



GLOSSARY of TERMS

Job Development Investment Grant (JDIG)

A discretionary incentive program that provides a limited number of cash grants directly to new and expanding businesses that will provide economic benefits to the State are competitive with other locations, and need the grant to carry out the project in North Carolina. Grants are based on the job creation and investment commitment made by companies in their formal applications to the State prior to a location decision. Grant funds are disbursed annually to approved companies based on a percentage of withholding taxes paid by new employees, following satisfaction of performance criteria set out in grant agreements.

In addition, State law requires that, with respect to every grant made under the JDIG program, the Department of Commerce must conduct an analysis to determine whether the total benefits of the project outweigh the costs to the State, and a comprehensive model has been developed for this purpose. In addition to other statutory requirements, only grants that show a net State revenue benefit may be awarded.

A five member Economic Investment Committee (EIC) evaluates projects and makes decisions regarding JDIG awards, funding levels, grant period, and other terms of the grants. The EIC is authorized to award grants to be disbursed annually for a period of up to 12 years, ranging from 10 to 75 percent of the withholdings associated with eligible positions created by a company over a specified period of time. For projects located in Tier 2 counties, 15 percent of the total JDIG grant is transferred to the state's **Utility Account** to fund infrastructure projects in the state's economically distressed counties. In Tier 3 counties, 25 percent of the total JDIG grant is transferred to the **Utility Account**.

The JDIG program is subject to a legislative cap on grants made by the EIC in a given year, based on the cumulative financial impact of those grants in any future grant year. Up to 25 grants can be made annually. The maximum amount of total liability for grants provided for in agreements entered into in any single calendar year may not exceed \$15 million. The amount of a grant associated with any specific position may not exceed \$6,500 in any year. Currently, the authority of the EIC to enter into new agreements expires January 1, 2016.

One North Carolina Fund (One NC)

Nonrecurring appropriations made available to the Governor as a flexible and discretionary tool allowing North Carolina to respond quickly to enable job creation and/or retention for projects competitive with other locations. Awards are based on jobs created, economic impact of the project, the importance of the project to the state, quality of industry, and environmental impact.

Awards are allocated to local units of government as part of a negotiated challenge grant. Local governments are required to match the One North Carolina award with cash, fee waivers, in-kind services, donations of land, building or other assets, or provision of infrastructure.

For a company to be considered for a grant, the company must agree to meet or exceed 100% of the average county wage. Funds allocated through One North Carolina are used for:

- Installing or purchasing 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

Industrial Development Fund (IDF)

Provides grants and loans for infrastructure development in the counties designated as Tier 1 or Tier 2 under G.S. 143B-437.08. Eligible units of local government may apply for the funds in conjunction with a company that commits to create new jobs or retain existing jobs in North Carolina. To qualify, companies must meet the same eligibility requirements as those outlined in the Article 3J Tax Credits for Growing Businesses.

Funding is based on the availability of monies and the merits of a project. IDF grants and loans for any one project cannot exceed a total of \$10,000 per new job created or current job retained up to a maximum of \$500,000 per project. Grants may be awarded to local governments for infrastructure improvements that are publicly owned and maintained including construction or improvement of water, sewer, gas, rail and electrical utility systems. Loans with a 4 percent fixed interest rate may be awarded to the project business – through the unit of local government applicant – for investments in privately owned or maintained assets such as the purchase of machinery and equipment, or building renovations. IDF loan funds may not be used to acquire land or buildings, or to construct new buildings. All IDF loans must be made in participation with a North Carolina bank that originates 50 percent of the loan, and shares equal risk and collateral with the unit of local government.

In the 25 most distressed counties, there is no local match requirement. Federal or state grant funds may not be used to meet the local match requirement, with the exception of funds granted through the N.C. Rural Economic Development Center.

Units of local government in the 80 most distressed counties may apply for utility account funding. Most requirements of the utility account are the same as the IDF. However, as there is no job commitment requirement, it is not necessary to apply for the funds in conjunction with a company. The applicant must demonstrate the project is expected to lead to job creation in eligible industries in the near future. No local match is required for utility account funding.

Job Maintenance & Capital Development Fund (JMAC)

Provides a limited number of grants to businesses located in Development Tier 1 counties, where the business has at least (1) 2,000 employees, and invests at least \$200 million in capital improvements, or (2) 320 employees, and invests at least \$65 million in capital improvements to convert its manufacturing process to change the product it manufactures.

The program is intended to stimulate economic activity and provide benefits to the citizens of North Carolina by encouraging retention of significant numbers of high-paying, high-quality jobs and large-scale capital investment that will modernize processes and provide more globally competitive products, while enlarging the overall tax base and increasing revenues to the State and its political subdivisions.

Community Development Block Grant for Economic Development (CDBG-ED)

Program provides grants for infrastructure development. Funds available are based on an annual federal allocation to North Carolina from the U.S. Department of Housing and Urban Development and may be applied for by a local government for economic development projects. Private businesses cannot apply directly for this funding but instead work collaboratively with a local government and receive a loan or grant through the local government for the project.

Funded projects lead to the creation or retention of jobs. Economic development category projects involve assistance for public facilities needed to serve the target business.

The Small Business and Technology Development Center (SBTDC)

Administered by NC State University on behalf of the University of North Carolina System and operated in partnership with the US Small Business Administration. The SBTDC is North Carolina's leading resource for growing and developing businesses. Highly skilled professionals generate value for business, government, and university leaders by: Providing small business expertise, offering training and education for business startups, assisting communities and economic developers, leveraging university resources statewide, maintaining strong partnerships, and restoring statewide stability.

Biz Boost

As a part of the SBTDC, Biz Boost is a unique and proactive approach to workforce development that focuses on retaining existing jobs and supplements the traditional strategy of worker training and retraining. The NC Commission on Workforce Development is committing to the retention of existing jobs through the allocation of additional resources and technical assistance to businesses that will help them sustain and grow their operations during this downturn. Traditionally, Workforce Investment Act (WIA) funding has been used solely for training of incumbent workers and retraining of displaced workers. Through Biz Boost, the NC Commission of Workforce Development has developed an innovative approach to job loss aversion.

Business Link North Carolina (BLNC)

An extensive network of experts offering services to North Carolina businesses: 1-800-228-8443.

One North Carolina Small Business Fund

The One North Carolina SBIR/STTR Phase I Incentive Program reimburses qualified North Carolina firms for a portion of the costs incurred in preparing and submitting Phase I proposals for the federal SBIR and STTR programs. The One North Carolina SBIR/STTR Phase I Matching Funds Program is designed to award matching funds to North Carolina firms who have been awarded a federal SBIR or STTR Phase I award. The federal SBIR and STTR programs are designed to help small businesses commercialize their innovative technologies.

The North Carolina incentive program and the matching program comprise The One North Carolina Small Business Program, which is administered by the North Carolina Board of Science and Technology.

Green Business Fund

Created in 2007, eligible businesses with fewer than 100 employees may apply for the maximum grant amount of \$500,000. The Green Business Fund is currently funded with American Recovery and Reinvestment Act through a federal Department of Energy program known as the State Energy Program. 2011 Recipients will be focused on commercially available energy efficiency and renewable energy projects. The program focuses on assisting business engaged in the areas of:

- Development of the Biofuels Industry in the State
- Development of the Green Building Industry in the State
- Attraction and leverage of private sector investments and entrepreneurial growth in environmentally conscious clean technology and renewable energy products and businesses
- Certified Eco-Industrial Park has priority over a comparable project that is not located in a certified park - N.C.§143B-437.08.

North Carolina Capital Access Network (NCCAN)

The Capital Access Network (CAN) is a state-wide initiative, designed to help qualified small and mid-size businesses secure the necessary financing to maintain and grow their business. CAN facilitates the process of accessing government loan guarantee programs for both businesses and participating banks – increasing the number of loans made to businesses in North Carolina.

Main Street Solutions

The purpose of the Main Street Solutions Fund program is to provide maximum support to small businesses in designated micropolitans located in Tier 2 and Tier 3 counties and in designated North Carolina Main Street communities. The Program is intended to strengthen the economy of the municipality and its role as a regional growth and employment hub. This is accomplished by leveraging the state's resources for small business development, spurring private investment, and by providing economic development planning assistance and coordinated grant support.

The grants will assist planning agencies and small businesses with efforts to revitalize downtowns by creating jobs, funding infrastructure improvements, rehabilitating buildings and finding other growth opportunities.