



NC Commerce Grants & Incentives

Job Development Investment Grant (JDIG) – JDIG is North Carolina’s signature economic development incentive and can often be a decisive factor in a company’s decision to expand or locate in an area. JDIG is often considered in situations where the state is competing with other attractive business locations.

One North Carolina Fund – NC Commerce administers One NC grants on behalf of the Governor. Awards can be deployed relatively quickly and help companies offset the costs associated with creating new jobs in the state. One NC grants require a local government provide an incentive to match the One NC funding, based on the tier designation of the county.

Rural Grant Programs - Rural Development administers the Rural Building Reuse, Economic Infrastructure and Demolition grant programs. These programs provide local governments with funds for critical infrastructure, building improvements, and demolition that will lead to the creation of new, full-time jobs.

Rural Building Reuse grants - The Building Reuse Program, under the Rural Economic Development Division at Commerce, provides grants to local governments to help renovate older buildings into attractive business locations. Funding is available from both state and federal sources, and eligible projects can include currently vacant buildings or buildings occupied by an existing North Carolina company wishing to expand in their current location. NC Commerce can also help with the expansion or construction of health care entities that will lead to the creation of new, full-time jobs. Eligibility requirements differ by program, but in general - these grants go to units of local government located in either a Tier 1 or Tier 2 county, or a rural census tract in a Tier 3 county. In Tier 1 or Tier 2 counties, priority will be given to towns or communities with populations less than 5,000.

Economic Infrastructure Program provides grants to local governments to assist with infrastructure projects that lead to the creation of new, full-time jobs. Eligible projects include, but not limited to:

- Upgrades or repair of public drinking water or wastewater treatment plants;
- Upgrades, extensions, or repair of public water or sewer lines;
- Extensions of publicly owned natural gas line (with an executed Pipeline Construction, Operating and Resale Agreement);
- Installation or extension of public broadband infrastructure;
- Construction of publicly owned access roads not funded or owned by the NC Department of Transportation; and
- Construction of public rail spur improvements.

Eligible applicants are units of local government with priority given to the counties that have the 80 highest rankings under N.C.G.S.143B-437.08.

Demolition Grants support the demolition of a vacant building to encourage site rehabilitation and site availability for economic development purposes. Funding is available through the Rural Grants Program and the U. S. Department of Housing and Urban Development (HUD)'s Small Cities Community Development Block Grant (CDBG) program.

Community Development Block Grant (CDBG) funds are available to local municipal or county governments for projects to enhance the vitality of communities by providing decent housing and suitable living environments and expanding economic opportunities. These grants primarily serve persons of low- and moderate- incomes. State CDBG funds are provided by the U.S. Department of Housing and Urban Development (HUD) to the state of North Carolina. Some urban counties and cities in North Carolina receive CDBG funding directly from HUD. CDBG Funds are used to spur economic development for job creation and retention.

The economic development component of the CDBG Program is administered by the Rural Economic Development Division within the North Carolina Department of Commerce. CDBG Infrastructure funds are administered by the North Carolina Department of Environmental Quality to assist with addressing environmental issues due to aging sewer systems, contaminated drinking water, and improve the quality of life for many citizens across the state because of improved systems. The North Carolina Division of Water Infrastructure provides financial assistance for projects that improve water quality.

Utility Account assists local governments in counties that have one of the 80 most distressed rankings under G.S. 143B-437.08 after adjustments are applied for creating jobs in eligible industries. Funds are provided as incentives for job creation and investment to benefit industries eligible to participate in the Article 3J tax credit program.

Funds may be used for construction or improvements to water, sewer, gas, telecommunications, high-speed broadband, transportation infrastructure or electrical utility lines and for equipment for existing or proposed industrial buildings. To be eligible for funding, the infrastructure is required to be on the building site or if not located on the site, directly related to the operation of the specific industrial activity.

Industrial Shell Building Loans - Loans for industrial shell buildings are available from the Revolving Loan Fund (RLF) based on the projected number of jobs to be created and the level of distress in the community. These loans will be at a 2% interest rate with a maximum term of 5 years. Principle payments are deferred for the first two years of the loan. A dollar for dollar match is required by the local government applicant for an industrial shell building.

Agriculture Sites / Gas Products Fund - The Expanded Gas Products Service to Agriculture Fund provides grants to allow the owner of a project that would facilitate new and expanded natural gas and propane gas service, or that would expand agricultural production or processing capabilities, to pay for excess infrastructure costs, or to pay for cost effective alternatives that would reduce excess infrastructure costs.

Other Funding Sources that Partner with NC Commerce

Golden LEAF Foundation Economic Catalyst Program - Eligible applicants are governmental entities and 501 (c)(3) nonprofit organizations. Applications in this program must be for projects that will lead to job creation by a company that will commit to create the jobs if Golden LEAF provides a grant for the project. Competitive applications will include information showing that the expected job creation is AT RISK without Golden LEAF support. An applicant can demonstrate that a project is AT RISK by identifying a funding gap that exists that would significantly impair the applicant's ability to attract the anticipated jobs if Golden LEAF does not make a grant for the project.

Examples of other factors that may be considered to determine whether a project is AT RISK without Golden LEAF support include:

- Evidence of urgency for financial assistance necessary to facilitate job creation;
- Whether local governments have provided support for the project at levels that are appropriate in light of available resources. (Golden LEAF funds will not be available to satisfy shortfalls resulting from local policies limiting local support for a project.); and
- Whether the applicant has secured or attempted to secure funding for the project from other sources such as the State of North Carolina, the North Carolina Department of Commerce, EDA, ARC, and others.

Grants are available only for projects that include a specific company's commitment to create full-time jobs in NC. Full-time jobs are defined as jobs that provide 1,600 hours or more per year of work. Companies must provide at least 50% of the cost of employee-only health insurance for full-time employees.

North Carolina Department of Transportation's (NCDOT) Rail Industrial Access Program uses state funds to help construct or refurbish railroad spur tracks required by a new or expanding company. Program funding is intended to modernize railroad tracks to ensure effective and efficient freight deliveries. Project funding is contingent upon a company's receiving application approval prior to making a decision to locate or expand its facility in North Carolina. In addition, an award can be made only after confirmation of the availability of matching funds from private and/or local sources.

Local governments, community development agencies, railroads and companies themselves are eligible for funds to improve rail access. Grant recipients may receive a maximum of 50% of total project costs, subject to a \$200,000 limit per project. Program funding is an incentive to encourage companies to locate or expand in North Carolina versus another state. Projects considering in-state locations only or those not anticipated to yield a significant economic impact do not qualify for funding.

Workforce Grants - North Carolina supports workforce development through a variety of grant programs that benefit workers, employers and communities. These grants often connect businesses with training resources that upskill their employees, so they can better respond to industry needs. This training helps businesses compete and succeed while offering new opportunities for employees to advance. Grants and assistance include:

- Customized Training;
- On-the-Job Training;
- Incumbent Worker Training;
- Golden LEAF Workforce Assistance;
- High-Risk Employees
- Work Opportunity Tax Credit; and
- Trade Adjustment Assistance

In addition, incentives are available to help businesses hire qualified North Carolinians who have barriers to employment. Assistance is also offered to help workers negatively impacted by foreign trade.

NC Rural Center Thread Capital - Thread Capital offers small business loans from \$500 to \$50,000. Targeting this range focuses Thread Capital on the biggest gap in the current lending marketplace, where small business owners have the most difficulty finding affordable options. They also have access to loans up to \$5 million through a network of statewide lending partners.

Small business loan amounts are available up to **\$20,000 for startup businesses** (defined as less than one year of documented revenue) and up to **\$50,000 for existing businesses**. **This is NOT a grant program.** Thread Capital gives a special emphasis to serving rural, low-income, female, and minority borrowers. Loan decisions are typically made within 15 days and loans funded within 30 days. Visit www.ncruralcenter.org/lending/thread-capital for more information.

For more information about these resources, visit www.nccommerce.com/grants-incentives