



Joint Legislative Economic Development and
Global Engagement Oversight Committee

February 4, 2016



Rural Economic Development Division

Agenda

- Transition from NC Rural Center
- Rural Economic Development Division Today
- Services Provided
 - Building Renovation and Reuse
 - Public Infrastructure / Demolition
 - Appalachian Regional Commission
 - Main Street Center
 - Community Support
 - Special Projects
- Areas for Opportunity



Transition from NC Rural Center

- Rural Economic Development Division created July 2013 by NC General Statute 143B-472.126
- With the creation of the Rural Economic Development Division, the NC Rural Center grants were transferred to the Department of Commerce Rural Division
- 510 previously awarded grants (previous to July 2013) with a balance of over \$72 Million transferred to the Rural Division to manage
- 204 grants remain active with a balance of \$24M to disburse



Remaining at NC Rural Center

The NC Rural Center operates multifaceted programs with four overarching goals:

- Serve as the state's rural policy leader and advocate
- Develop strategies to bring about economic and social transformation
- Equip rural leaders to succeed in the 21st century through leadership programs
- Deliver resources for rural people, businesses and communities

No state funds are appropriated for any programming

Capital / Loan Programs at the NC Rural Center

- Small Business Credit Initiative
- NC Loan Participation
- NC Fund of Funds



Rural Economic Development Division Today – FY16

OPERATIONS AND ADMINISTRATION:

• Rural Division	\$785,126
Assistant Secretary's Office	
• Main Street & Economic Advancement & Planning	\$1,421,133
• Appalachian Regional Commission	\$863,500
• CDBG-Economic & Community Development	\$637,500

* 44 FTE for all services offered through the Rural Division



Rural Economic Development Division Today – FY16

GRANT FUNDS:

- Rural Building Reuse & Economic Infrastructure \$12,971,898 R
\$2,205,000 NR
- Main Street Solutions \$900,000 NR
- Main Street Special Projects \$1,100,000 NR
- Appalachian Regional Commission (Federal) \$3,000,000 R
- CDBG-ED (Federal) \$15,822,641 R
- Utility Fund (from JDIG payments) \$10,500,000 *
- Varies depending on JDIG payments



Building Reuse and Renovation

- Vacant building renovation
- Existing NC company renovation and/or expansion *
- Health care facilities renovation, expansion or construction *
- Industrial/commercial buildings demolition of dilapidated buildings

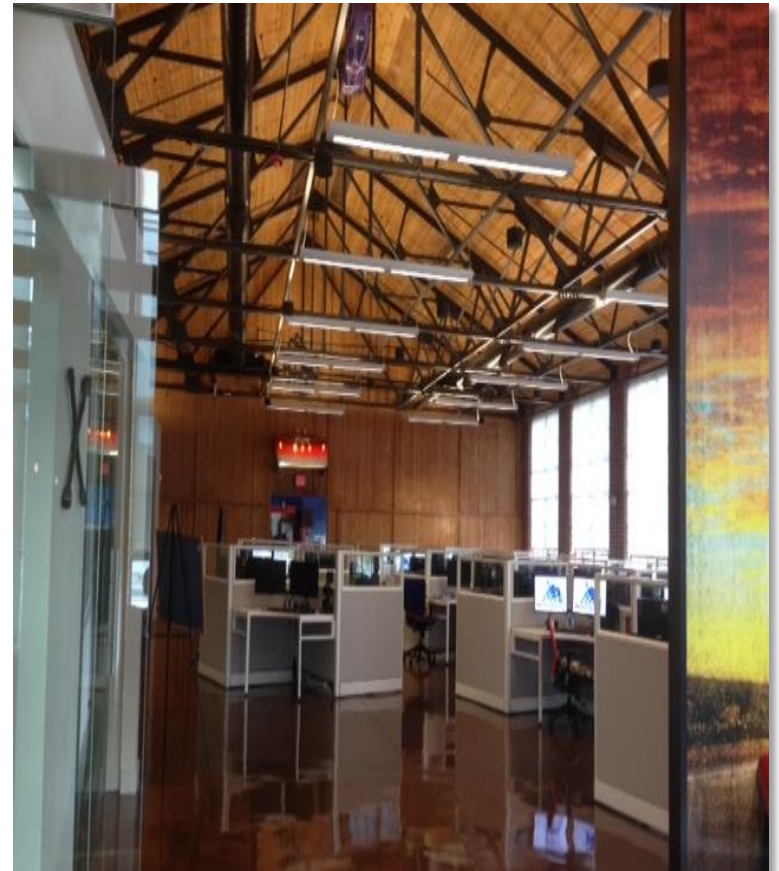
* Rural Division Only

** CDBG Only

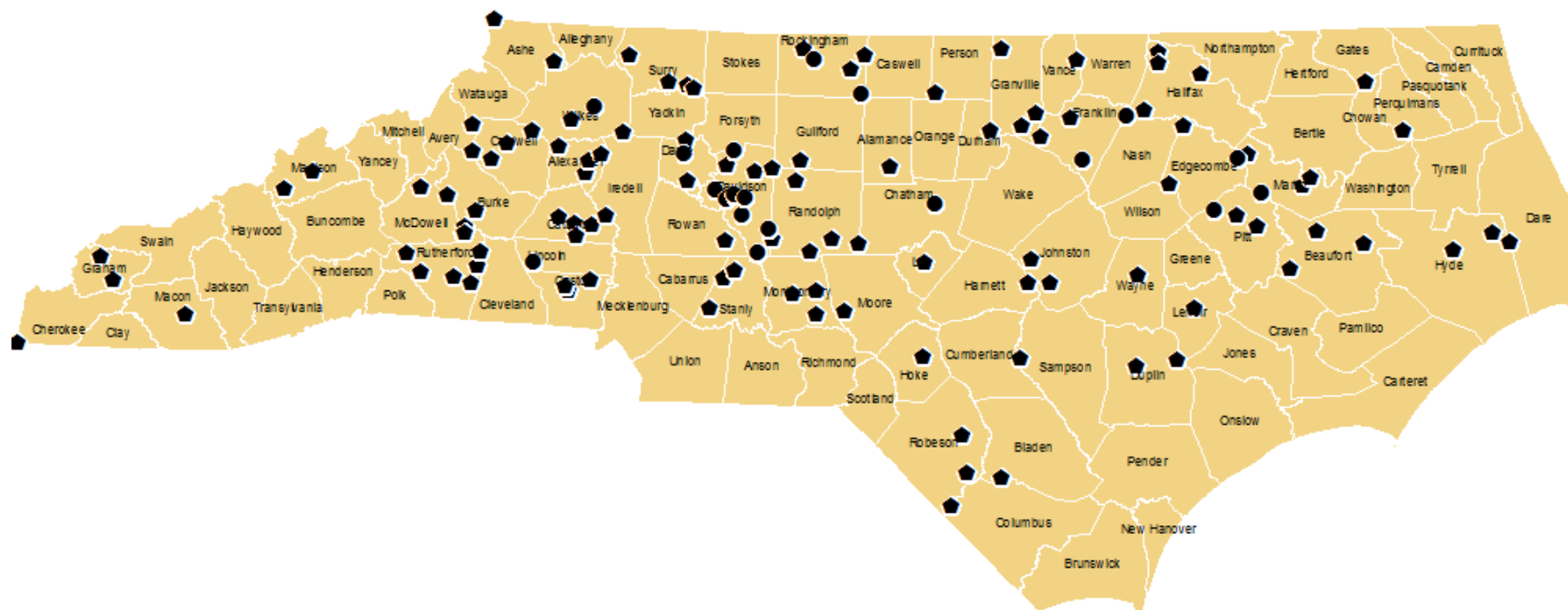


CATAWBA COUNTY

105 Jobs Committed



Building Reuse and Renovation



- CDBG-ED Building Reuse
- ◆ Rural Grants Building Reuse

Map current as of 2/01/2016

Public Infrastructure

RURAL ECONOMIC INFRASTRUCTURE CDBG-ECONOMIC DEVELOPMENT UTILITY FUND

Eligible projects include but are not limited to:

- Upgrades or repair of public drinking water or wastewater treatment plants
- Upgrades, extensions, or repair of public water or sewer lines
- Natural gas infrastructure
- Demolition of dilapidated buildings to create good sites
- Installation or extension of public broadband infrastructure
- Access roads
- Construction of public rail spur improvements

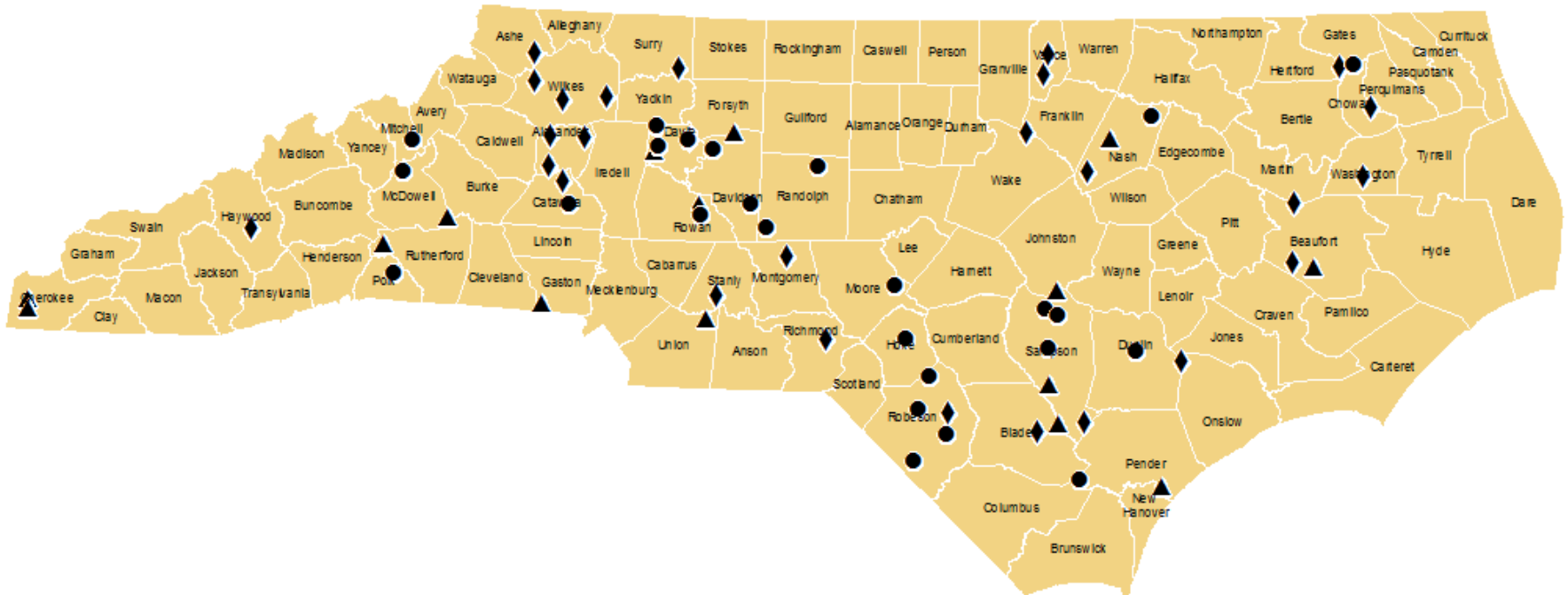


Pender County

100 Jobs Committed



Public Infrastructure



- CDBG-ED Infrastructure
- ▲ Economic Infrastructure
- ◆ IDF Utility

Map current as of 2/01/2016

CDBG-Economic Development Site Development & Shell Building Loans

Site Development Loan

- *Must be offered to prospective industrial users only*
- *Maximum of \$4,000,000 to local government in Tier 1 & 2*
- *Maximum of \$3,000,000 to local government in Tier 3*
- *Eligible loan calculated on projection of \$35,000 per job created by eventual business locating on site*
- *2% simple interest with a seven-year term*
- *Interest only payments in years one and two*

Shell Building Loan

- *Must be offered to prospective industrial users only*
- *Maximum of \$1,000,000 to local government – Tiers 1, 2, 3*
- *Eligible loan calculated on projection of \$35,000 per job created by eventual building occupant*
- *2% simple interest with a five-year term*
- *Interest only payment in years one and two*



GRANTS AWARDED BY RURAL INFRASTRUCTURE AUTHORITY

Rural Building Reuse (state appropriated)

111 grants

\$27,410,986

Rural Economic Infrastructure (state appropriated)

15 grants

\$4,581,753

CDBG-ED (federal funds)

47 grants

\$32,320,444

Utility Fund (set-aside from JDIG)

33 grants

\$18,605,450



GRANTS AWARDED BY RURAL INFRASTRUCTURE AUTHORITY

Rural Building Reuse (state appropriated)

Tier 1	45
Tier 2	69
Tier 3	3

Rural Economic Infrastructure (state appropriated)

Tier 1	3
Tier 2	9
Tier 3	3

CDBG-ED (federal funds)

Tier 1	12
Tier 2	31
Tier 3	4

Utility Fund (set-aside from JDIG)

Tier 1	15
Tier 2	18
Tier 3	not eligible



Rural Economic Development Division Today

GRANTS AWARDED SINCE CREATION OF THE RURAL ECONOMIC DEVELOPMENT DIVISION

(December 2013 – December 2015)

\$82.9 Million

7,669 Jobs Committed

Building Reuse
Economic Infrastructure
CDBG-ED
Utility Fund

* Grant categories awarded by Rural Infrastructure Authority (RIA)



Appalachian Regional Commission

Community Support & Grants

A 13-state-federal partnership that serves 29 of the western counties with flexible program spending including workforce training, educational opportunities, road access and other infrastructure.

Approximately \$3M available in grant funds for FY16

Approximately \$9M awarded 2013-2015



Main Street Center

Community Support & Grants

Downtown economic development within the context of historic preservation, using a comprehensive approach to downtown revitalization developed by the National Trust for Historic Preservation

- training for staff, board members and volunteers
- assistance with budget and public-private partnership development
- community economic vision forums
- mission development assistance
- planning facilitation
- economic development workshops
- design assistance / research assistance / development assistance
- economic impact study coordination

*MAIN STREET CDBG-ED BUILDING UPFIT GRANTS ***



Quilt Lizzy

Warrenton NC



Economic Advancement and Planning Community Support

Planning services to benefit local communities

Asheville

Winston-Salem

Washington

Wilmington

“Community plans help small communities to prioritize goals so that the available resources can be used more productively.... Our Strategic Economic Development Plan would not have been possible without the assistance of NC Department of Commerce’s Community Planning Services.” Don Adams / Alleghany County Manager



Commerce Fellows

The State recognizes that strong leadership at the local level can enhance available opportunities.....

*The **Commerce Fellows / Building Community through Capacity and Knowledge** program is a collaboration among the NC Department of Commerce Rural Economic Development Division CDBG program, East Carolina University (ESU) and UNC-Chapel Hill School of Government (UNC SOG) to provide professional development opportunities in Development Finance Tools, Economic Development Strategies, Effective Supervisory Leadership, Public Records Law, Human Capital Matters, and County and Municipal Administration.*

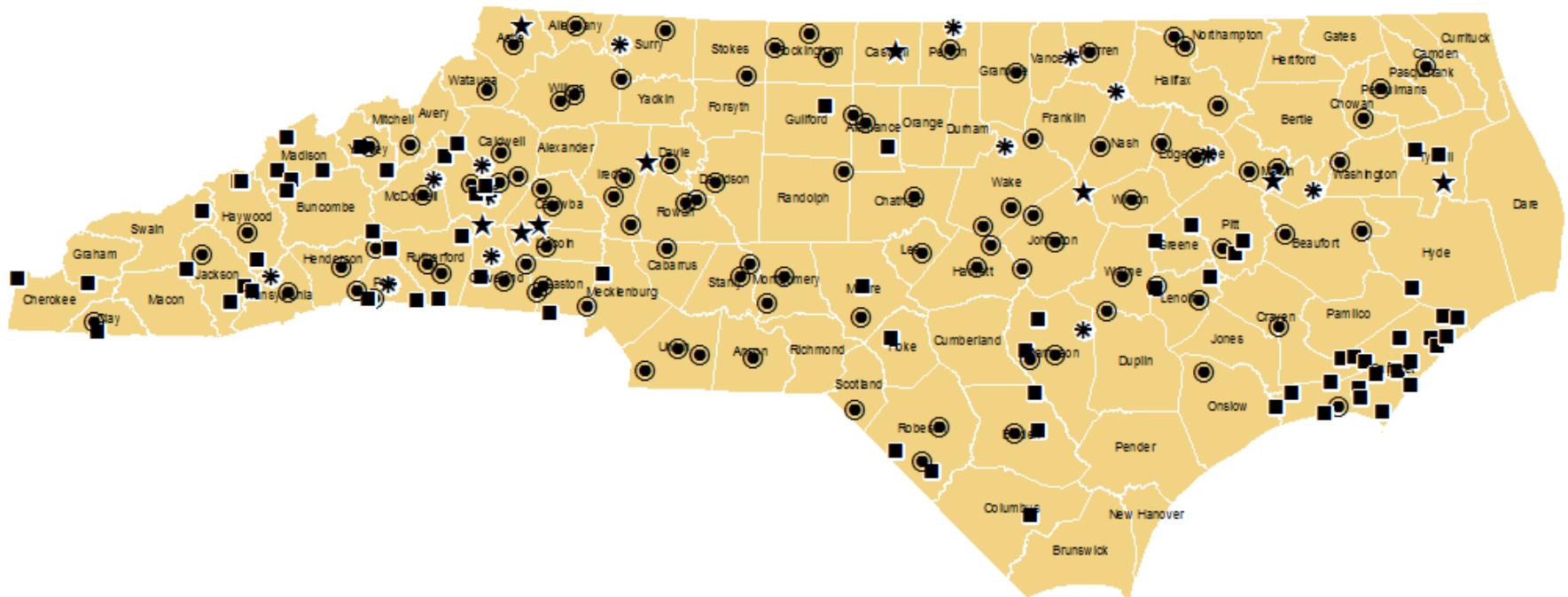
Nine counties were served with multiple employees served in each county. Some partnered with towns so that additional government leaders could receive professional development.....as an example, Ashe County invited the Town of West Jefferson to participate in their Commerce Fellows grant.

Ashe, Burke, Caswell, Catawba, Davie, Lincoln, Martin, Nash and Tyrrell

“This will be a wonderful investment in Martin County and will provide tremendous dividends.” David Bone, Martin County Manager



Community Support



★ Commerce Fellows

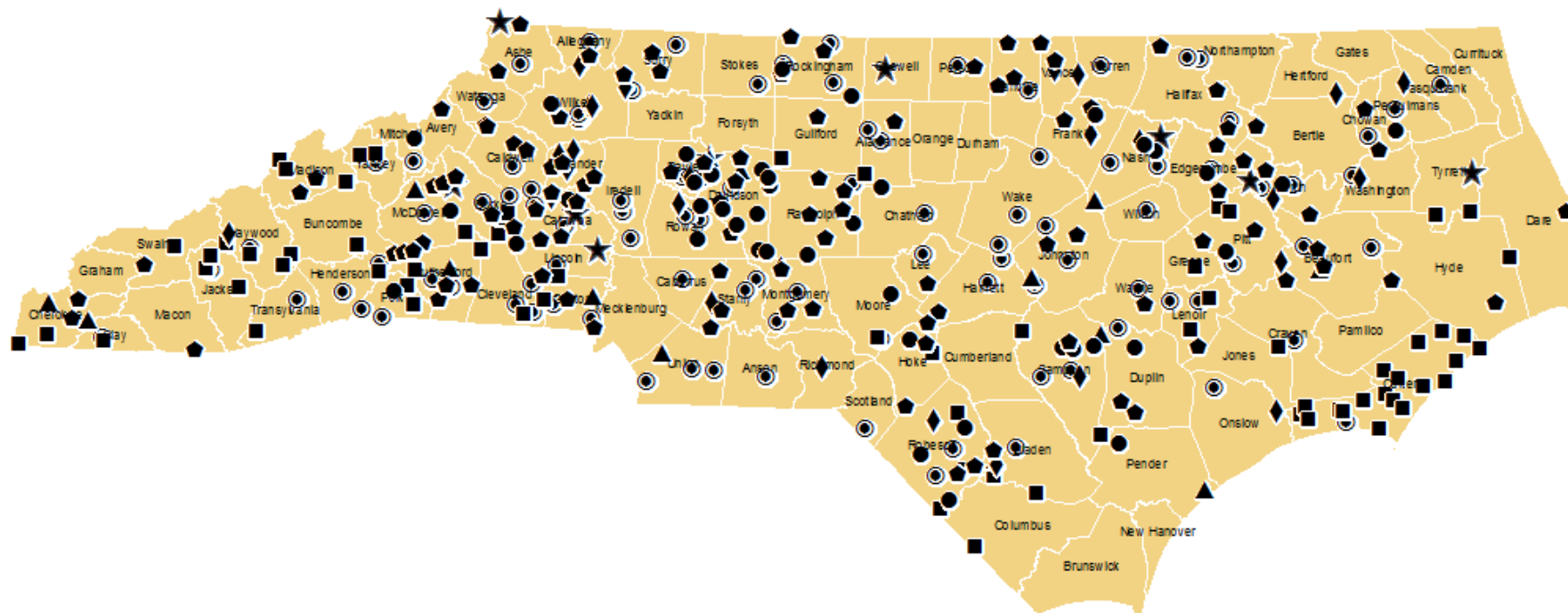
● Main Street Towns;
Small Town Main Street and
Downtown Associate Communities

■ Economic Advancement & Planning

* Main Street Solutions

Map current as of 2/01/2016

All Programs



Map current as of 2/01/2016

Special Projects

Broughton Hospital Property Study in Burke County

- A collaborative project between the Department of Commerce, Department of Administration and Department of Health & Human Services
- Partnering with Development Finance Initiative (DFI) at the School of Government to study potential redevelopment of the Broughton Hospital properties when vacated, as well as the contiguous state-owned properties

Seymour Johnson Air Force Base – Joint Land Use Study

- A collaboration between the NC Department of Commerce Rural Division and the Office of Economic Adjustment / US Department of Defense. The JLUS will address compatibility planning in the northeast NC region. The primary objective is to reduce conflicts between Seymour Johnson Air Force Base/Dare County Range and areas affected by operations while accommodating new growth and economic development, sustaining economic vitality, protecting public health and safety, and sustaining the operational missions of the base.



Areas for Opportunity

- Reorganized Division to better serve communities
- Augment and increase flexibility for community business/community support programs and/or infrastructure assistance programs
- More research support in Commerce to focus on rural best practices, interconnected markets, identification of target sectors, asset inventory, etc.
- Communicate – NC Competes for Jobs Tour



Questions?

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