

REPORT TO THE JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS

Regarding
Rural Economic Development Funds
(Expansion of the Economic Infrastructure Fund and
Establishment of the Rural Economic Transition Program)

North Carolina Rural Economic Development Center
February 15, 2008

INTRODUCTION

In July 2007, the General Assembly passed House Bill 1473 providing a nonrecurring appropriation of \$19 million to facilitate economic transitions in rural communities. The board of directors allocated these funds as follows: \$10.6 million for Economic Innovation Grants, \$4 million for Building Reuse and Restoration Grants, \$3.8 million for the Rural Venture Fund, and \$600,000 for entrepreneurship demonstrations.

During the first half of FY08, center staff developed program guidelines, application procedures, and internal and external review procedures for the grant and loan programs. To inform potential applicants of funding availability and eligibility requirements, staff conducted five workshops to provide information on the various programs to local officials, nonprofit leaders, and others interested in grants and business capital. Additional workshops were conducted to publicize the availability of the Rural Venture Fund and the Building Reuse and Restoration Grants. After announcement of the funding opportunities, center staff provided technical assistance to potential recipients. Staff and key partners have also been engaged in the development of an entrepreneurship demonstration to build the capacity for regional entrepreneurship efforts.

The Rural Venture Fund made its first investments in January 2008. Two grant cycles are planned for the building reuse and innovation grants programs in FY08. The application deadline for the first round was December 17, 2007, with grant awards announced in February 2008. The second funding round begins with applications due in February for an April award decision. Announcement of the entrepreneurship demonstration is slated for the spring of 2008.

A description of the programs follows in the next section.

ECONOMIC INNOVATION GRANTS

As part of this appropriation, the Rural Center will implement the Economic Innovation Grants program. This program was created as part of the research and demonstration portion of the Economic Infrastructure Fund. The program is designed to spur business activity, job creation, and further public/private investment in North Carolina's rural communities through supporting the development, implementation, and evaluation of innovative local and regional economic development projects.

The amount of funding allotted to this grants initiative from the nonrecurring appropriation for FY08 is \$10.6 million. Currently, three funding categories comprise the grants initiative (please see Appendix A for the guidelines and application for the Economic Stimulus and Innovation Investments and Appendix B for the guidelines and application for the North Carolina Small Towns Economic Prosperity Demonstration):

- ❑ *Economic Stimulus Investments.* Funding is available to eligible applicants to stimulate job creation and business activity through the development and implementation of innovative large-scale economic development projects. Large-scale projects demonstrate comprehensive, creative strategies to ensure job and business creation and private sector investment. Therefore, this demonstration seeks to fund projects that use multiple and integrated strategies to create new jobs and businesses in rural and/or distressed areas. For example, funding through this category could support, but is not limited to, projects that focus on developing North Carolina's renewable energy resources; fostering clusters based on strategic technological and regional innovation initiatives; encouraging industrial modernization or agricultural transition; or developing new economic engines in transitioning rural economies. This funding category also supports projects that use local or regional assets and resources and/or cultivate public-private partnerships and collaborations with educational institutions to develop economic opportunities. The maximum grant amount in this category is \$400,000. Applicants should show a funding commitment of at least 20 percent of the requested grant award in additional public and private investments. Projects must show that private sector jobs will be created and/or business activity increased within 24 months of the grant award.
- ❑ *Community Innovation Investments.* To spark economic transition in rural small towns and communities across the state while supporting long-term sustainable economic development, these seed grants will enable communities to either (1) jump-start innovative economic development projects with the potential for long-term sustainability and job growth or (2) expand innovative economic development projects that have shown a return on investment and the potential for further job growth. This category of funding supports locally-driven initiatives that focus on diversification, new and innovative ideas for growing jobs, long-term sustainability, and capacity-building and knowledge acquisition among key project personnel. Such initiatives might include, but are not limited to, natural resource-based strategies, arts-based economic development projects,

tourism, recreation, and innovative uses of technology to encourage economic activity. Priority will be given to projects that have a plan of action to ensure sustainability, that were identified through community planning efforts and that link to other economic development and community-building initiatives, and to those projects that place an emphasis on the involvement and growth of local businesses and entrepreneurs. This grant category targets, but is not limited to, small towns and rural communities, defined as places with a population of 10,000 and under. Projects must show that private sector jobs will be created and/or business activity increased within 24 months of the grant award. The maximum grant award is \$75,000. Applicants should show a funding commitment of at least 20 percent of the requested grant award in additional public and private investments.

- ❑ *North Carolina Small Towns Economic Prosperity Demonstration.* In the fall of 2005, the Rural Center announced the North Carolina Small Towns Economic Prosperity Demonstration (NC STEP). NC STEP is a large-scale demonstration that targets economically distressed small towns, especially those faced with economic hardships due to structural changes in the economy (e.g., manufacturing losses, loss of farms and farming operations, etc.) and/or natural disasters. NC STEP is designed to spur economic activity, innovation, and job creation in selected small town demonstration sites through a program of strategic resource investments. The demonstration has three primary goals: (1) to support economic recovery and revitalization in small towns; (2) to test a comprehensive model of capacity building, technical assistance and grantmaking to aid in revitalization efforts; (3) to provide information vital to the development of public policies that support long-term investment in the economic vitality of North Carolina's small towns. In the spring of 2006, the Rural Center selected 20 sites to participate in the demonstration – representing a broad range of characteristics. The center is expanding the demonstration to include an additional 10 towns. Successful applicants will participate in the demonstration for two years and are eligible for a \$30,000 investment in planning and development of an economic development strategy and plan of action, coaching and technical assistance, and training. After a strategy is developed, a site is eligible to apply for up to \$100,000 in implementation investments.

Small towns will be chosen based on geographical distribution, population size and diversity, and management structure (towns with a town manager/administrator as well as those without). Secondary criteria will include resource availability (towns with ample resources as well as those whose resources are severely limited) and degree of readiness (towns that have not participated in economic transition activities as well as those with advanced planning efforts under way). Eligible applicants must represent municipalities with fewer than 10,000 people, either within any of the state's 85 rural counties or within economically distressed counties (Tier 1) as designated by the N.C. Department of Commerce.

A fourth category, the Rural Brownfields Demonstration, is currently being considered, with guidelines and application materials scheduled for completion during the next quarter.

In general, priority will be given to eligible applications that meet at least one of the following criteria:

- ☐ Located in a development Tier One area as defined in G.S. 143B-437.08.
- ☐ Located in a county or census area with a persistently high poverty rate (at least 150% of the state poverty rate) according to the most recent decennial census.
- ☐ Located in a community that has experienced a sudden and severe economic downturn as reflected in numbers of business closings, layoffs, and unemployment rate during the previous 24 months.
- ☐ Located in a small town with a population under 10,000, an agrarian growth zone as defined in G.S. 143B-437.10, or an urban progress zone as defined in G.S. 143B-437.09.
- ☐ Identified in community-based strategic planning efforts and coordinated with other economic development and community-building initiatives.
- ☐ Supportive of strategies to expand entrepreneurial small business activity based on the natural, cultural, or historical assets of the community.
- ☐ Able to demonstrate benefits to small farm business diversifying into value-added production and increases opportunities for small farm entrepreneurs.
- ☐ Creates jobs or business activity with demonstrated results within 24 months of the grant award.
- ☐ Has the potential for short-term economic stimulus and long-term sustainability.

During the first half of FY08, Rural Center staff developed grant guidelines and application procedures. Following the completion of the program framework, the Rural Center announced the grants initiative at the annual Rural Partners Forum on October 25, 2007. Center staff then held a series of regional workshops during the week of October 29 to disseminate information regarding the program and to answer questions from potential applicants. These workshops were held in Plymouth, Lumberton, Wilkesboro, and Clyde in order to be accessible to individuals and organizations across the state. Additionally, the Rural Center advertised the program on its website and through its extensive network of contacts and statewide database.

Two cycles of funding were established for the Economic Stimulus and Community Innovation Investments. Applications for the first cycle of funding were received through December 17, 2007. During this cycle, center staff received 47 applications, totaling more than \$10.1 million in requests for funding. Center staff developed and implemented an internal and external review process, culminating with recommendations made to the Research and Innovation Grants Advisory Committee, a committee comprised of members of the Rural Center's Board of Directors, on February 7, 2008. Recommendations will be presented to the Executive Committee on February 20, 2008 for award decision.

During the next quarter, Rural Center staff will receive applications for the second cycle of funding through February 22, 2008. Applications will undergo an internal and external review process, and recommendations for funding will be presented to the Executive Committee on April 30, 2008. Once grant awards have been made, Rural Center staff will prepare performance-based contracts to govern grant expenditures and will manage all aspects of reporting, payment, and evaluation of project progress and results.

One cycle of funding was established for the NC STEP Demonstration. Applications for this funding will be received on February 15, 2008, and funding awards will be determined on April 30, 2008. Applications will also undergo an internal and external review process, and after an award is made, performance-based contracts will be issued.

BUILDING REUSE AND RESTORATION GRANTS

The Building Reuse and Restoration Grants Program, established as part of the Economic Infrastructure Fund in 2004, is designed to spur economic activity and job creation by assisting in the reuse and restoration of vacant buildings in small towns, with a priority on those with populations of fewer than 5,000. In July of 2004, Rural Center staff developed guidelines, working with state and federal partners, real estate experts and a Rural Center board-designated advisory committee to detail the grant-making process. Two categories of funding were identified: (1) pre-development grants for activities needed to solidify firm commitments from private businesses, investors and lenders, such as feasibility assessments, brownfield assessments, architectural/engineering analyses; and (2) development grants for detailed projects ready to begin renovation with a commitment from a business in hand. Application procedures and criteria have been continually revised and updated.

The amount of funding allotted to this grants initiative from the nonrecurring appropriation for FY08 is \$4 million. This funding expands the reach of the building reuse program. (Please refer to Appendix C for guidelines and application for the predevelopment grants and Appendix D for guidelines and application for the development grants.)

During the first half of FY08, Rural Center staff revised and updated grant guidelines and application procedures. The Rural Center announced the expanded grants initiative at the annual Rural Partners Forum on October 25, 2007. The program was highlighted at a series of regional workshops during the week of October 29 to disseminate information regarding the program and to answer questions from potential applicants. These workshops were held in Plymouth, Lumberton, Wilkesboro, and Clyde in order to be accessible to local government entities across the state. Another workshop was completed in January in Mooresville for the Centralina Council of Governments. Additionally, the Rural Center advertised the program on its website and through its extensive network of contacts and statewide database.

For FY08, two funding cycles have been established, with applications for the first round due December 17, 2007, and for the second round, February 22, 2008. Applications for the first cycle of funding were received through December 17, 2007. During this cycle, center staff received 14 applications, totaling more than \$1.5 million in requests for funding. Applications were evaluated through an internal and external review process, with recommendations for funding made to the Building Reuse and Restoration Advisory Committee, a committee of the board of directors, on February 7, 2008. Funding awards will be determined by the Executive Committee on February 20, 2008.

During the next quarter, Rural Center staff will continue to receive applications for the second cycle of funding through February 22, 2008. These applications will be evaluated through the same process as the first applications, with funding decisions made on April 30, 2008. Depending on remaining funds, a third round may be scheduled. Once grant awards have been made, Rural Center staff will prepare performance-based contracts to govern grant expenditures and will manage all aspects of reporting, payment, and evaluation of project progress and results.

RURAL VENTURE FUND

The Rural Center created the Rural Venture Fund to offer a new source of capital specifically designed for existing, qualified businesses in economically distressed Tier One counties of North Carolina. The Rural Venture Fund offers a variety of investments, from equity to subordinated debt. Investments carry the expectation of a return, but on less demanding terms and over a longer period of time than required by traditional venture capital financing. Investments will typically range from \$50,000 to \$350,000 and will have a 5-10 year life span. Eligible businesses must demonstrate growth potential and demonstrate that the owner would not receive equity or subordinated debt financing “but for” this fund.

The fund, through a partner network, will also assist clients in the successful management of their long-term growth through targeted technical assistance. Through collaboration with the Small Business and Technology Development Center (SBTDC), several UNC business schools will assist in developing data, conducting due diligence research, and preparing thorough analyses for potential applicant firms. This collaboration will also support implementation of post-deal technical assistance plans for firms securing Rural Venture Fund investments.

Qualified applicants will be presented to the SBTDC. The SBTDC will coordinate activities with UNC business school students to conduct due diligence research on each company and to prepare a detailed analysis in a consistent format to be presented to a seven-member Rural Venture Fund Investment Committee for review. Following review and discussion of companies by the investment committee, a final decision will be made by the president of the Rural Center and the Rural Center’s Vice President of Rural Development Programs regarding the investment, if any, to be made in each business applicant. A full report of all fund activity will be placed as a standing item on the Rural Center’s Executive Committee agenda.

The nonrecurring appropriation provided \$3.8 million in FY08 for the Rural Venture Fund. This \$3.8 million will be combined with an additional \$3 million from the North Carolina Rural Center and Golden LEAF to provide an initial capital pool of \$6.8 million that is ready to invest in qualified applicant businesses. (Please see Appendix E for application information.)

In addition to five workshops conducted in the fall to announce Rural Center funding as described above, additional outreach sessions targeting the economic development, local government, and banking communities were held in Jones, Beaufort, Halifax, Robeson, Montgomery, and Nash counties to introduce the Rural Venture Fund to these networks and to

seek their aid in identifying potential applicant companies. An outreach session is planned for Western Piedmont Community College in late February.

The first meeting of the Rural Venture Fund Investment Committee was held on January 24, 2008. Recommendations were made to invest in three manufacturing companies, totaling \$1.05 million and serving Bertie, Beaufort, and Duplin counties. At least 225 jobs are to be created in the first two years as a result of this initial investment. It is anticipated that 18-24 investments will be made by December 31, 2008.

ENTREPRENEURSHIP DEMONSTRATION

As part of the nonrecurring appropriation, the board of directors allocated \$600,000 to a demonstration that is designed to build the capacity of four regions to support the growth and development of entrepreneurship in rural North Carolina. This demonstration stems from the work of the Institute for Rural Entrepreneurship in developing a comprehensive entrepreneurship development system in North Carolina. This work has advanced entrepreneurship as a local economic development strategy, but the capacity to achieve scale and sustain efforts is limited. Both state and local entrepreneurship efforts can only be sustained if supported by a broader regional network of services, training, capital, entrepreneurial talent, and local leadership.

In FY05, the Rural Center partnered with the North Carolina Department of Commerce to conduct a 10-site entrepreneurship demonstration initiative. Results from the initiative showed that an entrepreneurship coordinator working with a broad-based team of partners made clear impacts on job and business creation. Project teams based on informal work-sharing without a coordinator yielded less tangible impact or sustainability. Results also showed that the effective role of an entrepreneurship coordinator is not as a business counselor duplicating what others do but as a knowledgeable referral agent for any specific small business need and an advocate for entrepreneurs with local leaders throughout the affected region.

During the first half of FY08, institute staff has developed the framework and guidelines for a demonstration effort, targeting the development of regional entrepreneurship support systems. The proposed demonstration entails the creation of a 3-year grant program with the following specifications:

- ❑ A competitive application process would be announced at the 2008 N.C. Entrepreneurship Summit on February 26, 2008 in Greensboro.
- ❑ The program would provide grants to support a regional entrepreneurship coordinator position in four rural regions over three years beginning May 1, 2008, with an increasing match from the region (20/50/80%); the coordinator would serve at least three counties, including a Tier 1 county, and the applying organization must be based in a rural county. Job responsibilities include facilitating monthly meetings with a diverse leadership team, convening quarterly affected counties' providers of business services and capital, seeding regional business-to-business networks, developing collaborative guides on how to start/grow a business in different locations, compiling web-based data on capacities of

each business service provider, attending cross-learning and training events with the Institute for Rural Entrepreneurship team and the other participating regions, and tracking within-region and across-region impacts such as business creation, growth and decline, local policy change, etc., that can be used to publicize regional success.

- ❑ The program would connect Rural Center programs such as Microenterprise, Rural Venture Fund, Water and Sewer Programs, Building Reuse and Restoration, and Economic Innovation Grants to entrepreneurs and to the communities served by each coordinator.
- ❑ The program would require a written sustainability plan signed by the applicant(s) as part of the application package.
- ❑ The program would provide a common approach for building teams, involving entrepreneurs, developing sustainability, and tracking impact, which then is tailored for each region.
- ❑ The demonstration sites, as well as interested sites not funded under the program, would receive support from the institute in building regional alliances for entrepreneurship that include chambers of commerce, business incubators and telecenters, community colleges, public and private colleges, economic development agencies, cooperative extension agents, community development corporations, faith organizations, public libraries, Energizing Entrepreneurship training graduates, and entrepreneurs. The institute will also provide web space and tools to foster collaboration, mentoring and document sharing among all the participating regions.
- ❑ The demonstration will work with an advisory committee of experts and rural entrepreneurs that will be convened bi-annually during the project period.

The guidelines will be presented to the Executive Committee of the Rural Center's Board of Directors for approval on February 20, 2008.

NEXT QUARTER ACTIVITIES SUMMARY

During the next quarter, the Rural Center Board of Directors will award grants from the first intake round of the Economic Innovation Grants and the Building Reuse and Restoration Grants on February 20, 2008. Subsequently, Rural Center staff will conduct the review process with the second round of grant requests submitted on February 15, 2008 (NC STEP), and February 22, 2008, respectively. Grants in this round will be awarded by the Executive Committee on April 30, 2008. Center staff will begin contracting procedures with grantees selected during the quarter and begin monitoring progress.

Additionally, center staff will continue to operate and market the Rural Venture Fund to qualified businesses, along with overseeing targeted technical assistance to prospective and awarded businesses. Entrepreneurship demonstration site requests will be reviewed and grants awarded on April 30, 2008, with the demonstration beginning at the regional sites on May 1, 2008.

ECONOMIC INNOVATION GRANTS:
ECONOMIC STIMULUS AND COMMUNITY INNOVATIONS INVESTMENTS

FY2007-08 Program Guidelines and Application Materials

If you have questions or need assistance in completing this application, please call the Economic Innovation Grants Office at (919) 250-4314.

**ECONOMIC
INNOVATION
GRANTS**



Economic Stimulus and Community Innovations Investments Program Statement

In June 2004, the North Carolina General Assembly passed House Bill 1352, authorizing funds to stimulate economic development and job creation in distressed areas through constructing critical water and wastewater facilities, addressing technology needs, renovating vacant buildings, and implementing research and demonstration projects. In July 2007, the General Assembly passed House Bill 1473 to expand the Economic Infrastructure Fund and to provide funding to facilitate economic transitions in rural communities. As part of this funding, the Economic Innovation Grants are designed to spur business activity, job creation, and further public/private investment in North Carolina's rural communities through supporting the development, implementation, and evaluation of innovative local and regional economic development projects. Innovative strategies may include, **but are not limited to**, the following:

- ☐ The involvement of non-traditional partners and collaborations in regional initiatives, public-private partnerships, or links with the workforce development system or institutions of higher education
- ☐ The application of current research or the utilization of an existing concept or development model in a new and innovative way, or in a way that has not been previously attempted in the community or surrounding region
- ☐ The creative use of new or emerging technologies in economic development initiatives
- ☐ Organizational innovation that seeks to make creative use of current resources and talent or that focuses on organizational capacity-building as a component of the broader economic development initiative
- ☐ The development or targeting of a previously unrecognized or under-explored market or economic niche
- ☐ The application of creative restoration or preservation strategies
- ☐ The diversification of the traditional economic base of the community or region

Three funding categories comprise the grants initiative: the Economic Stimulus Investments, Community Innovation Investments, and the North Carolina Small Towns Economic Prosperity Demonstration. The total amount of funding allotted to this grants initiative for fiscal year 2008 is \$13.1 million. Eligible recipients are units of local government, nonprofit organizations, and educational institutions located within North Carolina's 85 rural counties or within the most economically distressed counties as designated by the North Carolina Department of Commerce (Tier 1). Statewide and regional organizations and agencies serving the regions and communities listed above are also eligible to apply. Eligible applicants may vary depending on the particular program specified within the funding categories. The guidelines and application for the Economic Stimulus Investments and the Community Innovation Investments are provided in this information package. The application package is also available at the Rural Center's website, www.ncruralcenter.org. A separate guidelines and application package is available for the NC STEP demonstration and can be found on the center's website.

Funding Periods

Two grant cycles are scheduled for this program (with the exception of the North Carolina Small Towns Economic Prosperity Demonstration). The schedule for application and decision making is as follows:

First cycle:

- | | |
|--|-------------------|
| <input type="checkbox"/> Grants Initiative Announced | October 24, 2007 |
| <input type="checkbox"/> Applications Due | December 17, 2007 |
| <input type="checkbox"/> Awards Decision | February 2008 |

The Rural Center **must** receive applications **no later than 5:00 p.m. on December 17, 2007** for the first cycle.

Second cycle:

- | | |
|---|-------------------|
| <input type="checkbox"/> Applications Due | February 22, 2008 |
| <input type="checkbox"/> Awards Decision | April 2008 |

The Rural Center **must receive applications no later than 5:00 p.m. on February 22, 2008 for the second cycle.**

The schedule for application and decision making for the North Carolina Small Towns Economic Prosperity Demonstration is as follows:

- | | |
|---|-------------------|
| <input type="checkbox"/> Initiative Announced | October 24, 2007 |
| <input type="checkbox"/> Applications Due | February 15, 2008 |
| <input type="checkbox"/> Awards Decision | April 2008 |

The Rural Center **must receive NC STEP applications no later than 5:00 p.m. on February 15, 2008.** Please refer to the NC STEP guidelines and application package for further information.

Funding Categories and Grant Amounts

This grants initiative is designed to stimulate economic transition in rural and distressed areas by supporting innovative economic development projects that lead to new jobs, business creation and activity, and/or public/private investment. Two funding categories comprise this grants initiative and are described below:

- ☐ **Economic Stimulus Investments.** Funding is available to eligible applicants to stimulate job creation and business activity through the development and implementation of innovative large-scale economic development projects. Large-scale projects demonstrate comprehensive, creative strategies to ensure job and business creation and private sector investment. Therefore, this demonstration seeks to fund projects that use multiple and integrated strategies to create new jobs and businesses in rural and/or distressed areas. For example, funding through this category could support, but is not limited to, projects that focus on developing North Carolina's renewable energy resources; fostering clusters based on strategic technological and regional innovation initiatives; encouraging industrial modernization or agricultural transition; or developing new economic engines in transitioning rural economies. This funding category also supports projects that use local or regional assets and resources and/or cultivate public-private partnerships and collaborations with educational institutions to develop economic opportunities.

The maximum grant amount in this category is \$400,000. Applicants should show a funding commitment of at least 20 percent of the requested grant award in additional public and private investments. Projects must show that private sector jobs will be created and/or business activity increased within 24 months of the grant award.

- ☐ **Community Innovation Investments.** To spark economic transition in rural small towns and communities across the state while supporting long-term sustainable economic development, these seed grants will enable communities to either (1) jump-start innovative economic development projects with the potential for long-term sustainability and job growth or (2) expand innovative economic development projects that have shown a return on investment and the potential for further job growth. This category of funding supports locally-driven initiatives that focus on diversification, new and innovative ideas for growing jobs, long-term sustainability, and capacity-building and knowledge acquisition among key project personnel. Such initiatives might include, but are not limited to, natural resource-based strategies, arts-based economic development projects, tourism, recreation, and innovative uses of technology to encourage economic activity. Priority will be given to projects that have a plan of action to ensure sustainability, that were identified through community planning efforts and that link to other economic development and community-building initiatives, and to those projects that place an emphasis on the involvement and growth of local businesses and entrepreneurs.

This grant category targets, but is not limited to, small towns and rural communities, defined as places with a population of 10,000 and under. Projects must show that private sector jobs will be created and/or business activity increased within 24 months of the grant award. The maximum grant award is \$75,000. Applicants should show a funding commitment of at least 20 percent of the requested grant award in additional public and private investments.

Additionally, up to \$1 million in this category is targeted to new and emerging community development corporations for projects that spur innovation, job creation, and/or business activity in low-income and minority communities. Priority will be given to those organizations that are grantees of the Rural Center's CDC Grants Program.

- ❑ **North Carolina Small Towns Economic Prosperity Demonstration.** In the fall of 2005, the Rural Center announced the North Carolina Small Towns Economic Prosperity Demonstration (NC STEP). NC STEP is a large-scale demonstration that targets economically distressed small towns, especially those faced with economic hardships due to structural changes in the economy (e.g., manufacturing losses, loss of farms and farming operations, etc.) and/or natural disasters. NC STEP is designed to spur economic activity, innovation, and job creation in selected small town demonstration sites through a program of strategic resource investments. The demonstration has three primary goals: (1) to support economic recovery and revitalization in small towns; (2) to test a comprehensive model of capacity building, technical assistance and grantmaking to aid in revitalization efforts; (3) to provide information vital to the development of public policies that support long-term investment in the economic vitality of North Carolina's small towns.

In the spring of 2006, the Rural Center selected 20 sites to participate in the demonstration – representing a broad range of characteristics. The center is expanding the demonstration to include an additional 10 towns. Successful applicants will participate in the demonstration for two years and are eligible for a \$30,000 investment in planning and development of an economic development strategy and plan of action, coaching and technical assistance, and training. After a strategy is developed, a site is eligible to apply for up to \$100,000 in implementation investments.

Small towns will be chosen based on geographical distribution, population size and diversity, and management structure (towns with a town manager/administrator as well as those without). Secondary criteria will include resource availability (towns with ample resources as well as those whose resources are severely limited) and degree of readiness (towns that have not participated in economic transition activities as well as those with advanced planning efforts under way). Eligible applicants must represent municipalities with fewer than 10,000 people, either within any of the state's 85 rural counties or within economically distressed counties (Tier 1) as designated by the N.C. Department of Commerce.

Further information on the NC STEP program and the guidelines and application form are provided in a separate information package. The application package is also available at the Rural Center's website, www.ncruralcenter.org.

General Guidelines

Eligible Applicants

To be considered eligible for the Economic Innovation Grants Program (with the exception of the North Carolina Small Towns Economic Prosperity Demonstration), an applicant must meet the following criteria:

1. The applicant must be a unit of local government, a nonprofit organization, or an educational institution located in one of the state's 85 rural counties or an economically distressed county designated as Tier 1 by the North Carolina Department of Commerce. A map of urban and rural counties is available on the Internet at www.ncruralcenter.org/databank/rural_county_map.asp. The Tier designation is available at www.nccommerce.com/en/BusinessServices/LocateYourBusiness/WhyNC/Incentives/CountyTierDesignations. If a project is a collaborative effort, a lead project applicant must be designated from the collaborative that will be responsible for fiscal and project reporting and will ensure project implementation.
2. An applicant may be located outside the areas designated above if the target(s) for the project is(are) within eligible areas. Therefore, councils of government, regional or statewide organizations or agencies, and other such entities located outside the target area are eligible to apply. For-profit businesses are not eligible to apply for grant funding.
3. Applicants must clearly state the innovative aspects of the project or the strategy or strategies that it utilizes to facilitate economic transition in rural and distressed areas through job creation and increased business activity. Innovation can include the implementation of new economic development strategies or the use of previously established models or methods in a new and creative way.
4. Priority will be given to eligible applications that meet at least one of the following criteria:
 - a. Located in a development Tier One area as defined in G.S. 143B-437.08.
 - b. Located in a county or census area with a persistently high poverty rate (at least 150% of the state poverty rate) according to the most recent decennial census.
 - c. Located in a community that has experienced a sudden and severe economic downturn as reflected in numbers of business closings, layoffs, and unemployment rate during the previous 24 months.

- d. Located in a small town with a population under 10,000, an agrarian growth zone as defined in G.S. 143B-437.10, or an urban progress zone as defined in G.S. 143B-437.09.
 - e. Identified in community-based strategic planning efforts and coordinated with other economic development and community-building initiatives.
 - f. Supportive of strategies to expand entrepreneurial small business activity based on the natural, cultural, or historical assets of the community.
 - g. Able to demonstrate benefits to small farm business diversifying into value-added production and increases opportunities for small farm entrepreneurs.
 - h. Creates jobs or business activity with demonstrated results within 24 months of the grant award.
 - i. Has the potential for short-term economic stimulus and long-term sustainability.
5. Eligible units of local government, nonprofit organizations, and educational institutions should demonstrate the commitment of other funds to the project. The grant review will consider the amount of funding leveraged by this grant and the nature of the commitment of other funds.
6. No grants will be made for the following: construction of physical plants or shell buildings; feasibility studies; endowments, annual fund drives, or lobbying activity. The Rural Center does not provide for indirect costs nor administrative costs incurred prior to the grant award.

Application Requirements

Applicants should submit the following materials if applying for an Economic Stimulus Investment or a Community Innovation Investment. In addition, if a project is considered for funding following an initial review, the applicant may be required to make a formal presentation of the proposal to the Rural Center.

- ❑ **Proposal Letter.** A letter signed by a chief executive official must accompany the application. The letter must state the category of funding desired, describe the purpose of the project and its anticipated impact, and identify the amount of grant funds requested. For nonprofit applicants, the letter must also contain a description of the organization.
- ❑ **Application (enclosed).** Applicants must complete the application form. The chief executive official *must* sign the application form.
- ❑ **Project Abstract.** Applicants must provide a project abstract (maximum of 1 page) that succinctly describes the project's purpose, goals and objectives, major activities, and anticipated outcomes.
- ❑ **Proposal Narrative.** A proposal narrative (maximum of 3 pages) describing the proposed project is required. The narrative must address the following information:
 - *Need Statement.* Describe the project's target area. Explain the need for the project in the target area and how the project addresses the need.
 - *Purpose, Goals and Objectives.* Clearly state the project's purpose, goals, and objectives.
 - *Project Description.* Describe the major activities of the project and how the project will be implemented. Explain how this project meets the criteria for the category of funding for which you have applied.
 - *Innovation Statement.* Explain why the project is considered innovative.
- ❑ **Exhibits.** The following exhibits must be attached to the proposal package:
 - *Anticipated Outcomes and Economic Impact (maximum of 1 page).* Describe anticipated outcomes of the project, including community and human resource outcomes if applicable. Describe the project's anticipated economic impact. Include the number and type of jobs to be created and/or that have the potential to be created and the level of commitment of those jobs. Describe the business activity that will be increased or enhanced and the outcomes of that activity.
 - *Line Item Budget.* A detailed line item budget for the project with sources of funds is required. To show the commitment of other funds to the project, the applicant must detail the amount and the source of funds. Please indicate if the funds are in hand or when such funds will be dedicated.

- *Activity Time Line.* A time line outlining major activities of the project must be presented with the application package.
- *Project Management (maximum of 1 page).* Describe the key partners involved in this project, if applicable, and their roles and responsibilities. Describe the staffing plan for the project.
- *Documentation and Evaluation Statement (maximum of 1 page).* This statement should describe how the applicant will document project activities and resultant outcomes. The statement should also describe how success of this project will be measured and how evaluation data will be collected.
- *Copy of IRS tax-exempt status determination for nonprofit applicants.*
- *Digital copy of proposal documents.* A digital copy of the proposal and exhibits should be sent with the package. If an applicant does not have this capability, arrangements may be made with the Economic Innovation Grants office to send an email version. However, this version does not supplant the need for a hard copy application to be submitted to the Rural Center.
- *Other Exhibits.* If applicable, submit supplemental information such as white papers, feasibility studies, and market analyses that support the project. If the project is an outcome of a regional or local planning process, submit the final plan.

Applicants should submit an original and three copies of the application package for review. Applications will not be considered if all required information is not provided. The application package and copies should be submitted to Economic Innovation Grants, N. C. Rural Economic Development Center, 4021 Carya Drive, Raleigh, NC 27610, **no later than 5:00 p.m. on December 17, 2007 for projects seeking consideration in the first grant cycle, and no later than 5:00 p.m. on February 22, 2008 for projects seeking consideration in the second grant cycle.** No facsimile copies or emails will be accepted.

Mission Statement

The Rural Economic Development Center, Inc.
is dedicated to the development of innovative
strategies to improve the lives of rural North Carolinians,
with a special focus on economic opportunities
for citizens with low to moderate incomes.

Please mail application to:
Economic Innovation Grants
N.C. Rural Economic Development Center
4021 Carya Drive
Raleigh, NC 27610

Economic Innovation Grants Application Form



Applicant Information

Legal Name of Applicant: _____

Name and Title of Chief Elected Officer: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

Contact Person: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

Type of Organization: _____ Federal Tax Identification No.: _____

Fiscal Year End-Date: _____ Total Organizational Budget: _____

For Community Development Corporations, please check one of the following:

- ☐ New and emerging CDC
- ☐ Currently in the Rural Center's CDC grants program

Funding Category (check one):

- ☐ Economic Stimulus Investment
- ☐ Community Innovation Investment

Project Information

Project Title: _____

Project Start Date: _____ Project End Date: _____

Project Target Area (list region, county(ies), town as applicable): _____ Tier(s): _____

Total Project Budget: _____

Amount of Support Requested from Rural Center: _____

Sources of Additional Funding, Including Dates for Confirmation (if applicable):

Partnering Organizations (if applicable):

Purpose of the Project:

Brief Summary of Innovative Features of the Project:

Current Unemployment Rate(s) in Project Target Area:

Number of Job Losses in Previous 24 Months in Project Target Area:

Number of Business Closings in Previous 24 Months in Project Target Area:

Poverty Rate(s) in Project Target Area:

Population of Project Target Area:

Number of Jobs to be Created: Number of Businesses to be Created:

Economic Development Areas Addressed (check all that may apply):

- ☐ Business Development/Agriculture and Natural Resource Development
- ☐ Workforce Development
- ☐ Physical Infrastructure
- ☐ Civic and Social Infrastructure

Certification by Chief Elected/Executive Official

I certify that the information contained in this application is true and accurate to the best of my knowledge and that this application has been recognized by the governing body of the applicant. I further acknowledge that, if funded, this application shall be incorporated by reference into the agreement between the Rural Center and the applicant listed above.

Typed Name and Title of Authorized Official

Signature

Date

A potential grantee must be able at the time of the grant award to provide documentation that the organization has no overdue tax liabilities (including penalties and interest) and that the organization is not on the Office of State Budget and Management's Suspension of Funding list.

Application Checklist

- ☐ Proposal Letter
- ☐ Application Form
- ☐ Project Abstract
- ☐ Project Narrative (See project guidelines for narrative specifications.)
- ☐ Exhibits (See project guidelines for exhibit details.)

Application Deadline

Please submit an original and three copies of the application package for review. Applications will not be considered if all required information is not provided. The application package and copies should be submitted to Economic Innovation Grants, N.C. Rural Economic Development Center, 4021 Carya Drive, Raleigh, NC 27610 **no later than 5:00 p.m. on December 17, 2007 for projects seeking consideration in the first grant cycle, and no later than 5:00 p.m. on February 22, 2008 for projects seeking consideration in the second grant cycle.** Facsimile copies or emails will not be accepted.

ECONOMIC INNOVATION GRANTS:
NORTH CAROLINA SMALL TOWNS ECONOMIC PROSPERITY DEMONSTRATION

**NC STEP
DEMONSTRATION**



FY 2007-08 Demonstration Guidelines and Application Materials

If you have questions or need assistance
in completing this application, please call
the NC STEP Demonstration at (919) 250-4314.

Program Statement

In November 2005, the Rural Center launched the Small Towns Initiative to bring greater prosperity and improved quality of life to North Carolina's small towns, especially those experiencing hardship posed by business closings and layoffs, devastation from natural disasters, or persistent poverty. The initiative recognizes that each town possesses unique needs and assets – and that strategies for recovery must be tailored to meet those needs and the desires of local people. The initiative focuses on incorporated places with populations of less than 10,000. The goals of the Small Towns Initiative are to: (1) support small town revitalization as a critical element of North Carolina's public policy agenda; (2) prepare small town leaders to more effectively plan and implement local economic initiatives; (3) promote a climate within small towns that encourages citizen involvement, open dialogue and innovation; (4) stimulate job-creating investments in small towns by both local and external sources; and (5) encourage small towns to think beyond their town limits and actively build connections with regional economic initiatives and a wide range of economic partners.

As part of the Small Towns Initiative, the Rural Center announced the North Carolina Small Towns Economic Prosperity Demonstration (NC STEP). NC STEP is a demonstration that targets economically distressed small towns, especially those faced with economic hardships due to structural changes in the economy (e.g., manufacturing losses, loss of farms and farming operations, etc.) and/or natural disasters. NC STEP is designed to spur economic activity, innovation, and job creation in selected small town demonstration sites through a program of strategic resource investments. The demonstration has three primary goals: (1) to support economic recovery and revitalization in small towns through job creation and business activity; (2) to test a comprehensive model of capacity building, technical assistance and grantmaking to aid in revitalization efforts; (3) to provide information vital to the development of public policies that support long-term investment in the economic vitality of North Carolina's small towns.

In the spring of 2006, the Rural Center selected 20 sites to participate in the demonstration – representing a broad range of characteristics. The Rural Center is expanding the demonstration to include 10 additional small towns. Small towns will be chosen based on geographical distribution, population size and diversity, and management structure (towns with a town manager/administrator as well as those without). Secondary criteria will include resource availability (towns with ample resources as well as those whose resources are severely limited) and degree of readiness (towns that have not participated in economic transition activities as well as those with advanced planning efforts under way).

Eligible applicants are municipalities with fewer than 10,000 people, either within any of the state's 85 rural counties or within counties defined as economically distressed (Tier 1) by the N.C. Department of Commerce. Counties without municipalities may apply on behalf of the county seat. Funding is made available through the research and demonstration portion of the Economic Infrastructure Fund and funding to facilitate economic transitions in rural communities. The guidelines and application for the grants are provided in this information package. The application package is also available at the Rural Center's website, www.ncruralcenter.org.

Demonstration Application and Decision Time Line

One cycle for this demonstration is scheduled. The schedule for application and decision making is as follows:

- ☐ NC STEP Expansion Announced
- ☐ Applications Due
- ☐ Award Decision

October 24, 2007
February 15, 2008
April 2008

Eligible Applicants and Demonstration Priorities

Demonstration Sites

To be considered eligible for this demonstration program, an applicant must represent an eligible demonstration site. For this demonstration, an eligible site is defined as:

- ❑ An incorporated municipality of fewer than 10,000 people located in any of the state's 85 rural counties or in an economically distressed county designated as Tier 1 by the N. C. Department of Commerce. For eligibility purposes, population figures will be used from the 2000 U.S. Census (municipalities of fewer than 10,000 people incorporated since the 2000 Census in locations fitting the criteria above are also eligible).
- ❑ A community designated as the county seat in a county that has no incorporated municipalities.

A map of urban and rural counties is available on the Internet at www.ncruralcenter.org/databank/rural_county_map.asp. The Tier designation is available at www.nccommerce.com/finance/tiers/.

Demonstration Applicants

Eligible applicants are units of local government. A small town applicant may choose to work with surrounding unincorporated areas as part of its site work.

Demonstration Priorities

Priority will be given to eligible applications that:

- ❑ Affect small towns that are severely distressed due to structural changes in the economy or natural disasters
- ❑ Clearly show a willingness and eagerness to participate in all aspects of the demonstration for a two-year period
- ❑ Clearly show that local government officials know and understand the benefits and responsibilities of participation
- ❑ Clearly show an understanding of the importance of an inclusive community leadership team and its role in the development and implementation of the NC STEP Demonstration
- ❑ Clearly show the potential for economic recovery and revitalization, economic transition, economic activity and job creation

The selected sites will reflect a diverse set of small towns based on geography, population size and diversity, management structure, resource availability, and degree of readiness.

Demonstration Investments

This demonstration is designed to stimulate economic recovery and revitalization through strategic resource investments in small towns. It is designed to promote community involvement and innovation. Each NC STEP site will be eligible for:

- ❑ **Training scholarships.** Demonstration sites will receive scholarships to attend the Rural Economic Development Institute, a leadership development program of the Rural Center. As the demonstration proceeds, other scholarships may become available for leadership development and skills training.
- ❑ **Coaching assistance.** Each demonstration site will receive coaching to identify critical needs and community assets, develop potential economic development initiatives, prioritize projects and seek out technical and financial resources.
- ❑ **Planning investment.** Sites will receive a \$30,000 planning grant to use in the development phase of the demonstration. Sites may use funds for assessments, feasibility studies, coordination, and other pertinent activities. Travel for training requirements is included in this investment.
- ❑ **Project implementation investment.** Sites are eligible to receive up to \$100,000 in grants to implement priority projects developed through this demonstration after planning is completed. Sites also will receive a funding newsletter each quarter, outlining funding resources available for economic development initiatives.
- ❑ **Priority consideration in other Rural Center grants programs.** If competitive, demonstration sites will receive priority consideration for grants programs within the Rural Center during the demonstration period .
- ❑ **Participation in a global rural network initiative.** Sites will be able to connect through a technology-based program to other small towns and rural communities across the nation and internationally that are addressing economic transition and revitalization.

- ❑ **Opportunities for further training and shared learning.** Site leadership team members will attend two workshops per year to share project progress and receive additional information on strategies and tools. Training workshops may include restoration strategies, futures planning, tools for measuring progress, and sustainability strategies. Information workshops may include “how to” sessions on specific issues facing small town demonstration sites, such as brownfield and greyfield redevelopment, historic preservation, building reuse, physical infrastructure issues, financing mechanisms, funding strategies and grant resources. Other training may be added as needs arise during the demonstration. Sites will be linked through a list serve or weblog.

Requirements of Demonstration Sites

This demonstration requires a commitment on the part of a selected site to participate in all aspects of the demonstration. The site must commit to the minimum requirements outlined below and additional requirements that may be added during the course of the demonstration as issues arise or other resource opportunities become available. Throughout the course of the demonstration, some activities will require participation and others will be optional. The **minimum** requirements for each site are as follows:

- ❑ Each site must host a kick-off event to announce the demonstration award and to prepare the community for the work ahead. Sites will develop these events with the Rural Center.
- ❑ Each site must show that an inclusive community leadership group will participate in the development and implementation of the site-specific work of the NC STEP program, as well as in broader demonstration activities, such as training, site documentation and evaluation. An inclusive team is representative of the expertise and class, race, and/or ethnic make-up of the community. Each leadership team must include a local elected official and a representative of town management/administration as well. For towns with no manager or administrator, the center will consider other options for representation.
- ❑ Each site must commit to an assessment and planning process designed in collaboration with the Rural Center.
- ❑ Each site must commit to participate in all required trainings and activities of the demonstration.
- ❑ Each site must have local government and community buy-in as the demonstration proceeds.

Failure to meet requirements of the demonstration may result in withdrawal of demonstration site status and deobligation of all funds.

Application Requirements

Applicants should submit the following materials:

- ❑ **Letter of Application.** A letter must accompany the application that states the applicant's interest in applying for the demonstration, describes its goals, shows its understanding of the benefits and requirements of participation, and commits to participating fully in the demonstration. The letter must be signed by the chief elected official of the municipality, the chief municipal management/administration official, and a key community partner.
- ❑ **Application Form (enclosed).** Applicants must complete the application form. The chief elected official *must* sign the application form.
- ❑ **Application Narrative** (maximum of 8 pages; additional information may be included in appendices if appropriate). A narrative that addresses the following items must accompany the application.
 - *Describe your small town.* Where is the small town located? When was your town incorporated? What does your small town look like? What are its assets? What are its challenges? (If the town has a short written history, you may want to attach it as an appendix.)
 - *Describe your small town's current economic situation.* How has the small town been affected by the structural changes in the economy and/or natural disasters? What are its critical needs? What economic development activity is under way?
 - *Describe past or present planning efforts.* Who led these efforts? Who participated in these efforts? What were the outcomes?
 - *Describe your purpose for applying to be a NC STEP Demonstration site.* How do you see NC STEP being beneficial to your small town? What will it take for your small town to be successful?
 - *Describe how you will develop an inclusive community leadership team.* Who is interested in participating? How will you ensure that the team is representative of your community? (Letters of support may be submitted in an appendix.)

❑ **Exhibits.** The following exhibits must be attached to the proposal package:

- *Site Management (maximum of 1 page).* Describe the local government's role in the demonstration. List key partners, contact information, and their roles and responsibilities. Describe the staffing plan for this effort.
- *Town History, if available.*

Applicants should submit an original and three copies of the application package for review. Applications will not be considered if all required information is not provided. The application package and copies should be submitted to NC STEP Demonstration, N. C. Rural Economic Development Center, 4021 Carya Drive, Raleigh, NC 27610, **no later than 5:00 p.m. on February 15, 2008**. No facsimile copies or emails will be accepted.

Mission Statement

The Rural Economic Development Center, Inc.
is dedicated to the development of innovative
strategies to improve the lives of rural North Carolinians,
with a special focus on economic opportunities
for citizens with low to moderate incomes.

Please mail application to:
NC STEP Demonstration
N.C. Rural Economic Development Center
4021 Carya Drive
Raleigh, NC 27610

NC STEP DEMONSTRATION

Application Form



Municipality Information

Legal Name of Municipality: _____

Town Population: _____ County: _____ Tier: _____

Name and Title of Chief Elected Officer: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

Name and Title of Chief Managerial/Administrative Official: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

Contact Person: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

Application Preparation

Name and Title of Person Preparing Application: _____

Relationship to Municipality (employee, consultant, etc.): _____

Organization: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

Demonstration Information

Current county unemployment rate: _____

Number of job losses in previous 36 months in municipality: _____

Number of job losses in previous 36 months in county: _____

County poverty rate: _____ Municipality poverty rate: _____

Number of jobs to be created: _____ Number of businesses to be created: _____

Certification by Chief Elected/Executive Official

I certify that the information contained in this application is true and accurate to the best of my knowledge and that this application has been recognized by the governing body of the applicant. I further acknowledge that, if funded, this application shall be incorporated by reference into the agreement between the Rural Center and the applicant listed above.

Typed Name and Title of Authorized Official

Signature

Date

Application Checklist

- ☐ Application Letter
- ☐ Application Form
- ☐ Application Narrative (See demonstration guidelines for narrative specifications.)
- ☐ Exhibits (See demonstration guidelines for exhibit details.)
- ☐ Appendices (If applicable)

Application Deadline

Please submit an original and three copies of the application package for review. Applications will not be considered if all required information is not provided. The application package and copies should be submitted to NC STEP Demonstration, N.C. Rural Economic Development Center, 4021 Cary Drive, Raleigh, NC 27610, **no later than 5:00 p.m. on February 15, 2008**. Facsimile copies or emails will not be accepted.

BUILDING REUSE AND RESTORATION GRANTS PROGRAM
PRE-DEVELOPMENT GRANTS

**BUILDING REUSE
AND
RESTORATION
GRANTS**



FY 2007-08 Program Guidelines and Application Materials

If you have questions or need assistance in completing this application, please call the Building Reuse and Restoration Grants Program at (919) 250-4314, ext. 4248.

Building Reuse and Restoration Grants Program Statement

The N.C. General Assembly has authorized funds to stimulate economic development and job creation in distressed areas through constructing critical water and wastewater facilities, addressing technology needs, renovating vacant buildings, and implementing research and demonstration projects. The Building Reuse and Restoration Grants Program is designed to spur economic activity and job creation by assisting in the productive reuse of vacant buildings in small towns, with priority to those with a population of less than 5,000. Two categories of funding comprise the grants program: pre-development grants and development grants. Pre-development grants will provide funding for activities, such as feasibility assessments, architectural/engineering analyses, etc., needed to solidify firm commitments from private businesses, investors, lenders, and other funding agents. Development grants are provided for more fully detailed projects ready to begin renovation. The total amount of funding allotted to this program is \$6 million in FY 2008. Eligible recipients must be units of local government located within North Carolina's 85 rural counties or within the most economically distressed urban counties as designated by the North Carolina Department of Commerce.

The guidelines and application for the Pre-development Grants are provided in this information package. Guidelines and application for the Development Grants can be found under separate cover. Both grant application packages are available on the Rural Center's website at www.ncruralcenter.org.

Grant Amounts and Match Requirements

The maximum grant amount will be no more than \$25,000. Pre-development grants must be matched by \$5,000 in local private and/or public funds. The local government applicant should provide at least \$1,000 of the total project amount. Waiver of the local government match percentage will be considered in cases of extreme hardship.

Application Deadlines and Decision Time Line

Applications will be accepted through December 17, 2007, with a February 2008 award date and through February 22, 2008, with an April 2008 award date. Applications will be reviewed and evaluated based on the general guidelines, quality of the application and the potential economic impact of the project. All awards and allocations within a cycle are subject to the availability of funding.

General Guidelines

Eligible Applicants

To be considered eligible for this program, an applicant must meet the following criteria:

1. The applicant must be a unit of local government located in one of the state's 85 rural counties or an economically distressed urban county designated as Tier 1 by the North Carolina Department of Commerce. A map of urban and rural counties is available on the Internet at www.ncruralcenter.org/databank/rural_county_map.asp. The Tier designation is available at www.nccommerce.com/finance/tiers/ through the North Carolina Department of Commerce website.

2. Applicants must show that the resultant project has the potential to create jobs in the private sector within 24 months of the award date. Priority will be given to those projects with strong commitments from private, job-creating businesses in hand at the time of application.
3. Priority will be given to eligible applications:
 - a. From towns with a population of less than 5,000
 - b. Within counties or localities that are severely distressed as indicated by
 - ☐ Degree of distress in the jurisdiction (unemployment rate in county); and/or
 - ☐ Degree of distress within project vicinity (poverty rate in the census tract); and/or
 - ☐ Degree of distress due to severe job losses in the past twenty-four months
 - ☐ Degree of distress due to losses suffered as a result of natural disasters
4. Local governments must be able to meet or have the potential to meet the match requirement specified in the guidelines. The grant review will consider the amount of funding leveraged by this grant and the nature of the commitment of other funds for the building reuse project.

Eligible Projects

The Building Reuse and Restoration Pre-development Grants are made available to match other public/private funds for building reuse projects that will lead to job and business creation. Guidelines for eligible projects are as follows:

1. Buildings and properties proposed for funding must have been vacant for at least six months prior to application. Partially occupied buildings **will not** be considered.
2. Mixed-use or adaptive reuse projects that include housing may be eligible, provided the project is occupied by one or more businesses that produce jobs.
3. Activity undertaken with Pre-development Grant funding should be completed within eight months of the award date.
4. Eligible activities include, but are not limited to, feasibility assessments, architectural analyses, engineering analyses, legal costs, market analysis and other costs involved in solidifying firm commitments from private businesses, investors, lenders, and other funding agents. The grant review will consider the nature and level of commitment from potential businesses.
5. The review will consider applicants by potential for job creation and by relative economic impact on the surrounding area (locality, county, and/or region).

Application Requirements and Instructions

Applicants should submit the following materials:

- ☐ Building Reuse and Restoration Pre-Development Grant Application (enclosed). Applicants must complete the application form. The unit of government's chief elected official **must** sign the application form.
- ☐ Proposal Narrative. A narrative of no more than three pages should describe the proposed building reuse project and the use of the pre-development funds. The narrative must address the following information:
 - Why the project is eligible for funding in this program
 - Description of the building and property, its condition, location, and proposed reuse
 - Current and proposed ownership of the building and property, including the status of site control
 - Amount of predevelopment funds requested in this application, the intended use of these funds, and who will conduct the predevelopment work
 - Estimated cost of the reuse project, potential sources of funds and plans to secure these funds
 - Statement of who will develop the building and property including the ownership and management upon completion

- Relationship of the local government to the owner or developer
- Level of distress of the community and in the immediate vicinity of the project
- Number and kind of jobs that will be potentially be created as a result of the development of this project
- Time line for predevelopment work, beginning and completion of eventual redevelopment
- Digital photographs of the building, both interior and exterior. Include CD of photographs, along with printed copies.
- Environmental condition of the building site (Is it a Brownfield or Grayfield? Has any assessment been performed?)

Applicants should submit an original and three copies of the application package for review. Applications will not be considered unless all required information is provided. The application package should be submitted to the Building Reuse and Restoration Grants Program, N.C. Rural Economic Development Center, 4021 Carya Drive, Raleigh, NC 27610, Attn: Bill McNeil. Facsimile copies will not be accepted.

Mission Statement

The Rural Economic Development Center, Inc.
is dedicated to the development of innovative
strategies to improve the lives of rural North Carolinians,
with a special focus on economic opportunities
for citizens with low to moderate incomes.

Please mail application to:
Building Reuse and Restoration Grants Program
Attn: Bill McNeil
N.C. Rural Economic Development Center
4021 Carya Drive
Raleigh, NC 27610

**Building Reuse and Restoration Grants Program
Pre-Development Grant Application**



Applicant Information

Legal Name of Applicant: _____

Name and Title of Chief Elected Officer: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

County: _____

Contact Person: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

County: _____

Project Information

Project Title: _____

Address of project/building: _____

Location of building: Town: _____ County: _____ Tier: _____

Is the building within municipal limits: ☐ Yes ☐ No

Current unemployment rate in county where project is located: _____

Number of job losses in previous 24 months in county where project is located: _____

Number of job losses in previous 24 months in town where project is located: _____

Poverty rate in county where project is located: _____

Poverty rate in town where project is located: _____

Population of county where project is located: _____

Population of town where project is located: _____

Length of time building has been vacant: _____ Current building owner: _____

Number of jobs to be created: _____ Number of new businesses: _____

Describe the potential for job-creation in the building and the status of efforts to secure job and investment commitments from private businesses. List the potential private employers, if known, and numbers of jobs they are likely to create.

Budget Information

Total cost of project: \$ _____ Amount of request: \$ _____

Sources of funds

Indicate other grants, equity and debt that will support the project.

Source	Proposed or Committed	Amount
1.		
2.		
3.		
4.		
5.		
6.		

Total funds committed to date: \$ _____ Total cost: \$ _____

Uses of funds

Indicate how each source of funds will be used, i.e. architectural or engineering analyses, legal costs, etc.

Source	Use of Funds
1.	
2.	
3.	
4.	
5.	
6.	

Certification by Chief Elected Official

I certify that the information contained in this preliminary application is true and accurate to the best of my knowledge.

Typed Name and Title of Authorized Official

Signature

Date

Application Checklist

- ☐ Grant Application
- ☐ Project Narrative (see guidelines for narrative specifications)

Please submit an original and three copies of the application package for review. Applications will not be considered if all required information is not provided. The application package should be submitted to the Building Reuse and Restoration Grants Program, N.C. Rural Economic Development Center, 4021 Carya Drive, Raleigh, NC 27610, Attn: Bill McNeil. Facsimile copies will not be accepted.

BUILDING REUSE AND RESTORATION GRANTS PROGRAM DEVELOPMENT GRANTS

FY 2007-08 Program Guidelines and Application Materials

If you have questions or need assistance in completing this application, please call the Building Reuse and Restoration Grants Program at (919) 250-4314, ext.4248.

BUILDING REUSE AND RESTORATION GRANTS



Building Reuse and Restoration Grants Program Statement

The N.C. General Assembly has authorized funds to stimulate economic development and job creation in distressed areas through constructing critical water and wastewater facilities, addressing technology needs, renovating vacant buildings, and implementing research and demonstration projects. The Building Reuse and Restoration Grants Program is designed to spur economic activity and job creation by assisting in the productive reuse of vacant buildings in small towns, with priority to those with a population of less than 5,000. Two categories of funding comprise the grants program: pre-development grants and development grants. Pre-development grants will provide funding for activities, such as feasibility assessments, architectural/engineering analyses, etc., needed to solidify firm commitments from private businesses, investors, lenders, and other funding agents. Development grants are provided for more fully detailed projects ready to begin renovation. The total amount of funding allotted to this program is \$6 million for FY 2008. Eligible recipients must be units of local government located within North Carolina's 85 rural counties or within the most economically distressed urban counties as designated by the North Carolina Department of Commerce.

The guidelines and application for the Development Grants are provided in this information package. Guidelines and application materials for the Pre-development Grants can be found under separate cover. Both grant application packages are available on the Rural Center's website at www.ncruralcenter.org.

Grant Amounts and Match Requirements

Grants up to a maximum of \$400,000 may be awarded, with the actual amount determined by the quality of proposals submitted, relative to other applications, and available funding. The level of funding provided to any local government for reuse projects will depend on the number of new jobs that the proposed project will generate in addition to the economic impact of the project. At a minimum, at least one new job should locate in the project building for every \$10,000 in grant funds. Development grants must be matched by at least an equal amount of private and public funds. *The local government applicant must provide at least 3 percent of the total grant amount as a cash investment in the project.* Waiver of the local government match will be considered in cases of extreme hardship.

Application Deadlines and Decision Time Line

Applications will be accepted through December 17, 2007, with a February 2008 award date, and through February 22, 2008, with an April 2008 award date. Subsequent application and award cycles may be set in spring 2008, based on the availability of funding. Subsequent application and award cycles may be set in spring 2008, based on the availability of funding. This allows local governments to submit applications for projects that are "ready to go." Applications will be reviewed and evaluated based on adherence to the guidelines, quality of the application and the economic impact of the project on the local area/region.

General Guidelines

The following guidelines apply:

- ❑ Applicants must show that the redevelopment will result in the creation of net new jobs in the private sector within 24 months of the grant award. These will be full-time jobs with benefits. Jobs will be verified upon completion.
- ❑ Buildings proposed for funding under this program must have been **vacant** for at least six months prior to application. Partially occupied buildings **will not** be considered for funding.

- ❑ Applicants must commit to provide a cash match equal to 3 percent of the grant award. In-kind costs and local tax deferment are not counted toward the match requirement. The cash match should be applied toward the renovation costs, but local funding to cover the cost of administering the grant and preparing the application will be considered as 'match'.
- ❑ Mixed-use or adaptive reuse projects that include housing may be eligible, provided the project is occupied by one or more businesses that produce jobs.
- ❑ Eligible activities include building renovation and rehabilitation, upfitting, and limited brownfield remediation necessary to make the building occupiable. If a portion of grant funds is requested for brownfield work, such activities must lead to the reuse of the vacant building and job creation within 24 months of the grant award.
- ❑ Local governments may carry out projects in partnership with nonprofit organizations, limited partnerships or for-profit entities, but the local government will be required to invest funds in the form of a deferred, forgivable loan to the project developer or businesses that will locate in the building upon completion.
- ❑ Program grants will have conditions to ensure the project meets specifications and job creation commitments. Grant funds will be loaned to the developer or owner of the building, secured by a note and deed of trust payable to the Rural Center. Loans will be forgiven after job creation goals have been met and verified. If job creation goals are not met, a pro rata share of loaned funds will be recaptured through "claw back" provisions in loan agreements.
- ❑ Construction/renovation should begin within six months of the date of the award.
- ❑ Construction/renovation should be complete within eighteen months of the date of the award. Flexibility will be given to larger renovation projects.
- ❑ The grantee and business must allow the Rural Center to verify compliance with the conditions of the grant agreement.
- ❑ Local governments receiving funds under this grant program will be expected to comply at a minimum with state regulations regarding procurement, including G.S 14-234.
- ❑ Recipients will be subject to state audit and reporting requirements.
- ❑ Progress reports will be required to be submitted on the status of the project. Requirement of these reports will be based on the individual nature of the projects, but will be required prior to allocation of funds by the Rural Center.

Application Requirements and Instructions

Applicants should submit the following information and materials:

Application Form

- ❑ **Building Reuse and Restoration Development Grant Application (enclosed).** Applicants must complete the full application form. The unit of government's chief elected official *must* sign the application form. Applications must be completed fully to be considered.

Proposal Narrative

- ❑ **Building Description.** Applicants should provide a full description of the building proposed for reuse. The description should include the following information:
 - Exact location of the building (including street address)
 - Age of the building
 - Size of the building (gross building area) and associated land
 - Previous use(s)
 - Length of vacancy
 - Current condition
 - Assessed tax value pre- and post-renovation
 - Market value based on the most recent appraisal
 - Current and future ownership
 - Environmental condition of the property (include copies of Phase I, Phase II, Brownfield Agreements, etc.)
- ❑ **Business and Job Description.** Applications must describe the business(es) that will locate in the building, the number and quality of the jobs to be created. Detailed information should be provided on:
 - Name of business(es) and business type
 - Total number of net new jobs to be created. In the case of a relocating business, indicate how many jobs will be held for employees relocating from other sites and if this number is reflected in the total number of jobs indicated above.
 - Detailed job type matrix (management, clerical, etc.), wage rate, full-time positions, and benefits. (Wages and benefits will be evaluated compared to Department of Commerce standards as one of the factors in deciding on grant awards.)

- ❑ **Detailed Reuse Plans.** Applications should provide a description of the construction and upfitting work to be completed. A realistic construction timeline should be included in this section. In addition, a detailed Scope of Work for the work to be accomplished with Rural Center funds must be included in this section of the application. This Scope of Work will need to provide construction grade specifications and will be incorporated in the grant contract. Changes in the Scope of Work based on the grant award must be submitted prior to the issuance of a contract.
- ❑ **Project Budget.** Applicants should provide a detailed line item project budget for the renovation and upfitting based on the requested Rural Center grant amount. The project budget **should not include** the cost of equipment or any other assets not attached to the building. The budget should include:
 - Sources of funds for each cost item
 - Local government cash match of at least 3 percent of the grant amount.
 - Uses of funds with updated cost estimates, based on the Scope of Work.

Applications must describe all other sources of funding, how these funds will be used and when they will be disbursed. It is important that all sources of funding for the project, both public and private, be disclosed in this section. Other sources of funding may include those for which applications are pending, or other outside sources that have committed funds to the project. The Rural Center will consider the status of other funding commitments in making grants under this program.

- ❑ **Detailed Time Line for Construction and Business Occupation.** Applicants should provide a detailed time line for starting and completing the construction and for the creation of jobs in the building. Please note that Rural Center funding **cannot be expended prior to the grant award date**.

Exhibits

- ❑ **Building Assessments.** Applicants should attach **executive summaries and recommendations** of all assessments completed to date (feasibility, architectural, engineering, environmental, etc.).
- ❑ **Appraisal.** Projects that include the purchase of the building should attach a copy of the most recent appraisal. In all other cases a copy of the most recent appraisal should be attached. Also a statement of tax value must be included that reflects the post renovation of the project.
- ❑ **Detailed Cost Estimates and Scope of Work.** Applicants should attach copies of **detailed** cost estimates for all items in the Scope of Work, verified by an architect, engineer or design-build professional. The Scope of Work will need to include construction grade specifications for all items supported by the Rural Center grant. Updated verification of costs may be required prior to the issuance of a contract.
- ❑ **Letters of Commitment.** Applicants should provide a signed letter of commitment from each private business that will locate in the building. The letters should include the number of net new jobs the businesses will commit to create within 24 months of final grant approval.
- ❑ **Funding Commitments.** Applicants should provide signed letters from all other sources of funds (grants, loans, private equity,, local government). If funds have not yet been committed, please indicate when final decisions are expected, with a status letter from the funding source. A letter from the local government that commits to provide the cash match must be included with the application.
- ❑ **Site Control.** Applicants should provide clear evidence of site control (options, leases, or other documentation that the local government, developer or private business has control of the building).
- ❑ **Photographs of Building.** Applicants should provide digital photographs showing the current condition and images of the interior and exterior features of the building to be renovated. Include CD of photographs, along with printed copies.
- ❑ **Draft Agreements.** Applicants should concisely describe all current agreements between local government, building owners, businesses and other parties involved in the reuse project. If the project is a brownfield, copies of the Brownfield Agreement with the North Carolina Department of Environment and Natural Resources needs to be included. If these agreements are not yet in place, please provide information on any local terms or conditions that will be included in such agreements.

- ❑ **Development Team.** Applicants should attach a list of all members of the development team and their contact information to include local government contact, developer, building owners, business owner and/or representative and managing project person as applicable.

Applicants should submit an original and three copies of the application package for review. Applications should be section tabbed according to the sections noted above. Applications should be bound. Applications will not be considered if all required information as noted in this application is not provided in detailed requested. The application package should be submitted to the Building Reuse and Restoration Grants Program, N.C. Rural Economic Development Center, 4021 Cary Drive, Raleigh, NC 27610, Attn: Bill McNeil. No facsimile copies will be accepted.

Mission Statement

The Rural Economic Development Center, Inc.
is dedicated to the development of innovative
strategies to improve the lives of rural North Carolinians,
with a special focus on economic opportunities
for citizens with low to moderate incomes.

Please mail application to:
Building Reuse and Restoration Grants Program
Attn: Bill McNeil
N.C. Rural Economic Development Center
4021 Carya Drive
Raleigh, NC 27610

**Building Reuse and Restoration Grants Program
2007-08 Development Grant Application**



Applicant Information

Legal Name of Applicant: _____

Name and Title of Chief Elected Officer: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

Contact Person: _____

Mailing Address: _____ Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Fax: _____ Email: _____

Project Information

Project Title: _____

Street Address of Project (include number, street, municipality and zip code) _____

2006 County Tier Designation _____

Current unemployment rate in county where project is located (municipality/county): _____

Number of job losses in previous 24 months in county and town where project is located: _____

Poverty rate in municipality/county where project is located : _____

Population of municipality/county where project is located: _____

Length of time building has been vacant: _____ Current building owner: _____

Year building was constructed: _____ Square footage of building: _____

Number of jobs to be created in building: _____

Number of businesses to locate in building: _____

List each potential private employer and the numbers of jobs to be created. Indicate whether businesses have proposed or committed to create these jobs.

Budget Information

Total cost of project (including acquisition, construction, equipment, administration etc.) \$ _____

Total cost of building renovation (upfit and build-out of the structure only) \$ _____

Amount of grant request: \$ _____

Sources of funds

Indicate other grants, equity and debt that will support the project.

Source	Proposed or Committed	Amount
1.		
2.		
3.		
4.		
5.		
6. Rural Center Building Reuse	Proposed	

Total funds committed to date for total project: \$ _____

Total funds committed to date for building renovation: \$ _____

Uses of funds

Indicate how each source of funds will be used, i.e., rehabilitation, acquisition, environmental, other site costs, interior upfitting, project management, grant administration.

Source	Use of Funds
1.	
2.	
3.	
4.	
5.	
6. Rural Center Building Reuse	

Local Government Letter of Commitment

The unit of local government must provide a letter of commitment with this application, signed by the chief elected official. The letter must state the purpose of the project, indicate the local government's support for the project, and commit to provide funds for the required local match.

Certification by Chief Elected Official

I certify that the information contained in this application is true and accurate to the best of my knowledge.

Typed Name and Title of Authorized Official

Signature

Date

Application Deadline

Please submit an original and three copies of the application package for review. Applications will not be considered if all required information is not provided. The preliminary application package should be submitted to the Building Reuse and Restoration Grants Program, N.C. Rural Economic Development Center, 4021 Cary Drive, Raleigh, NC 27610, Attn: Bill McNeil. Facsimile copies will not be accepted.



Application for Rural Venture Fund

Please return this form with the applicable credit report fees.

Company Information

Company Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone Num: _____ Fax Num: _____
E-Mail Address: _____ Cell Num: _____
Principal Contact: _____ Tax ID Number: _____
Type of Business: _____ Date Established: _____
Type of Entity: Corporation _____ Partnership _____ Sole Proprietorship _____ LLC _____
Referred to RVF by: _____ Telephone Number: _____

Project Information

Property Address: _____ County: _____
City: _____ State: _____ Zip: _____

Borrowing Entity

Name of Borrower: _____
Type of Entity: Corporation _____ Partnership _____ Sole Proprietorship _____ LLC _____
Company President: _____ Company Secretary: _____
Partners/Members Names: _____ % of ownership: _____ %

Total(must = 100) _____ %

Bank Information

Bank of Account: _____

Branch: _____

Account Officer: _____

Telephone: _____

Source of Funds

Cash: \$ _____

RVF: \$ _____

Bank: \$ _____

Other: \$ _____

***Total: \$** _____**Use of Funds**

Working Capital: \$ _____

Land Acquisition: \$ _____

Land Improvements: \$ _____

Purchase/Remodel Bldg: \$ _____

New Construction: \$ _____

Machinery & Equipment: \$ _____

Other: \$ _____

TOTAL: \$** _____SOURCES MUST EQUAL USES****History and Nature of your Business**

When was your company established and by whom?

When did you gain control of the business?

What products or services do you sell? (Enclose any catalogs or brochures)

What is your geographic market area?

How do you market your product or service?(i.e., type of advertising, direct mail, salesmen, etc.)

What is the size in square feet of your current facility?

When does your present lease expire? (Enclose Copy)

Expected Benefits From The Loan
--

What will be the size in square feet of your new or enlarged facility?

How will this loan specifically help your business? (Increase sales, provide working capital, pay off debt, increase cash flow, add new products/services, improved efficiency, etc.)

If you are moving to a new location, how will this affect your business?

EMPLOYEE QUESTIONNAIRE

Number of Existing Employees: _____

The number of new employees anticipated as a result of this project within the next two years:

Number of New Employees	Job Type
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Salary total for all employees combined: \$_____

Building Size and Occupants

What is the square footage of this building? _____

Are there any existing tenants that will remain in the building? Yes _____ No _____

Do you intend to lease out any space? Yes _____ No _____

If you answered yes to either question, complete the information below:

Tenant Name	Square Footage	Lease Expires
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please Answer The Following Questions And Provide The Appropriate Information Where Applicable

Do you have any co-signors and/or guarantors for this loan? If so, submit their names, addresses, and personal financial statements.

If not applicable, initial here: _____

If your business is a franchise, include a copy of the Franchisee Agreement and the Franchiser's FTC Disclosure Statement.

If not applicable, initial here: _____

A schedule of any previous government financing by any principals or affiliates (inc. SBA).

Name of Agency: _____ Original Amount: _____

Date of Request: _____ Approved: _____ Declined: _____

Outstanding Balance: _____ Status: _____

If not applicable, initial here: _____

Do you buy from, sell to, or use the service of any concern in which someone in your company has a significant financial interest? If so, provide details.

If not applicable, initial here: _____

Does your business, its owners, or majority stockholders own or have a controlling interest in other businesses? If yes, provide their names and businesses, their relationship with your company along with a current balance sheet and income statement for each.

If not applicable, initial here: _____

Do you, your spouse, any member of your household, or anyone who owns, manages, or directs your business or their spouses or members of their households work for the Small Business Administration, Small Business Advisory Council, SCORE, or ACE, and Federal Agency, or the participating lender? If so, provide the name and address of the person and the office where employed.

If not applicable, initial here: _____

Have you or any officers of your company ever been involved in bankruptcy or insolvency proceedings? If so, provide details.

If not applicable, initial here: _____

Are you or your business involved in any pending lawsuits? If yes, provide details.

If not applicable, initial here: _____

Are you buying machinery or equipment with your loan money? If so, you must include a list of the sellers and names and addresses. (Attach invoices if available).

If not applicable, initial here: _____

Description	Make	Model	Seller	Quantity	Cost

Existing Business Debt Schedule

Date _____

Creditor Name & Address	Original Amount	Original Date	Present Balance	Interest rate	Maturity Date	Monthly Payment	Collateral	Current or Delinquent
Totals								

Bank References

Bank	Account Number	Account Officer	Phone
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>

Trade References

Company	Contact Person	Phone
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

Personal History Statement

This form must be entirely completed by each principal before application will be processed.

Name: _____			
First	Middle	Maiden	Last
Date of Birth: _____		Place of Birth: _____	
Social Security No.: _____			
Current Address: _____			
Street	City	State	Zip
How Long: _____	Home Ph: _____	Bus. Ph: _____	
Previous Address: _____			
Street	City	State	Zip
How Long: _____			
Marital Status: _____		Number of Children: _____	
Spouse's Name: _____			
First	Middle	Maiden	Last
Social Security No.: _____			

Race: _____ (optional)		Are you employed by the U.S government? _____	
If so, give name of agency and position: _____			

Military Service Background

Branch: _____	From: _____ To: _____
Rank at Discharge: _____	Honorable? Yes _____ No _____
Job Description: _____	

Be sure to answer the next 3 questions correctly. The fact that you have an arrest or conviction record will not necessarily disqualify you, but a false answer will probably cause your application to be declined.

Are you presently under indictment, on parole or probation? Yes____ No____

Have you ever been charge with or arrested for any criminal offense other than a minor vehicle violation? Yes____ No____

Have you ever been convicted of any criminal offense other than a minor vehicle violation? Yes____ No____

If yes to any of the above, furnish details in a separate exhibit;
List name(s) under which held.

Education

College or Technical Training Name and Location:	Date Attended From: To:	Major:	Degree or Certificate:
1. _____	_____/____	_____	_____
2. _____	_____/____	_____	_____
3. _____	_____/____	_____	_____
4. _____	_____/____	_____	_____
5. _____	_____/____	_____	_____
6. _____	_____/____	_____	_____

Work Experience

1. Name of Company: _____	% of ownership: _____
Full Address: _____	
From: _____	To: _____ Title: _____
Duties: _____	
2. Name of Company: _____	% of ownership: _____
Full Address: _____	
From: _____	To: _____ Title: _____
Duties: _____	

3. Name of Company:	_____	% of ownership:	_____
Full Address:	_____		
From:	_____	To:	_____
Title:	_____		
Duties:	_____		
4. Name of Company:	_____	% of ownership:	_____
Full Address:	_____		
From:	_____	To:	_____
Title:	_____		
5. Name of Company:	_____	% of ownership:	_____
Full Address:	_____		
From:	_____	To:	_____
Title:	_____		
Duties:	_____		
Duties:	_____		
6. Name of Company:	_____	% of ownership:	_____
Full Address:	_____		
From:	_____	To:	_____
Title:	_____		
Duties:	_____		

Personal Financial Statement

As of _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock and each corporate officer and director, or (4) any other person or entity providing a guaranty on the loan.

Name: _____ Business Phone: _____
 Residence Address: _____ Residence Phone: _____
 City: _____ State: _____ Zip: _____
 Business Name of Applicant/Borrower: _____

Assets	Liabilities
Cash on hand & in banks: \$ _____	Accounts Payable: \$ _____
Savings Accounts: \$ _____	Loans on Life Insurance: \$ _____ Monthly Payments: \$ _____
IRA or other Retirement: \$ _____	Installment Accts-Auto: \$ _____ Monthly Payments: \$ _____
Accounts & Notes Receivable: \$ _____	Installment Accts-Other: \$ _____ Monthly Payments: \$ _____
Life Insurance-Cash Surrender Value: \$ _____ (Complete Section 8)	Notes Payable to banks/others: \$ _____ (Describe in Section 2)
Stocks & Bonds: \$ _____ (Describe in Section 3)	Mortgages on Real Estate: \$ _____ (Describe in Section 4) Monthly Payments: \$ _____
Real Estate: \$ _____ (Describe in Section 4)	Unpaid Taxes: \$ _____ (Describe in Section 6) Monthly Payments: \$ _____
Automobiles-Present value: _____	Other Liabilities: \$ _____ (Describe in Section 7) Monthly Payments: \$ _____
Other Personal Property: \$ _____ (Describe in Section 5)	Total Liabilities: \$ _____
Other Assets: \$ _____	
Total: \$ _____	Net Worth(Assets - Liabilities): \$ _____
	TOTAL: \$ _____

Section 1.	
Source of Income <hr/> Salary: \$ _____ Net Investment Income: \$ _____ Real Estate Income: \$ _____ *Other Income: _____ (Describe Below) TOTAL: _____	Contingent Liabilities <hr/> As Endorser or Co-Maker: \$ _____ Legal Claims & Judgments: \$ _____ Provision for Federal Income Tax: \$ _____ Other Special Debt: \$ _____ TOTAL: _____

Description of Other Income in Section 1
**Alimony or child support payments need not be disclosed in “Other Income” unless it is desired to have such payments counted toward total income.

Section 2.	Notes Payable to banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and Signed.)				
Name & Address of Shareholders	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks & Bonds-(Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)					
Number of Shares	Name of Securities	Cost	Market Value Quotation/ Exchange	Date of Quotation/ Exchange	Total Value

Section 4. Real Estate Owned-(List each parcel separately. Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)					
	Property A	Property B	Property C	Property D	Total
Type of Property:					
Name & Address of Property					
Date Purchased:					
Original Cost:					
Present Market Value:					
Name & Address of Mortgage Holder:					
Mortgage Account #:					
Mortgage Balance:					
Payment per month/year:					
Status of Mortgage:					

Section 5. Other Personal Property and Other Assets – (Describe, and if any is pledged as security, state name & address of lien holder, amount of lien, terms of payments, and if delinquent, describe delinquency.)

Section 6. Unpaid Taxes – (Describe in detail, as to type, to whom payable, when due, amount due, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities – (Describe in detail)

Section 8. Life Insurance Held – (Give face amount and cash surrender value of policies – name of insurance company and beneficiaries)

I authorize the lender to make inquiries as necessary to verify the accuracy of the statements made, to obtain a Personal Credit Report and to determine my creditworthiness. I certify the above and the statements contained are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the US Attorney General(Reference 18 U.S. C. 1001).

Signature: _____ **Date:** _____ **SSN:** _____

Signature: _____ **Date:** _____ **SSN:** _____

CERTIFICATION

I/We, _____, certify that the information presented in this application and all attachment(s) is/are true and complete to the best of my/our knowledge. I/We also understand that the information submitted to the N.C. Rural Center's Rural Venture Fund will not be returned whether my/our application is approved or declined.

I/We, authorize you to check with financial institutions and other companies or organizations necessary to establish character and credit standing.

If you have any questions, please call our office at (919) 250-4314.

*

Applicant's Signature

Date

*

Applicant's Signature

Date

*

Co-Applicant's Signature

Date

*Must be signed by Applicant and Spouse. The application will not be reviewed prior to receipt of the Application fee.

Credit Authorization

We require a personal credit report on each applicant (individual, corporation or partnership), each guarantor and each partner holding 20% or greater interest in the company. No application will be processed until the credit report has been run.

Return this form with a copy of each applicant's driver's license and a check for \$35.00 per applicant. Check should be payable to N.C. Rural Economic Development Center.

Applicant Section

Applicant's Legal Name: _____

Home or Legal Address: _____

City, State and Zip: _____ Phone: _____

Social Security No: _____ Date of Birth: _____

Driver's License – State and No.: _____

Occupation or Primary Business: _____

Co-Applicant Section

Co-Applicant's Legal Name: _____

Home or Legal Address: _____

City, State and Zip: _____ Phone: _____

Social Security No: _____ Date of Birth: _____

Driver's License – State and No.: _____

Occupation or Primary Business: _____

I/We authorize the N.C. Rural Center to contact credit reporting agencies and creditors with regard to the status of any past or outstanding debt, or such other credit information that such agencies normally hold available for credit worthiness evaluation at present or at any time in the future for the purpose of making or monitoring a loan.

Applicant's Signature: _____

Title: _____ Date: _____

Co-Applicant's Signature: _____

Title: _____ Date: _____

Dear Prospective Borrower:

We appreciate your interest in obtaining commercial financing through the N.C. Rural Center's Rural Venture Fund. Our loans normally only fund 75% of any project, so you must be able to put in either cash or land/building equity equal to the remainder of the total project cost. We must also have collateral sufficient to secure the total amount of the loan. We also require all applicants to provide a 5 year balance sheet and P&L projections as part of the application.

As part of the application review process, we will run a credit report on each person who will own 20% or more of the business and on each spouse. Please include a check or money order in the amount of \$35.00 for each applicant/guarantor, made payable to N.C. Rural Economic Development Center for a credit Bureau Personal Credit Report. Your application will not be reviewed prior to receipt of this fee.

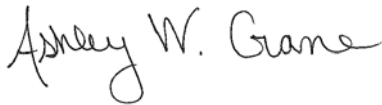
In order to screen your application, please provide the first five documents listed. All documents should be typed, signed and dated. After we evaluate your application, we will need the remaining documents.

1. Completed Rural Venture Fund loan application and a short business plan. The plan should include a description of the business, resumes or background statements on owners, the number of projected and current employees and a breakdown of the project expenses and loan request.
2. A personal financial statement and personal tax returns for the most recent three years on each guarantor and on each person who will own over 19 percent of the company. (Please use a blank form or the Rural Venture Fund's form for the financial statements.)
3. Three years tax returns or CPA balance sheet and income statements on the company. If you plan to purchase an existing business, please submit three years tax returns and interim finance statements on the business to be purchased.
4. CPA prepared interim balance sheet and income statements current within 45 days of the application.
5. A 5 year balance sheet and P&L projections.
6. If an applicant owns more than 19 percent of another company, then please submit three years tax returns and financial statements along with an interim balance sheet and income statement on the affiliate company.
7. Estimates supported by quotes on all items to be purchased with loan proceeds, including vendor quotes on equipment, purchase contracts on real estate, and contractor bids on buildings.
8. Copies of all outstanding or proposed leases on equipment and/or buildings.
9. Documentation verifying the availability of adequate cash to invest in the project.
10. If the business is a franchise, then we need a signed copy of the franchise agreement and a copy of the FTC disclosure statement.
11. Any additional information which would be helpful in understanding your business and assessing the potential of your loan application.

If your loan is approved, additional fees that will be due at commitment include a commitment fee (2% of the loan amount), a non-refundable \$500 documentation fee and a deposit for legal fees. If the loan does not close, the commitment fee and any unexpended legal fees are refundable.

If you have any questions, please feel free to call us at 919-250-4314. We look forward to working with you.

Sincerely,



Ashley Crane
Rural Venture Fund Coordinator

Please Mail Application and Enclosures to:

N.C. Rural Center
Attn: Ashley Crane
4021 Carya Dr.
Raleigh, NC 27610

****Please retain a copy of these documents for each applicant for your records****

