

FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Commerce Economic Development Incentive Programs



William Childs

March 15, 2017

Overview

- **Commerce Base Budget Review**
- Tiers
- Statewide Economic Development Incentive Programs
- Rural Economic Development Incentive Programs
 - Program Description
 - Budget Information



Base Budget, FY 2017-19 Biennium

General Fund Budget Code: 14600

	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
Expenditures	\$ 127,596,045	\$ 102,897,737	\$ 221,751,208	\$ (24,244,353)	\$ 197,506,855	\$ (24,244,353)	\$ 197,506,855
Less Receipts	\$ 59,850,826	\$ 45,206,135	\$ 63,090,767	\$ 1,157	\$ 63,091,924	\$ -	\$ 63,091,924
Net Approp.	\$ 67,745,219	\$ 57,691,602	\$ 158,660,441	\$ (24,245,510)	\$ 134,414,931	\$ (24,244,353)	\$ 134,414,931
Positions	420.75	340.25	332.50	0.00	332.50	0.00	332.50

Expenditures: \$197.5 M

Less Receipts: \$ 63.1 M

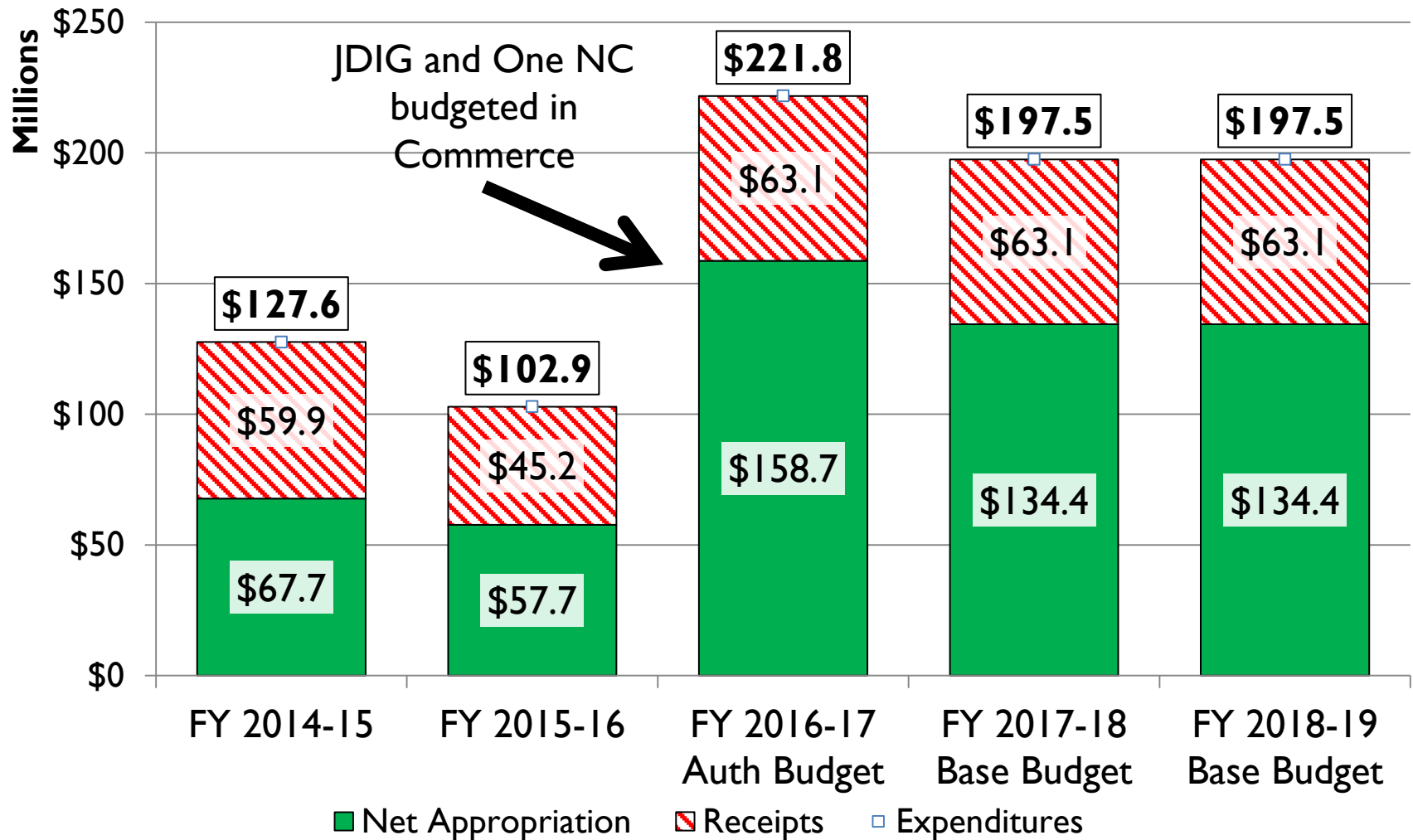
Net Appropriation: \$134.4 M

Base Budget Adjustments:(\$24.2 M) net appropriation

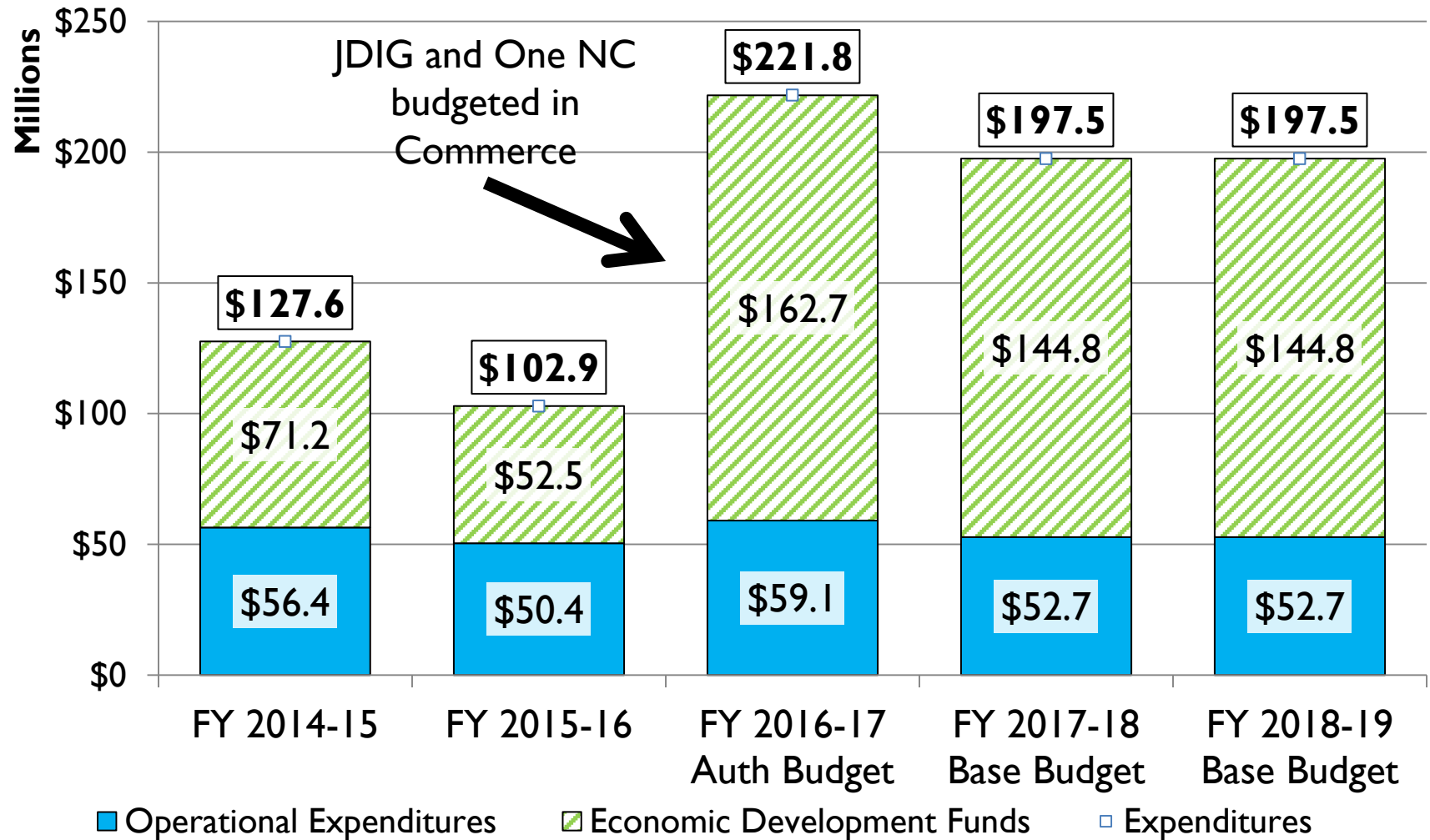
No FTE changes



5 Year Expenditure History



5 Year Expenditure History



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Tier Rankings

- Annual measure of economic distress in counties
 - Tier 1: 40 **most** economically distressed counties
 - Tier 2: next 40
 - Tier 3: 20 **least** economically distressed counties
- Five major measures:
 1. Average rate of unemployment over 12 months
 2. Median household income over 12 months
 3. Percentage growth in population over 36 months
 4. Adjusted assessed property value per capita in most recent taxable year
 5. Statutory Adjustment Factors



Tiers – Adjustment Factors

- Statutory adjustment factors ensure certain counties are in certain tiers
- Counties with a population of less than 12,000 are automatically Tier 1
- Counties with a population of less than 50,000 are automatically Tier 1 or Tier 2
- Counties with a population less than 50,000 with more than 19% of population below federal poverty level are automatically Tier 1
- Counties designated Tier 1 remain Tier 1 regardless of rankings for at least 2 consecutive years



Tiers – Use by Incentive Programs

- Eligibility determinations
 - Some programs require that a county be Tier 1 or Tier 2
- Award calculations
 - Percentage of JDIG award, for instance, determined by tier system
- Match requirements



Tiers: 2017 Rankings

2017 COUNTY DEVELOPMENT TIER RANKINGS (§ 143B-437.08)

NEW TIER	COUNTY	ECONOMIC INDICATORS								County Rank Sum (Lowest = most distressed)	ECONOMIC DISTRESS RANK (#1 = most distressed)	TIER ADJUSTMENT FACTORS				TIER ADJUSTMENTS				Auto- Adjusted Tiers	FINAL 2017 TIERS
		Adjusted Property Tax Base Per Capita FY 2016-2017		Population Growth July 2012-July 2015		Median Household Income 2014		Unemployment 12 Mth Avg Oct 15-Sept 16				Population Less Prison July 2015	Poverty Rate 5-year 2010-2014	2015 Tier	2016 Tier	Pop <50,000: Tier 1 or Tier 2	Pop <12,000: auto Tier 1	Pop <50,000 & poverty >10%: auto Tier 1	Must be Tier One for two consec. Years		
		Value	Rank	% Change	Rank	Income	Rank	Rate	Rank												
	ALAMANCE	\$76,032	36	2.93%	78	\$41,296	49	4.90%	81	244	67	157,522	18.8%	2	2						2
	ALEXANDER	\$70,309	24	1.24%	57	\$43,043	59	4.55%	92	232	61	36,798	16.8%	2	2	X				<3	2
	ALLEGHANY	\$144,801	88	1.97%	65	\$35,266	22	5.63%	43	218	57	11,190	21.2%	1	1	X	X	X		1	1
	ANSON	\$70,063	23	-2.68%	4	\$32,508	7	5.97%	32	66	11	23,789	24.1%	1	1	X		X		1	1
	ASHE	\$141,923	86	-0.18%	35	\$36,488	27	5.11%	68	216	55	27,332	20.5%	1	1	X		X		1	1
	AVERY	\$237,109	98	0.95%	53	\$37,131	32	5.39%	58	241	66	16,179	18.2%	2	2	X				<3	2
	BEAUFORT	\$116,749	73	-0.10%	38	\$40,357	47	5.95%	33	191	46	47,829	19.9%	1	1	X		X		1	1
	BERTIE	\$66,182	10	-2.94%	3	\$31,217	3	6.88%	18	34	3	19,244	25.5%	1	1	X		X		1	1
	BLADEN	\$78,641	45	-0.05%	39	\$33,521	12	7.12%	14	110	15	35,011	27.9%	1	1	X		X		1	1
	BRUNSWICK	\$192,721	93	9.63%	100	\$47,387	80	6.47%	28	301	82	123,535	16.3%	3	3						3
	BUNCOMBE	\$117,604	74	3.91%	85	\$47,296	79	3.95%	100	338	94	253,950	16.5%	3	3						3
	BURKE	\$71,728	27	-0.26%	31	\$39,275	44	5.20%	65	167	36	88,375	20.7%	2	2						2
	CABARRUS	\$101,676	59	6.58%	96	\$55,250	93	4.69%	88	336	93	195,622	13.1%	3	3						3
	CALDWELL	\$77,580	37	-0.01%	41	\$38,653	40	5.51%	49	167	36	82,297	20.5%	2	1				X	1	1
	CAMDEN	\$99,984	58	2.22%	69	\$61,730	98	5.50%	50	275	76	10,224	6.7%	1	1	X	X			1	1
	CARTERET	\$209,477	95	2.11%	67	\$48,824	84	5.37%	59	305	83	69,531	15.2%	3	3						3
	CASWELL	\$69,724	21	0.06%	44	\$42,730	57	5.72%	37	159	33	22,594	21.7%	1	1	X		X		1	1
	CATAWBA	\$104,698	62	0.20%	48	\$45,080	70	4.99%	75	255	72	155,585	15.3%	2	2						2
	CHATHAM	\$126,154	80	8.14%	99	\$56,797	94	4.36%	98	371	99	71,784	14.4%	3	3						3
↓	CHEROKEE	\$107,046	66	1.44%	59	\$34,620	19	5.86%	34	178	42	27,770	19.4%	2	2	X		X		1	1
	CHOWAN	\$95,888	54	-1.22%	17	\$38,887	41	6.75%	22	134	25	14,541	27.4%	1	1	X		X		1	1
	CLAY	\$146,396	90	2.87%	77	\$37,072	31	5.56%	47	245	68	11,036	23.6%	1	1	X	X	X		1	1
	CLEVELAND	\$78,640	44	0.20%	47	\$39,444	45	5.74%	36	172	40	97,871	20.1%	2	2						2
	COLUMBUS	\$66,813	12	-2.01%	9	\$34,321	18	6.68%	25	64	9	54,772	24.3%	1	1						1
	CRAVEN	\$87,684	50	-1.50%	15	\$43,972	63	5.44%	56	184	43	102,943	16.2%	2	2						2
	CUMBERLAND	\$67,263	14	-0.42%	30	\$42,582	56	6.58%	26	126	22	328,860	17.4%	2	2						2
	CURRITUCK	\$239,348	99	6.27%	94	\$58,024	95	5.45%	54	342	95	25,627	10.3%	2	2	X				<3	2
	DARE	\$378,627	100	3.35%	81	\$54,642	92	6.86%	20	293	80	36,001	9.1%	2	2	X				<3	2
	DAVIDSON	\$77,844	40	1.13%	56	\$43,346	61	4.98%	76	233	62	164,941	16.1%	2	2						2
	DAVIE	\$98,120	56	0.97%	54	\$47,592	81	4.67%	90	281	77	41,743	14.4%	2	2	X				<3	2
	DUPLIN	\$69,761	22	0.65%	52	\$34,109	17	5.50%	52	143	28	59,868	26.9%	2	2						2
	DURHAM	\$104,754	63	5.67%	91	\$50,745	89	4.62%	91	334	91	294,434	18.1%	3	3						3
	EDGECOMBE	\$56,372	4	-2.37%	7	\$31,615	4	8.78%	4	19	1	54,367	25.3%	1	1						1
	FORSYTH	\$88,437	51	2.48%	75	\$45,944	75	5.03%	73	274	75	366,302	19.1%	3	3						3
	FRANKLIN	\$70,342	25	3.87%	84	\$48,166	82	5.27%	62	253	70	63,731	15.4%	2	2						2
	GASTON	\$68,031	15	1.97%	66	\$42,056	55	5.40%	57	193	48	212,401	18.1%	2	2						2
	GATES	\$69,004	19	-3.15%	2	\$48,413	83	5.20%	66	170	39	11,739	16.0%	1	1	X	X			1	1
	GRAHAM	\$143,640	87	-1.07%	18	\$33,824	14	9.72%	1	120	19	8,761	21.4%	1	1	X	X	X		1	1
	GRANVILLE	\$72,963	28	1.49%	60	\$49,342	85	4.52%	93	266	74	55,739	15.8%	2	2						2
	GREENE	\$55,026	3	-2.14%	8	\$37,263	33	5.09%	70	114	16	18,941	24.9%	1	1	X		X		1	1
↓	GUILFORD	\$90,957	52	3.05%	80	\$44,828	67	5.34%	60	259	73	517,124	17.9%	2	3						2



Tiers: 2017 Adjustment Factors

County Development Rankings With and Without Adjustments

2017

	Pre-Adjusted Rank	Pre-Adjusted "Tier"	Auto-Adjusted Tiers	FINAL 2017 TIERS	Change from Adjustment	Qualifying Tier Adjustments				Not automatic adjustment - moved to another tier through tier caps
						Pop between 12k and 50K (At least Tier 2)	Pop less than 50K & poverty greater than 19% (Auto Tier 1)	Pop less than 12K (Auto Tier 1)	Tier 1 for two cons. years (Auto Tier 1)	
ALAMANCE	67	2		2						
ALEXANDER	61	2	<3	2		X				
ALLEGHANY	57	2	1	1	2 to 1		X	X		
ANSON	11	1	1	1		X	X			
ASHE	55	2	1	1	2 to 1	X	X			
AVERY	66	2	<3	2		X				
BEAUFORT	46	2	1	1	2 to 1	X	X			
BERTIE	3	1	1	1		X	X			
BLADEN	15	1	1	1		X	X			
BRUNSWICK	82	3		3						
BUNCOMBE	94	3		3						
BURKE	36	1		2	1 to 2					x
CABARRUS	93	3		3						
CALDWELL	36	1	1	1					X	
CAMDEN	76	2	1	1	2 to 1			X		
CARTERET	83	3		3						
CASWELL	33	1	1	1		X	X			
CATAWBA	72	2		2						
CHATHAM	99	3		3						
CHEROKEE	42	2	1	1	2 to 1	X	X			
CHOWAN	25	1	1	1		X	X			
CLAY	68	2	1	1	2 to 1		X	X		
CLEVELAND	40	1		2	1 to 2					x
COLUMBUS	9	1		1						
CRAVEN	43	2		2						
CUMBERLAND	22	1		2	1 to 2					x
CURRITUCK	95	3	<3	2	3 to 2	X				
DARE	80	2	<3	2		X				

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Statewide Economic Development Incentive Programs

Statewide ED Incentives:

- Job Development Investment Grant (JDIG)
- One North Carolina Fund

Specialized Statewide ED Incentives:

- Job Maintenance and Capital Development Fund (JMAC)
- One North Carolina Small Business Fund
- Expanded Gas Products Service To Agriculture Fund (Ag-Gas)
- Film & Entertainment Grants



Job Development Investment Grants (JDIG)

- Discretionary incentive program for businesses that create new jobs in the State
- Amount of incentive =
 - (withholdings of the created eligible positions) X
 - (up to 80% for tier I) or
 - (up to 75% for all other tiers)



JDIG Requirements

- Project must create at least:
 - 10 jobs if in tier 1
 - 20 jobs if in tier 2
 - 50 jobs if in tier 3
- No retail or sports team projects
- Health insurance offered
- OSHA, environmental, and tax compliance checks



JDIG Pre-requisites

- Pre-requisites:
 - Net increase in employment in the State by the business
 - Only available when the project would not locate in NC “but for” the JDIG incentive
 - Total project benefits outweigh costs (Walden model)
 - Increases employment opportunities and strengthens the economy
 - Consistent with State/local economic development goals



JDIG Authority

- Economic Investment Committee makes JDIG awards
 - EIC Composed of 5 members:
 - Secretary of Commerce
 - Secretary of Revenue
 - Director of OSBM
 - 2 appointees of the General Assembly



JDIG Terms

- Maximum annual cost of JDIG agreements:
 - \$20M per Calendar Year
 - Exception: High-Yield Project (\$500M investment & 1,750 eligible positions)
- Agreement term – 12 year max
 - Exception: High-Yield Project - 20 year max
- Utility Account diversion of percentage of award:
 - 0% for Tier 1 awards
 - 10% for Tier 2 awards
 - 25% for Tier 3 awards

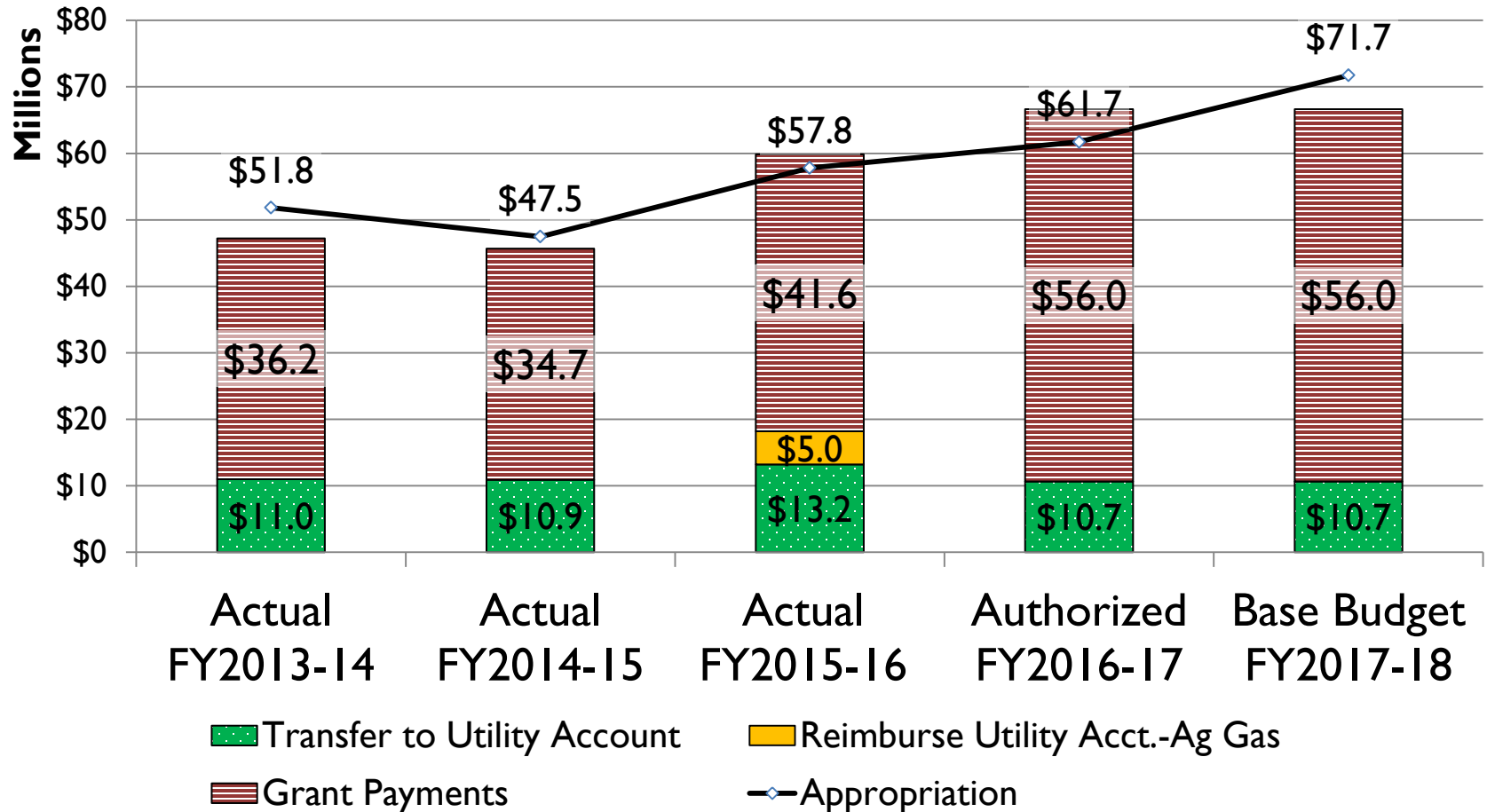


JDIG Clawbacks

- All or part of incentive paid to a business if it fails to maintain operations at the project for at least 150% of the agreement term
- If business fails to meet terms for one year:
 - Incentive paid to business is reduced proportionately
- If business fails to meet terms for two consecutive years:
 - If within base period, further incentive installments are withheld after 2nd year of noncompliance until business satisfies term of agreement
 - If outside of base period, agreement is terminated



JDIG Funding and Expenditures



One North Carolina Fund

- Discretionary incentive program with funds allocated to local governments to secure commitments for recruiting, expanding, or retaining new and existing businesses
- Funds are used to:
 - Install/purchase equipment
 - Structure repairs, improvements, or renovations to existing buildings
 - Construction of utility infrastructure for existing or proposed buildings



One NC Terms

- Maximum One NC commitment:
 - \$28M per biennium
- Local match:
 - \$3 State to \$1 Local in Tier 1
 - \$2 State to \$1 Local in Tier 2
 - Even match for T3
- Governor or Secretary of Commerce make award decisions



One NC Funding and Expenditures

Fiscal Year	Actual FY2015-16	Authorized FY2016-17	Base Budget FY2017-18
Starting Balance	\$9.7	\$7.6	\$7.6
Appropriation	\$7.0	\$9.0	\$9.0
Available Funds	\$16.7	\$16.6	\$16.6
Administration	\$0.3		
Grant Payments	\$6.3	\$7.5	\$7.5
One NC Small Business Transfer	\$1.0		
Reimburse Utility Fund	\$1.5	\$1.5	\$1.5
Expenditures	\$9.0	\$9.0	\$9.0
Balance	\$7.6	\$7.6	\$7.5

In Millions



Job Maintenance and Capital Development Fund (JMAC)

- Fund used to encourage businesses to **retain or maintain** high-paying jobs in the State and to make further capital investment in the State
 - No new jobs required
- Payments reduced for workforce reductions
- Payments withheld if employment is less than 80% of requirement
- Payments recaptured if business fails to meet investment requirements



JMAC Terms

- Limited to 5 agreements total
- Maximum aggregate cost of \$79M
- Maximum individual agreement cost of \$6M

Authority:

- Award recipients selected by the Secretary of Commerce based on criteria set by NCGA



JMAC Funding

Fiscal Year	<i>Actual</i> 2015-16	<i>Authorized</i> 2016-17	<i>Base Budget</i> 2017-18
Cash Balance	\$0.6	\$0.6	\$0.6
Appropriation	\$6.9	\$7.5	\$7.5
Available Funds	\$7.5	\$8.1	\$8.1
Grant Payments	\$6.9	\$7.5	\$7.5
Year-End Cash Balance	\$0.6	\$0.6	\$0.6

In Millions



JMAC Performance, 2007-2016

Grantee	Disbursements	Jobs Retained	Cost per Retained Job
Blue Ridge Paper Products	\$0	0	N/A
Bridgestone Firestone Tire	\$18.8 M	1,852	\$10,135
Domtar Paper Company	\$6.5 M	415	\$15,663
Goodyear Tire & Rubber	\$19.8 M	2,183	\$9,088
Total	\$45.1 M	4,450	\$10,137

Source: Department of Commerce



One NC Small Business Grant

- Administered by the Office of Science, Technology & Innovation (OSTI)
- Provides **matching funds** for federal grants:
 - Small Business Innovation Research (SBIR)
 - Small Business Technology Transfer (STTR)
- Grant funds are awarded in two disbursements:
 - 75% of funds disbursed at time of award
 - 25% of encumbered funds disbursed once milestones are met (usually 9 months to 1 year after first disbursement, but sometimes up to 4 years later)



One NC Small Business Funding

	FY 2015-16	FY 2016-17*
Appropriation	\$2.3 NR	\$3.0 NR
Availability	\$2.3	\$3.4
Encumbered	\$2.0	\$2.5
Disbursed	\$1.4	\$1.4

*As of March 13, 2017

In Millions

- OSTI expects to encumber the entire \$3.4M by the end of FY 2016-17



Expanded Gas Products Service To Agriculture Fund (Ag-Gas)

Pays for:

- Excess infrastructure costs
- Cost-effective alternatives to reduce excess infrastructure costs, including
 - relocating equipment
 - adding supplemental uses of natural gas or propane



Ag-Gas Eligible Projects

Including, but not limited to:

- The cultivation of soil for the production and harvesting of crops
- The planting and production of trees and timber
- Dairying and the raising, management, care and training of livestock, including horses, bees, poultry
- Marketing and selling of agricultural products
- Agritourism
- Other activities related to agriculture



Ag-Gas Funding

Funded by:

- \$5.0M transferred from the IDF-Utility Account every biennium
 - If JDIG or One NC or both together have unexpended and unencumbered funds at the end of a fiscal year, these funds will be used to **reimburse** the IDF-Utility Account



Ag-Gas Funding

Total awards granted as of March 2017: **\$2.9M**

Total grants disbursed: **\$0.7M**

Fiscal Year	Actual 2014-15	Actual 2015-16	Authorized 2016-17	Base Budget 2017-18
Beginning Cash Balance	-	\$5.0	\$4.6	\$4.6
Transfer From Utility Account	\$5.0	-	\$2.5	\$2.5
Subtotal Available Funds	\$5.0	\$5.0	\$7.1	\$7.1
Grant Payments	-	\$0.4	\$2.5	\$2.5
Year-End Balance	\$5.0	\$4.6	\$4.6	\$4.6

In Millions



Film & Entertainment Grants

- Direct grant appropriation replacing the Film Production Tax Credit
- Rebate of up to **25%** on qualified expenses and purchases by productions while filming in the state



Film & Entertainment Grants

- Productions must average *in-state* expenses of at least:
 - TV series: \$1M per episode
 - Feature-length film: \$5M
 - Commercials: \$250K
- **25%** of expenditures up to a maximum of:
 - TV Series: \$9M per season
 - Feature-length film: \$5M
 - Commercials: \$250K



Film & Entertainment Grants

- Total Appropriation: \$70.0M over 3 years
 - \$10.0M in FY 2014-15
 - \$30.0M in FY 2015-16
 - \$30.0M in FY 2016-17

As of 3/14/2017:

- Obligated: \$50.8M
- Balance: \$19.2M
- Disbursed: \$5.0M



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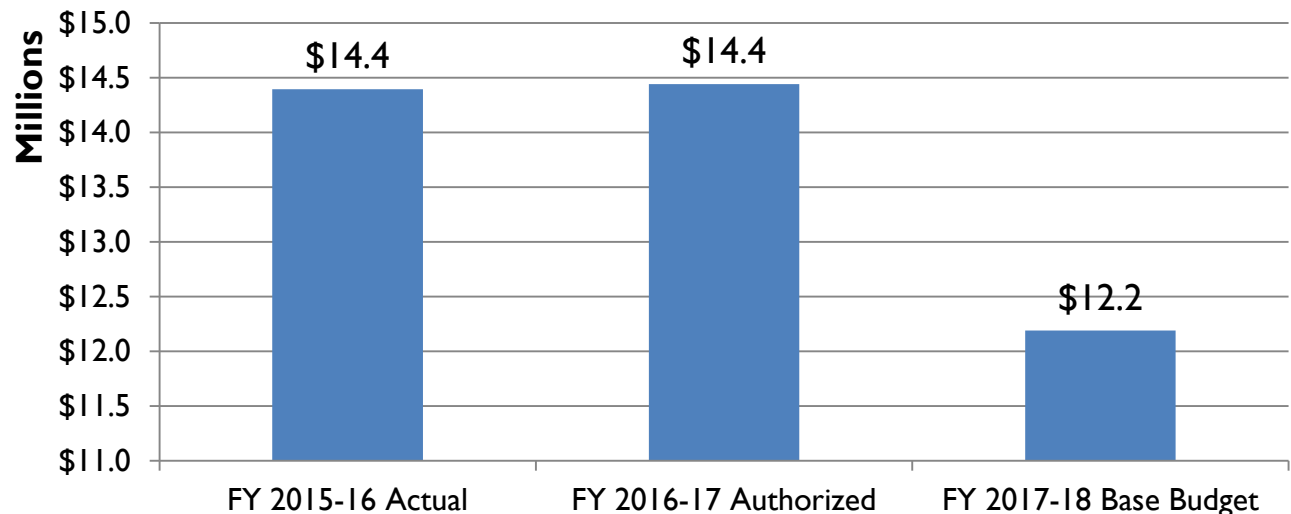
Rural Economic Development Incentive Programs

- Rural Infrastructure Grants
- Community Development Block Grants – Economic Development
- Industrial Development Fund Utility Account
- NC Main Street Center
- Appalachian Regional Commission
- NC Broadband
- Downtown Revitalization Grants



Rural Infrastructure Grants

- Awarded by Rural Infrastructure Authority (RIA)
- Two uses:
 1. Building Reuse
 2. Economic Infrastructure
- Funding:



Rural Infrastructure Grants – Building Reuse

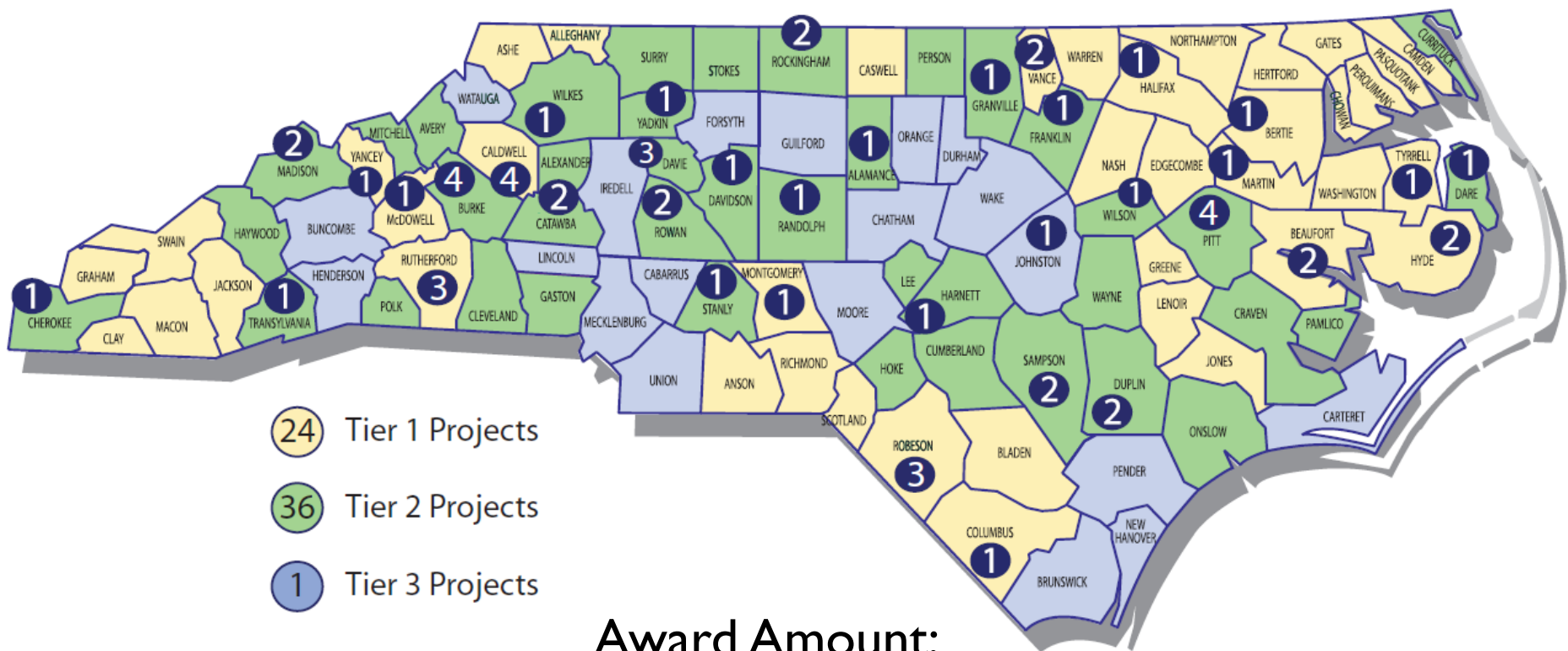
- Eligible applicants are units of local government located in either a Tier 1 or Tier 2 county, or a rural census tract in a Tier 3 county
- Eligible Projects:
 - Renovation of vacant buildings
 - Renovation or expansion of a building occupied by an existing NC company wishing to expand in their current location
 - Renovation, expansion, or construction of health-care entities that will lead to the creation of new, full-time jobs



Rural Infrastructure Grants – Building Reuse FY 2015-16

Building Reuse Program Awards

Rural Infrastructure Authority



Award Amount:
\$13.1M

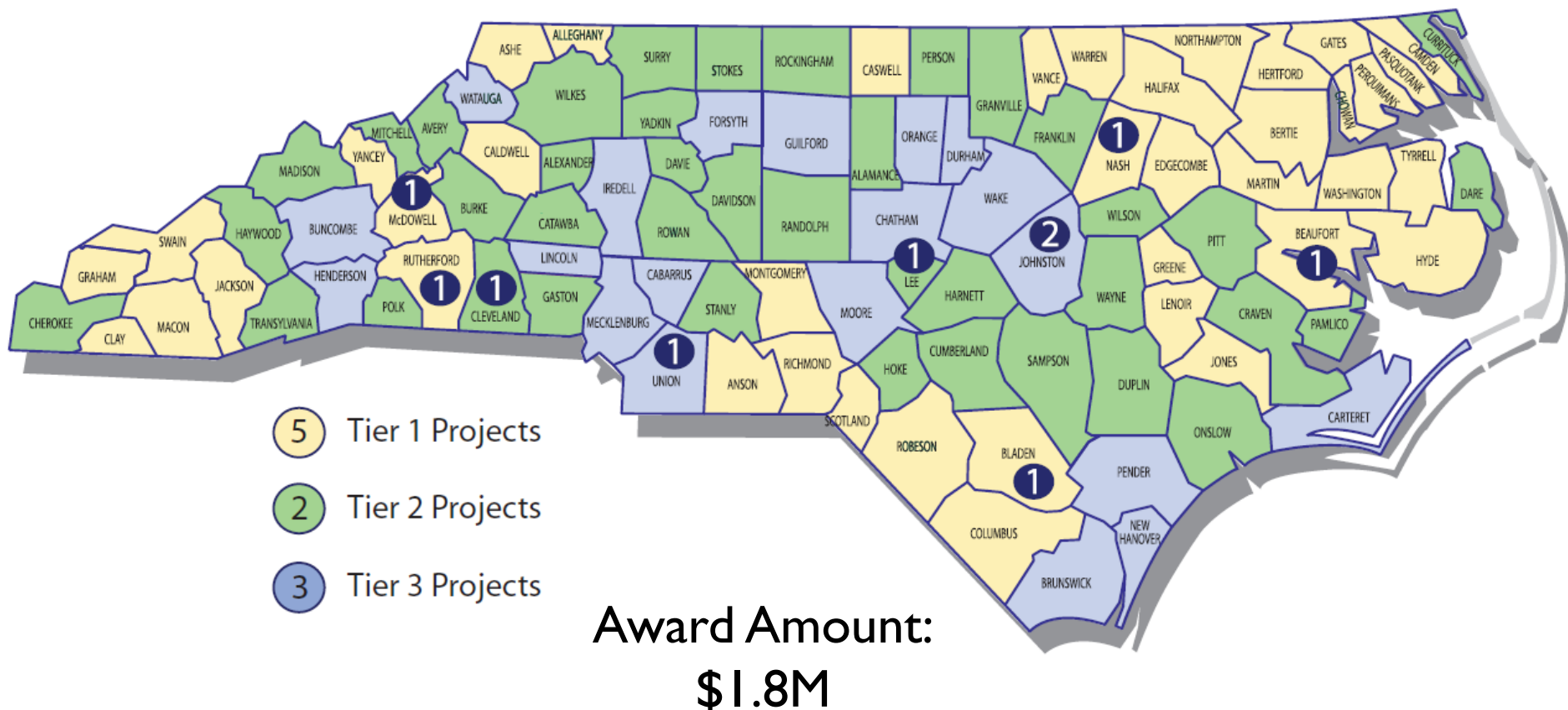
Rural Infrastructure Grants – Economic Infrastructure

- Eligible applicants are units of local government with priority given to Tier 1 and Tier 2 counties
- Eligible projects include:
 - Upgrades or repair of public drinking water or wastewater treatment plants
 - Upgrades, extensions, or repair of public water/sewer lines
 - Extensions of publicly owned natural gas line
 - Installation or extension of public broadband infrastructure
 - Construction of public roads (not DOT owned) or public rail spur improvements



Economic Infrastructure FY 2015-16

Economic Infrastructure Program Awards
Rural Infrastructure Authority



Community Development Block Grants – Economic Development

- Awarded by Rural Infrastructure Authority
- Available to local municipal or county governments
 - Exempt: 23 entitlement cities and 3 urban counties receiving fed funds directly
- Grants primarily serve persons of low- and moderate- incomes.
- Funds are provided by the U.S. Department of Housing and Urban Development (HUD)



CDBG-ED Eligible Projects

- Infrastructure Improvements
 - A local funding match of at least 25% of the determined need is required except in the 25 most distressed counties
- Restore Vacant Building
 - Forgivable loan if jobs maintained for five years
- Shell Buildings
 - 2% interest loan from Revolving Loan Fund
 - 5-year term and local match required



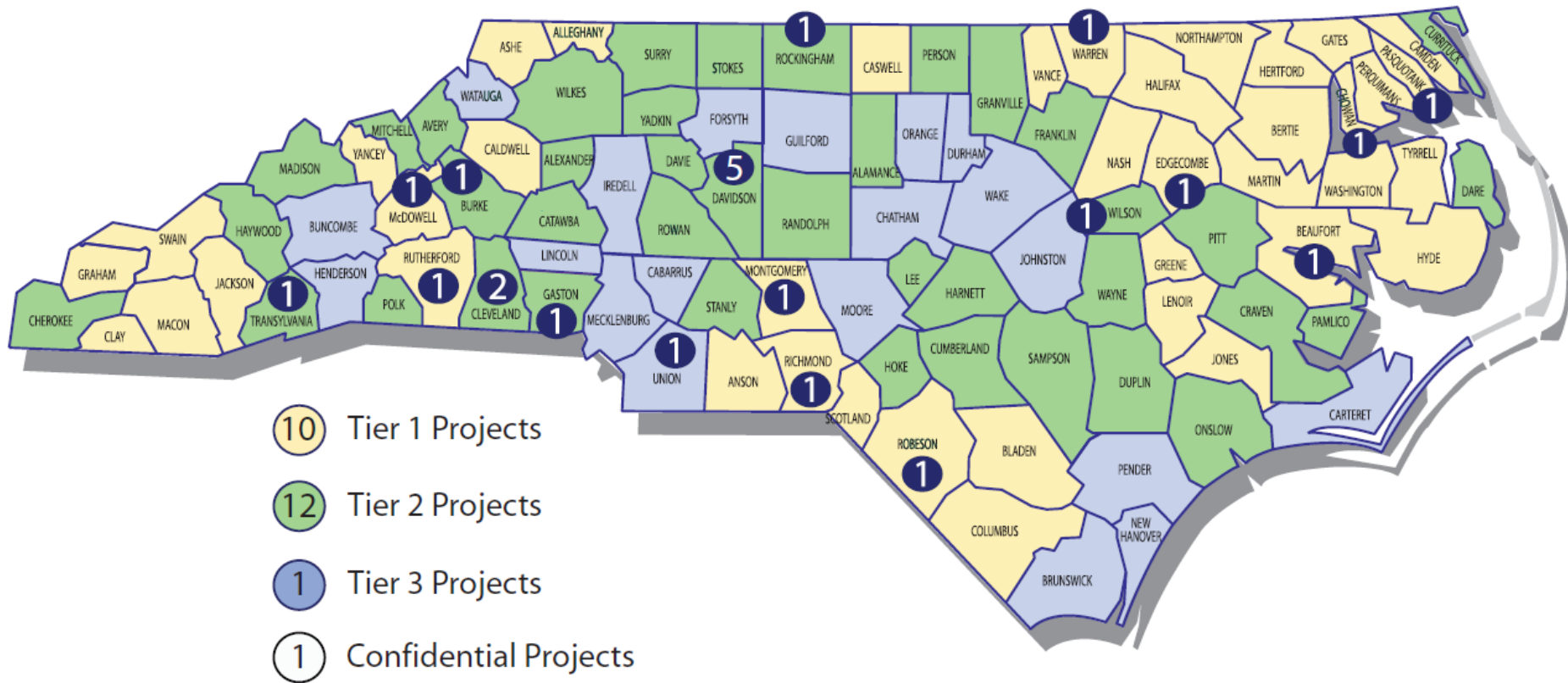
CDBG-ED Eligible Projects

- Site Development
 - 2% interest loan from Revolving Loan Fund
 - 7-year term, interest on first 2 years
- Downtown Redevelopment Program
 - Part of NC Main Street Center
 - No job requirement
 - Forgivable loan if building owner maintains for 4 years



CDBG-ED Projects, FY 2015-16

Community Development Block Grant Awards Rural Infrastructure Authority



CDBG-ED Funding

- FY 2017-18 Base Budget: \$42.6M total CDBG
 - NCGA will allocate in budget bill
 - Last biennium allocated:
 - CDBG-ED to Commerce
 - CDBG-Infrastructure to Environmental Quality for Water Infrastructure projects
- FY 2016-17 Authorized Budget: \$15.7 M
- FY 2015-16 Actual Expenditures:
 - 15 applications for CDBG-ED received and funded
 - Total funded grants: \$9.7M



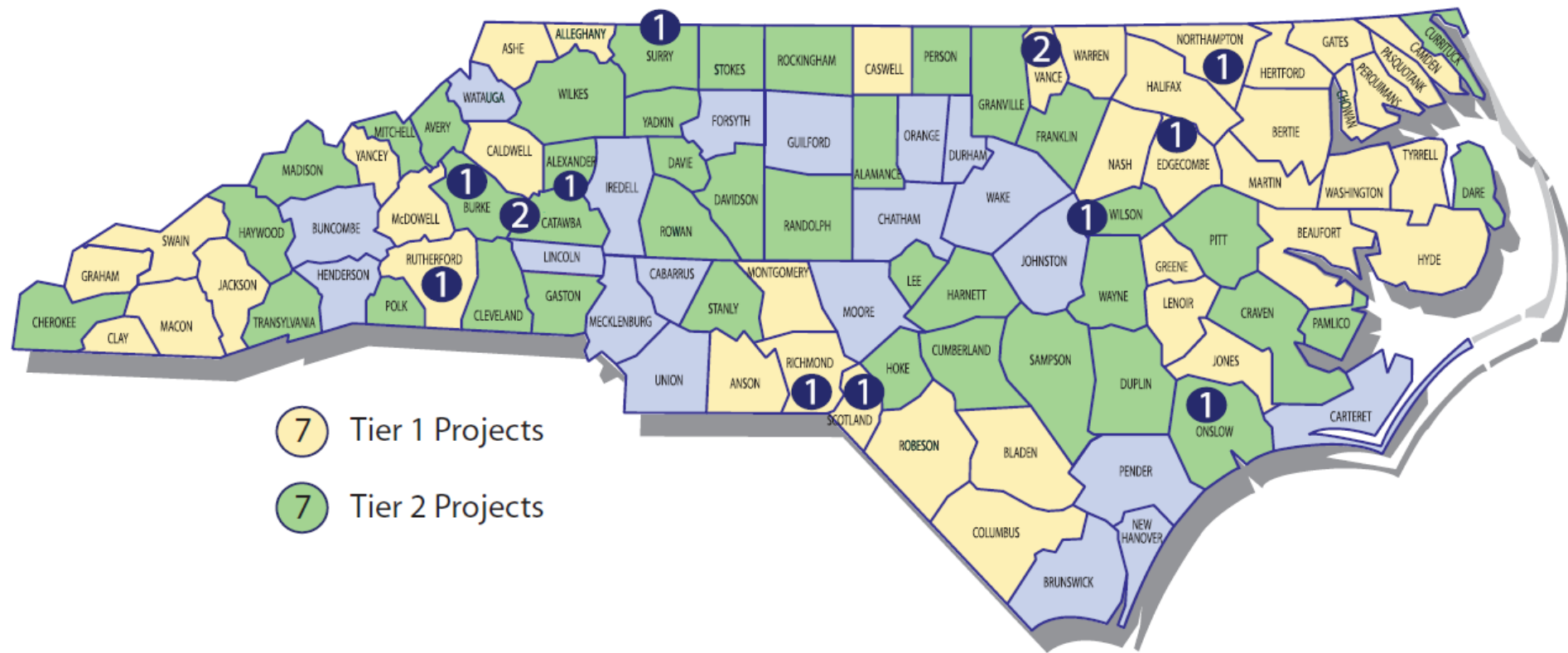
Industrial Development Fund – Utility Account

- Grants awarded by the Rural Infrastructure Authority
- Used for construction or improvement of utility infrastructure in Tier 1 or 2 counties
- Projects anticipated to create new jobs
- No local match requirement for 25 most economically distressed counties
- Not allowed: retail, entertainment, or sports projects



Industrial Development Fund – Utility Account

Industrial Development Fund Awards Rural Infrastructure Authority



Industrial Development Fund – Utility Account

Fiscal Year	Actual 2013-14	Actual 2014-15	Actual 2015-16	Authorized 2016-17	Base Budget 2017-18
Beginning Cash Balance	13.8	23.4	20.4	32.0	36.4
Transfer from JDIG	11.0	10.9	8.5	10.7	10.7
Reimbursement from JDIG/One NC			5.0		
IDF Closure	1.1				
Available Funds	\$25.9	\$34.3	\$33.8	\$42.6	\$47.0
Transfers:					
General Fund		5.0			
Ag Gas Expansion		5.0		2.5	2.5
Main Street Solutions		1.0			
Grants/Loans	2.4	3.0	1.8	3.8	3.8
Expenditures	\$2.4	\$14.0	\$1.8	\$6.3	\$3.6

In Millions

Encumbrances as of March 14, 2017: \$31.8 M



NC Main Street Center

- Works to stimulate economic development within the context of historic preservation
- Programs:
 - NC Main Street Program
 - NC Small Town Main Street Program
 - Main Street Solutions Fund Program
 - Downtown Redevelopment Fund



NC Main Street Center

- NC Main Street Program
 - Technical assistance, guidance, and training to participating communities
 - Self-help program: local communities must provide the human and financial resources to operate their downtown programs
- NC Small Town Main Street Program
 - Small, rural towns needing downtown development assistance but unlikely to pursue the Main Street program
 - 30 Towns in program
 - Not accepting new applications



NC Main Street Center

- Main Street Solutions Fund Program
 - Provides support to small businesses in designated micropolitan in Tier 2 or 3 counties and/or in designated NC Main Street communities
 - Grants for revitalizing downtowns by creating jobs, funding infrastructure improvements, and rehabilitating buildings
 - Awards to 32 communities with total of \$4.0M
 - Community will invest \$6.42 for each State dollar
- Downtown Redevelopment Fund
 - CDBG-ED funds following the same guidelines



NC Main Street Center Funding

- FY 2017-18 Base Budget: no funding
- FY 2016-17: no funding
- FY 2015-16: \$2.0M NR appropriated to the fund with \$1.1M directed to specific projects
 - Operating funds of \$900K for grants
- FY 2014-15: \$1.0M transferred from IDF-Utility Account



Appalachian Regional Commission (ARC)

- Federal-state partnership
- NC plan focuses on 29 identified Appalachian counties



Source: Appalachian Regional Commission

- Provides \$2.5 - \$3.5M annually in federal funds to:
 - Create economic opportunity
 - Prepare a ready workforce
 - Build critical infrastructure
 - Leverage natural and cultural assets
 - Cultivate leadership and community capacity
- These funds do not flow through the State
- State employs one receipt-support position to act as program manager

NC Broadband

- Collaborative with DIT on State Broadband Plan
- Funding: \$1.25M in FY 2016-17 from deobligated CDBG funds
- Program still in development
- Pilot Program in NE NC with electric co-op
- Community Anchors to become hubs for internet
 - Application grant process



Recent NCGA Actions FY 2015-16

Commerce:

- JMAC – \$6.9M R
- One NC Small Business – \$2.25M NR
- Rural Underserved/Limited Resources – (\$1.25M R)
- Rural Grants – \$2.2M NR
- Main Street Solutions – \$2.0M NR

OSBM:

- JDIG – \$57.8M R
- One NC – \$7.0M R



Recent NCGA Actions FY 2016-17

Commerce:

- JMAC – \$7.5M R (2015 budget)
- One NC Small Business – \$3.0M NR (2015 budget)
- Rural Grants – \$2.25M NR (2015 budget)

OSBM (transferred to Commerce):

- JDIG – \$61.7M R
- One NC – \$8.6M R



Base Budget FY 2017-18

Statewide Economic Development Incentive Programs

- JDIG – \$71.7M R
- One NC – \$9.0M R
- JMAC – \$7.5 R
- Expanded Gas Products Service To Agriculture Fund (Ag-Gas) – \$5.0M transferred from IDF-UA over biennium
- One NC Small Business Fund – unfunded
- Film & Entertainment Grants – unfunded



Base Budget FY 2017-18

Rural Economic Development Incentive Programs

- Rural Infrastructure Grants – \$12.2M R
- Community Development Block Grants – Economic Development – \$42.6M federal to be shared with CDBG-I funds at DEQ
- Industrial Development Fund Utility Account – funded by JDIG - \$10.7M transfer in base budget
- Main Street Solutions – unfunded
- Appalachian Regional Commission – federal funds
- NC Broadband – unfunded



Questions?



"So that's our offer: blood, toil, tears, sweat, and dental."

