

One North Carolina Fund (One NC)

N.C. Gen. Stat. § 143B-437.70 to § 143B-437.75

PURPOSE/ DESCRIPTION – Seeks to stimulate economic activity and create new jobs by providing a discretionary incentive “allocated to local governments for use in connection with securing commitments for the recruitment, expansion, or retention of new and existing businesses”

CREATED – 1993 (as the Governor’s Industrial Recruitment Competitiveness Fund)

GOVERNANCE – Commerce Finance Center recommends funding to Governor, who determines the final allocation. In the Governor’s absence & at the direction of his Office, the Secretary of Commerce may prepare and send the award letter.

ELIGIBILITY

- A local unit of government must agree to equally match the One NC award amount
- Companies must:
 - Agree to meet an average wage test, ensuring that the average wage of all full-time workers meets or exceeds the county’s wage standard (Tier 1 counties excluded)
 - Be looking to relocate or expand to another region, therefore making this award competitive
- Purposes:
 - Installation or purchase of equipment
 - Structural repairs, improvements, or renovations of existing buildings to be used for expansion
 - Construction of or improvements to new or existing water, sewer, gas or electric utility distribution lines, or equipment for existing buildings (new buildings are eligible for manufacturing & industrial operations)

TERMS & AGREEMENTS

- The amounts committed in any single fiscal biennium cannot exceed \$28 million
- Company Performance Agreement (between a local government & business):
 - Creates or retains a specific number of jobs, within a specific salary range, over a certain period of time
 - Contains recapture provisions (e.g. in the event that a business would not maintain at least 90% of jobs for one to two years after grant closes)
 - Outlines a disbursement schedule

TERMS & AGREEMENTS

- Local Government Grant Agreement (between State & local government):
 - Specifies match commitment, which can take a variety of forms (including combinations): cash, fee waivers, in-kind services, donation of land/buildings/assets, or provision of infrastructure
 - Contains recapture provisions
 - Outlines a disbursement schedule (usually over 3 years in four increments after proof of job creation/retention has been submitted to Commerce)

PROCESS – Allocation decisions are based on information submitted by the company, including:

- Average wage
- Job creation/ retention & associated timeline
- Investment
- Record of health insurance coverage & environmental practices

FUNDING – Office of State Budget & Management cash flows the grant payments to Commerce for disbursement to companies. \$9 million recurring appropriation and Annual Funding Study (April 1st). General Fund appropriations pay for existing award commitments.

Fiscal Year	<i>Actual</i> 2003-04	<i>Actual</i> 2004-05	<i>Actual</i> 2005-06	<i>Actual</i> 2006-07	<i>Actual</i> 2007-08	<i>Actual</i> 2008-09	<i>Actual</i> 2009-10
Appropriation	20,000,000	1,000,000	6,000,000	15,000,000	14,000,000	5,000,000	-
Grant Payments	1,657,978	2,373,272	3,492,250	3,661,500	2,611,846	8,231,210	4,607,440

Fiscal Year	<i>Actual</i> 2010-11	<i>Actual</i> 2011-12	<i>Actual</i> 2012-13	<i>(As of 12/31/13)</i> 2013-14	<i>Certified</i> 2014-15
Appropriation	12,500,000	10,000,000	-	9,000,000	9,000,000
Grant Payments	1,441,501	4,262,604	10,756,442	4,060,125	

A company (via the local government) is only required to submit performance information when filing a disbursement claim, so Commerce has historically had limited information on which to base anticipated fiscal year payouts. In 2012, the General Assembly updated One NC statutes to require that a business anticipating filing a disbursement claim provide notice to Commerce; such new standards apply to prospective awards and will be used to manage the program budget going forward. Ultimately, not all companies submit for reimbursement from the program, but if all commitments were claimed, the maximum total liability would be \$48.9 million as of December 30, 2013, which extends into calendar year 2018.