

NORTH CAROLINA DEPARTMENT OF
COMMERCE

Rural Economic Development Division

DR. PATRICIA MITCHELL, CECD | ASSISTANT SECRETARY

HOUSE COMMITTEE ON AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES (ANER)

SENATE COMMITTEE ON NATURAL AND ECONOMIC RESOURCES (NER)

MARCH 4, 2015

**NORTH
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DEPARTMENT OF COMMERCE

Topics of Discussion

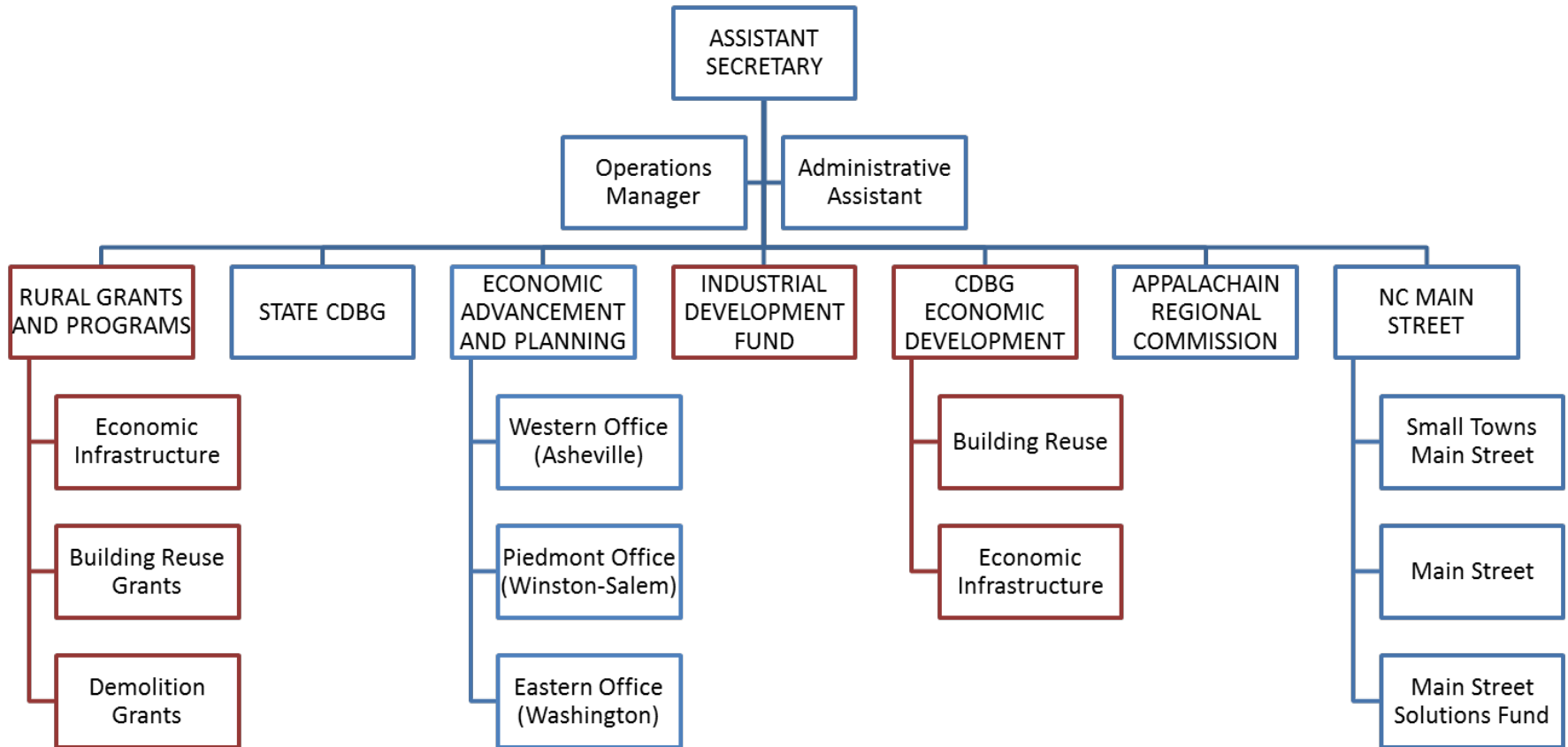
- Creation of the Rural Economic Development Division
- Organizational Chart of the Division
- Rural Infrastructure Authority (RIA)
- Grants made by RIA / State map
- Grant programs of the Rural Division
- Other programs within the Rural Division
- Other Projects & Initiatives

Rural Economic Development Division Timeline

- July 2013 REDD created by NCGS 143B-472.126
- September 2013 Assistant Secretary appointed
- November 2013 Rural Center grants transferred / grants managers hired
- November 2013 Rural Infrastructure Authority (RIA) appointed
- December 2013 First meeting of RIA & grants awarded

Rural Economic Development Division

NCGS 143B-472.126



Total Grant Dollars

- **Rural Grants and Programs (State Appropriation)**
 - FY14: \$11,347,414 (less 5% for Administration of Division)
 - FY15: \$14,221,898 (less 5% for Administration of Division)
- **IDF-Utility Fund (Non-appropriated State \$; a “set-aside” from JDIG. Amount is determined by the JDIG grant payouts per year and whether funds are removed for other purposes)**
- **CDBG-ED (Federal / HUD)**
 - FY13: \$16,200,000
 - FY14: \$15,900,000
- **Appalachian Regional Commission (Federal & State Partnership)**
 - FY14: \$3,293,600
 - FY15: \$4,570,478 (includes approved and pending projects)
- **Main Street Solutions (State Appropriation)**
 - FY14: \$1,272,629
 - FY15: \$966,626

Rural Infrastructure Authority

- Fifteen (15) Member Board

Five (5) Appointees each: Governor/House/Senate

- Six (6) regular meetings per year

Special called meetings if needed

- All meetings open to the public

Closed Sessions may be held if necessary

Rural Infrastructure Authority

Kevin Corbin
Macon County

Lee Grantham
Robeson County

Pamela J. Cundiff
Rockingham County

Tommy Hester, Chairman
Vance County

Lige Daughtride
Nash County

Darrell McCormick
Yadkin County

Charles M. Devane, Jr.
Bladen County

Tracy Philbeck
Gaston County

Brady Dickson
Montgomery County

Garry Terry
Hertford County

Jeff Etheridge
Columbus County

Steve Wangerin
Onslow County

Celo Faucette, Vice Chairman
Alamance County

Theodore Westmoreland, II
Cleveland County

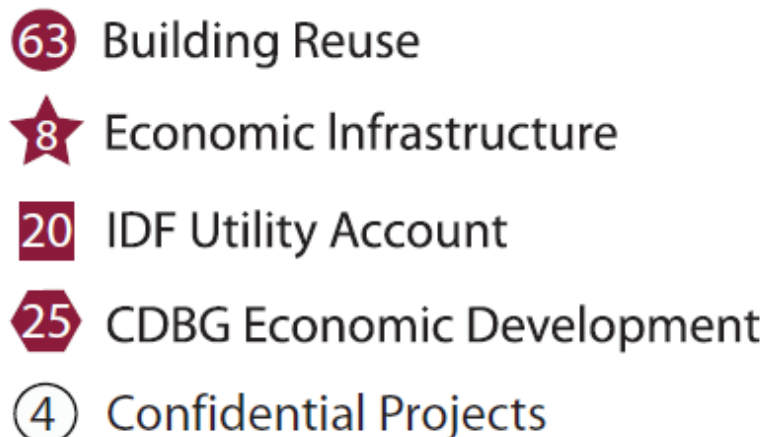
Beth Foster
Washington County

RURAL ECONOMIC DEVELOPMENT DIVISION

AWARDS 12/18/2013 – 2/19/2015

Building Reuse (State \$)	\$16,397,567
Economic Infrastructure (State \$)	2,602,575
Utility Fund (“set-aside” from JDIG)	12,573,882
CDBG-ED (Federal / HUD)	15,496,898
CDBG-ED Loan (Federal / HUD)	7,000,000
	<hr/>
	\$54,070,922

FY 13 - 15



Rural Grants/Programs

Building Reuse

- Vacant Buildings & Properties
 - Vacant three months
- Existing Business Building Reuse (Occupied)
 - Companies operating in NC for at least one year to expand in their current facilities
- Rural Health Care Facilities
 - Construct or Expand

Available in Tier 1 or 2; Rural Census Tract of Tier 3

Tiered funding amounts are dependent upon location of the project, number of jobs to be created, type of company involved, new jobs meeting weekly wage standard and level of employer-paid benefits provided. One-to-One match by company.

Rural Grants/Programs

Economic Infrastructure

- Public infrastructure improvements
- Priority to 80 most distressed counties
- Tiered funding amounts are dependent upon location of the project, number of jobs to be created, type of company involved, new jobs meeting weekly wage standard and level of employer-paid benefits provided
- Requires a 5% match provided by the local government (non-state or federal funds)
- Eligible projects can be located in Tier 1, Tier 2, and Tier 3 counties

Rural Infrastructure Authority Dates

Application Deadline	Award Date
March 10, 2015	April 23, 2015
May 5, 2015	June 18, 2015
July 7, 2015	August 20, 2015
September 8, 2015	October 22, 2015
November 3, 2015	December 17, 2015
January 5, 2016	February 18, 2016
March 8, 2016	April 21, 2016
May 3, 2016	June 23, 2016

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Rural Economic Development

CDBG - Economic Development

MARCH 4, 2015

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CDBG-ED Infrastructure

- Grants to local government to assist with construction of infrastructure
 - Water, sewer, street, natural gas lines, rail or municipal electrical
- Grants fund up to 75% of the need (100% for 25 most distressed counties)
- Local 25% cash match can come from private or public funds but must pass through local government
- All federal guidelines must be met



Rutherford County Bonita Pioneer



- Manufactures gift bags, gift wrap, and merchandise bags
- \$430,000 / 43 new F/T jobs
- Constructed in 2001 – Vacant 12 Years
- 103,454 square feet

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Rural Economic Development

Industrial Development Fund – Utility Account (IDF)

MARCH 4, 2015

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Utility Account Overview

- The program provides grants to units of local government for publicly-owned infrastructure
- Utility Fund grants are a “set-aside” from JDIG
- Grantees must be located in either a Tier 1 or Tier 2 county
- Grantees, unless they are located in one of the 25 lowest ranked counties, must contribute a 25% match of IDF funds allocated for the project
- Job creation is not required in order to be eligible for funding
- Jobs, when attached to a project, cannot be retail, entertainment or sports related, and if non-manufacturing in nature must meet a wage standard

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Rural Economic Development NC Main Street Center

MARCH 4, 2015

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NC Main Street Center

Main Street & Small Town Main Street Communities

- An economic development program, framed in the context of historic preservation, Main Street advocates a comprehensive approach to downtown revitalization

Main Street Solutions Fund

- Tier 2 & 3 communities and/or Main Street Communities

Since the inception of the NC Main Street Program in the early 1980s, over \$2B in private and public funding has been invested in downtown revitalization and historic preservation projects in towns across NC.

(PlaceEconomics: Washington DC, Feb '14)

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Rural Economic Development Appalachian Regional Commission ARC

MARCH 4, 2015

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Appalachian Regional Commission

- 29 western NC counties
- Employees funded by ARC - 2.6 FTE
- Employees funded by State funds are used to match ARC funds (ARC is a State-Federal Partnership)
- ARC funds used for salaries - \$210,304
- State funds used for matching salaries - \$275,310

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Rural Economic Development Other Projects/Initiatives

MARCH 4, 2015

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**Underserved and Limited Resource
Communities Grant Program
(local government and non-profits)**

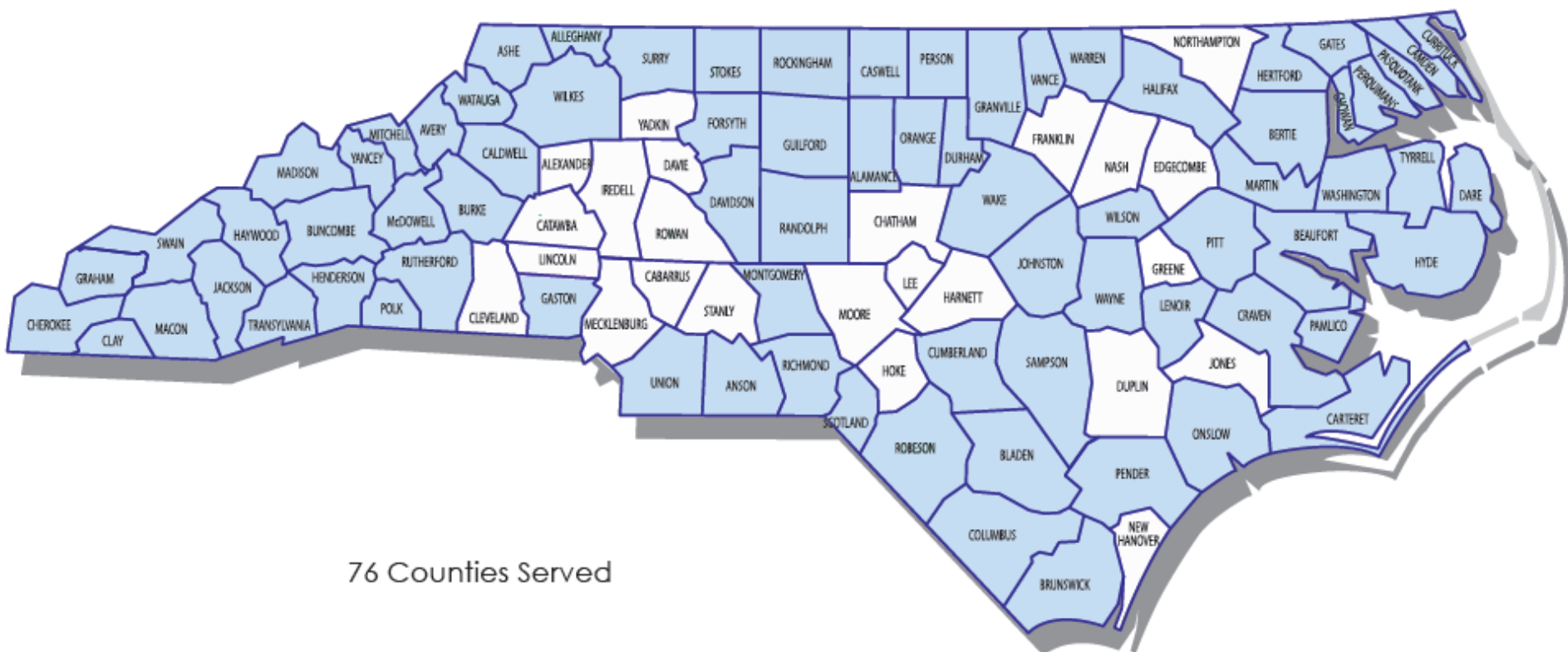
\$1,750,000

AWARDED FEBRUARY 2015

**PLANNING
COASTAL
HEALTH CARE
AGRICULTURAL
MICRO-LENDING
CULTURAL AND/OR PERFORMING ARTS**

T H R I V E
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Underserved and Limited Resources Grant Program County Impact



Broadband Grants

\$350,000

(TOTAL AVAILABLE FUNDS)

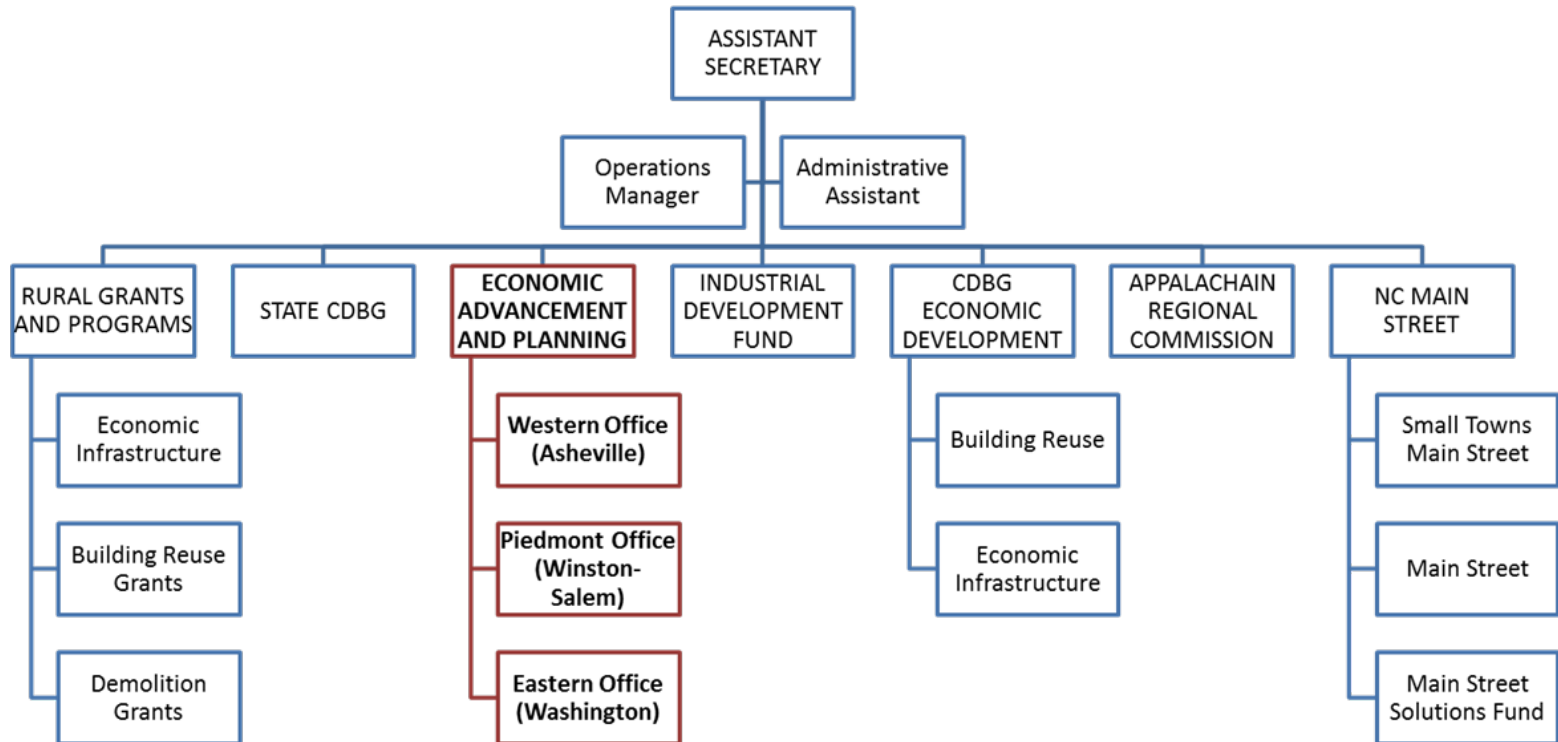
THE BROADBAND GRANT PROGRAM PROVIDES GRANTS TO NC CITIES, TOWNS OR VILLAGES TO FUND DEPLOYMENT OF BROADBAND CONNECTIVITY TO A BUSINESS LOCATION UNSERVED, OR UNDERSERVED, BY NECESSARY BROADBAND CONNECTIVITY. PURPOSE OF GRANT IS TO ENABLE THE BUSINESS TO CREATE JOBS. GRANTS IN THE AMOUNT OF “UP TO \$10,000 PER JOB CREATED” WILL BE OFFERED.

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NORTH CAROLINA™

Economic Development Planning

(Formerly Part of DCA)

Three planning offices:
Western, Piedmont, and Northeast



Other Projects / Initiatives

USE OF DEOBLIGATED CDBG FUNDS SENATE 744 SECTION 15.9A.

The Department of Commerce may use the sum of five million nine hundred eight thousand four hundred ninety-seven dollars (\$5,908,497) in deobligated Community Development Block Grant (CDBG) funds as follows:

- (1) Four million six hundred fifty-eight thousand four hundred ninety-seven dollars (\$4,658,497) for providing public services. The category of public services includes providing substance abuse services and employment services, including job training, to homeless and at-risk veterans in rural areas of the State.
- (2) Five hundred thousand dollars (\$500,000) for existing CDBG programs that encounter cost overruns.
- (3) Seven hundred fifty thousand dollars (\$750,000) for providing training and guidance to local governments relative to the CDBG program, its management, and administration requirements.

Broughton Study

Broughton Legislation (Senate Bill 847)

- Potential uses of vacated Broughton Hospital facilities and development or redevelopment of adjoining State-owned properties.
- Benefits to the State, local governments, and the private sector of each potential use identified in the study.
- Costs to the State, to the City of Morganton, to the County of Burke, and to the private sector of each potential use identified in the study.
- Any other matters that the Department of Commerce deems relevant to this study of potential economic benefits in the use of vacated Broughton Hospital facilities and properties.

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