*
Downtown Economic Development	29	4,497,543	8	1,950,000	9,210,735	11	1,611,021	9	1,211,021	4,854,033	4	650,000	4	650,000	2,905,390
TOTAL	29	\$4,497,543	8	\$1,950,000	\$9,210,735	11	\$1,611,021	9	\$1,211,020	\$4,854,033	4	\$650,000	4	\$650,000	\$2,905,390
*Non-State sources															
1 FY 2009-10: 6 Awards or partial Awards have been deobligated, totaling \$1,192,954															
2 FY 2010-11: 3 Awards or Partial Awards have been deobligated, totaling \$278,212															
3 FY 2011-12: 2 Awards have been deobligated, totaling \$400,000															

	FY 2012-13 ⁴					FY 2013-14 ⁵				
	Total Applications		Awards			Total Applications		Awards		
Project Type	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*
Downtown Economic Development	2	95,207	2	95,207	242,080	8	1,039,316	8	1,039,316	8,563,883
TOTAL	2	\$95,207	2	\$95,207	\$242,080	8	\$1,039,316	8	\$1,039,316	\$8,363,883
4 FY 2012-13: 0 Awards have been deobligated, totaling \$0										
5 FY 2013-14: 1 Award has been deobligated, totaling \$200,000										

- **Range of Grant Awards** – The minimum grant allocation is \$25K. Grant allocations are based on the number of full time jobs retained or created as a result of the project. \$25K is awarded per job; maximum grant is \$200K.
- **Grant Terms** – Three years from the date of the award.
- **Administrative Costs** – \$75K annually; allowable per statute (1 FTE).
- **Reporting Requirement** – Annual report due by Sept 1 to Gov Ops and FRD.

Funding History –

MSSF						
(FY 2009-10 to FY 2014-15)						
	Actuals					Bgt
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Prior Year Carryforward	-	2,007,786	2,879,067	2,601,799	2,323,591	1,546,758
Actual Appropriation*	2,000,000	1,390,678				1,000,000
Other Receipts	12,453	26,186	20,467	11,677	8,189	2,958
Subtotal Receipts	2,012,453	3,424,650	2,899,534	2,613,475	2,331,780	2,549,716
Administration	4,666	25,668	60,604	73,465	48,426	77,958
Grant Payments	-	519,915	237,131	216,419	736,596	1,364,316
Legislative Adjustment						418,773
Subtotal Expenditures	4,666	545,583	297,735	289,884	785,022	1,861,047
Cash Balance	2,007,786	2,879,067	2,601,799	2,323,591	1,546,758	688,669
* FY 2014-15 Appropriation allocated from available IDF-UA Account.						

Federal Community Development Block Grant for Economic Development (CDBG-ED)

(<http://www.nccommerce.com/rd/community-assistance/investment-assistance/grant-categories/economic-development>)

- **Created** – 1974
- **Statutory Authority** – G.S. 143B-431(d)(3), 143B-437.04, and 143C-7-2
- **Purpose** – Provides federal Housing and Urban Development (HUD) funds to local governments for partnering with businesses to create or retain jobs; 60% of jobs must be for persons qualifying as prior low and moderate income.
- **Allocation of Funds** – Grants and Loans (low-interest & forgivable) are available.

GRANTS:

- ✓ May be used for 1) Building Reuse or 2) Infrastructure Improvements (water, sewer, street, natural gas lines, rail or municipal electrical).
- ✓ Funds up to 75% of the need (100% for 25 most distressed counties, as defined by G.S. 143B-437.08)
- ✓ Local 25% cash match can come from private or public funds but must pass through local government
- ✓ Dollars per job is based on level of distress in county where project located

LOANS may be used for:

- 1) Publically-owned Shell Buildings - up to 50% of funds needed for construction, 2% interest w/ 5-year term w/ annual July 1st payments; interest payment only in first 2 years, 1:1 local match
 - 2) Site Development 2% interest w/ 7-year term w/ annual July 1st payments (interest payment only in first 2 years), no match, or
 - 3) Building Reuse up to 50% renovation costs, no interest w/ 5-year term and no payments, forgivable, 1:1 local match
- **Eligibility** – Non-entitlement local government units (those that are not entitled to a direct allocation of HUD CDBG funds).
 - **Grant Cycle** – Rural Infrastructure Authority makes award determinations every other month; there are no limits per cycle.
 - **Governance** – Awards determined by the Rural Infrastructure Authority, a 16 member board comprised of the Commerce Secretary and appointments by the Governor and the General Assembly upon recommendation by the President Pro Tempore of the Senate and the Speaker of the House of Representatives [G.S. 143B-472.128].

- **Source of Funding** – Annual federal funds available for CDBG-ED grants prescribed in the 2013 Appropriations Act total \$15.7 million (actual allocation increases or decreases according to federal fund availability). Loan funds available in FY 2014-15 are \$9 million.
- **Grant Demand** – Demand has consistently met supply. Economic infrastructure grants have typically accounted for 60% of funds; building reuse grants account for the other 40%.
- **Range of Grant Awards** – Maximum of \$750,000 for Building Reuse and for Infrastructure, \$1 million for Tier 1 & 2 Counties; \$750,000 Tier 3 Counties.
- **Range of Loan Awards** – Maximum of \$1 million for Shell Buildings, Site Development is \$4 million for Tier 1 & 2 Counties, \$3 million for Tier 3 Counties, and for Building Reuse \$750,000.
- **Grant Terms** – Varies, see Allocation of Funds.
- **Administrative Costs** – 2 FTEs administer this program (50% General Funded).
- **Reporting Requirement** – Annual report by Sept 1 to Jt Leg Comm on Gov Ops and FRD.
- **Funding History** –

Federal CDBG-ED (FY 2009-10 to FY 2014-15)						
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Federal Appropriation	8,567,000	7,375,501	6,824,595	6,778,400	16,033,365	15,052,630

Appalachian Regional Commission (ARC) (<http://www.nccommerce.com/rd/arc>)

- **Created** – 1965
- **Statutory Authority** – none; federal program.
- **Purpose** – Provides economic development assistance to the 29 counties in Appalachia and is based on the Governor's priorities. Each year ARC provides funding for projects that improve educational opportunities and workforce skills, improve infrastructure for community and economic development, increase civic and leadership capacity, increase entrepreneurial opportunities, and improve health care resources.
- **Allocation of Funds** – Projects approved for ARC assistance must support one of the four general goals:
 - 1) Increase job opportunities and per capita income in Appalachia to reach parity with the nation;
 - 2) Strengthen the capacity of the people of Appalachia to compete in the global economy;
 - 3) Develop and improve Appalachia's infrastructure to make the Region economically competitive; or
 - 4) Build the Appalachian Development Highway System to reduce Appalachia's isolation.
- **Eligibility** – Public entities (cities, towns, counties, regions, public service districts) and nonprofit organizations in Appalachia.
- **Grant Cycle** – Annual; pre-applications begin in March.
- **Governance** – Governor makes recommendations to the federal ARC, which determines final awards.
- **Source of Funding** – Annual federal funding varies, next cycle projected to be \$3.6 million.

- **Grant Demand –**

Project Type	FY 2009-10					FY 2010-11 ¹					FY 2011-12 ²				
	Total Applications		Awards			Total Applications		Awards			Total Applications		Awards		
	#	Amount**	#	Amt	Matched*	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*
Water	4	1,046,667	2	428,333	3,954,667	6	1,285,250	3	666,500	3,179,263	1	300,000	1	600,000	1,400,000
Sewer	2	600,000				2	600,000	2	600,000	1,092,915	3	686,500	3	506,500	1,513,000
Broadband											5	257,178	4	146,900	114,600
Access Road	1	765,212	1	765,212	191,303	1	1,000,000	1	1,000,000	1,300,000	1	1,000,000	1	1,000,000	2,090,000
Planning	6	496,000	6	496,000	480,475	12	465,550	11	461,550	514,674	7	515,582	7	515,582	544,446
Education	4	616,098	2	258,256	268,554	6	1,000,000	8	1,200,000	1,315,718	8	1,100,000	6	800,000	787,993
Business Development	7	1,063,500	3	647,000	895,509	6	700,000	6	550,000	916,360	10	1,376,249	2	200,000	200,000
Technical Assistance	1	490,390	1	490,390	556,321	3	859,022	4	1,374,191	1,355,193	2	555,169	1	514,635	522,029
Health	3	313,350	1	10,050	6,700	13	1,328,562	5	558,470	658,786	8	665,967	10	1,019,809	2,364,233
Water & Sewer	1	300,000				2	600,000	6	1,605,000	5,464,585					
TOTAL	29	\$5,691,217	16	\$3,095,241	\$6,353,529	51	\$7,838,384	46	\$8,015,711	\$15,797,494	45	\$6,456,645	35	\$5,303,426	\$9,536,301

*Matching funds shown reflect both state and non-state resources

** Note applications received during a particular SFY may or may not be funded during that same year but could be funded in a subsequent year.

1 FY 2010-11:1 Awards have been deobligated, totaling \$300,000

2 FY 2011-12: 1 Awards have been deobligated, totaling \$18,000

Project Type	FY 2012-13					FY 2013-14				
	Total Applications		Awards			Total Applications		Awards		
	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*
Water	1	300,000	2	600,000	792,600	6	1,366,014	2	308,014	431,864
Sewer	2	366,300	4	1,007,927	2,458,350	3	900,000	4	959,500	5,968,685
Broadband	1	100,000				1	180,000			
Access Road	1	2,583,330	1	2,583,330	-	3	5,415,000	1	415,000	
Planning	6	170,466	6	170,466	251,498	12	730,328	12	730,328	484,437
Education	5	800,000	6	736,694	927,532	3	700,000	2	109,027	100,000
Business Development	10	1,135,000	7	982,656	837,130	4	7,750,000	3	305,000	205,000
Technical Assistance						1	495,600	2	1,006,927	1,023,646
Health	5	444,900	6	569,554	647,814	2	200,000			
Water & Sewer						2	600,000			
TOTAL	31	\$5,899,996	32	\$6,650,627	\$5,914,924	37	\$18,336,942	26	\$3,833,796	\$8,213,632

- **Range of Grant Awards** – The state has set a general guideline that ARC assistance will not exceed \$300,000 for construction projects, \$100,000 for non-construction projects and will constitute no more than 50% of the total project cost. However, special consideration will be given to infrastructure projects in distressed and at-risk counties. Selected projects may request up to \$500,000 in ARC funding. Special consideration may also be given to non-construction projects with an emphasis on workforce development and education with an allowable funding amount up to \$300,000. Match requirements are determined based on county classification (attainment, competitive, transitional, at-risk, or distressed).
- **Grant Terms** – Terms are determined by ARC. Terms will vary according to the size and type of grant.
- **Administrative Costs** – 1.6 FTEs paid by federal funds plus associated cost (travel, supplies etc.)
- **Reporting Requirement** – none; federal reporting requirements.
- **Funding History** – Only Technical Assistance Grants come to the State; remaining grant funds are disbursed directly from the federal government to the grantee.