



# **Economic Development Grant Report**

Prepared by:

North Carolina Department of Commerce  
Labor and Economic Analysis Division  
October 1, 2016

## ECONOMIC DEVELOPMENT GRANT REPORT HIGHLIGHTS

North Carolina has two main performance-based discretionary incentive programs, utilized in competitive situations, the Job Development Investment Grant Program (JDIG) and the One North Carolina Fund (One NC). State funds are only disbursed for actual jobs created under these grants, which are targeted at attracting companies that are considering locating in North Carolina or considering expanding existing operations in the state. Pursuant to §143B-437.07(c), the Job Maintenance and Capital Development Fund (JMAC) and the Industrial Development Fund (IDF and the IDF-Utility Account)<sup>1</sup> are also discussed in this report. This report covers JDIG program activity since 2002, while the reporting period for the other programs begins on January 1, 2007.

### Overall Highlights

- From January 1, 2007 to June 30, 2016 (the “general reporting period”), the Department of Commerce announced 734 awards through the JDIG, One NC, JMAC, and IDF programs, with an announced initial award total exceeding \$1.4 billion.<sup>2</sup>
- Of these 734 grants, 288 are currently active (39%). After disbursements and reductions in liability due to grant terminations and failure to meet all performance goals, the current potential liability for all active grants made since 2007 is approximately \$628 million.<sup>3</sup>
- Because each program has different requirements and timelines, and because some grantees received more than one type of grant, this report contains an initial projected cost per job as well as actual costs per job to date and remaining liability for each specific program. Thereafter, once grants have completely closed and reported, actual costs and benefits for each grant are reported.

### Summary of Job Development Investment Grant Data

- From the program’s first award in 2003 to June 30, 2016 (“the extended JDIG reporting period”), 220 JDIG awards have been announced for an initial award total of \$1.6 billion. Of this amount, up to \$361 million (or 22.5%) was earmarked for the Utility Account to support infrastructure in Tier 1 and 2 counties.
- Because grants have an average term of 10 years, only six grants have completed as of June 30, 2016. JDIG grantees report annually on their performance as of December 31, so performance information in this report is as of December 31, 2014, and award and reimbursement information is as of June 30, 2016.
- 119 grants awarded since 2003 are currently active, while 52 have been terminated with some reimbursements issued, 36 have been terminated with no reimbursements issued and seven have been withdrawn by the recipients before reimbursements were required. Six grants have completed their grant terms and closed with reimbursements issued.
- The average job “ramp-up” period (termed the “base period”) for JDIG grantees is 4 years, during which time jobs are created as companies ramp up to full operation. Following the base period, companies that maintain required levels of employment will receive reimbursements for the remainder of the grant term,

---

<sup>1</sup> Effective July 1, 2013, the IDF and IDF-Utility Account were renamed the Industrial Development Fund Utility Account.

<sup>2</sup> This figure does not cover One NC or IDF grants awarded prior to 2007, some of which have ongoing activity. JDIG award activity goes back to 2003 and is discussed in the following section. Total initial award amount does not include IDF-Utility Account awards, which are contained in total JDIG awards.

<sup>3</sup> Total potential liability for all active grants includes \$165 million in JDIG liability to the IDF-Utility Account.

usually an additional six years. It is only after the grant term has been completed that an assessment can be made as to the total number of jobs created and the total cost per job.

- Since JDIG's first award in 2003, Commerce has reimbursed \$197,983,120 to companies for creation of 37,852 new jobs, which equates to a reimbursement amount of approximately \$5,230 per job created.<sup>4</sup> These companies also retained 66,538 jobs that existed at the time of their awards. Since 2003, private investment made by grantees exceeded \$6.7 billion.
- Of the total 220 announced awards, 159 (72%) went to companies with existing North Carolina operations and 61 (28%) went to those new to the state. Of the total 220 awards, 112 were expansions of existing facilities and 108 went to the construction of new facilities.

### **Summary of One North Carolina Fund Data**

- Of the 456 grants awarded since January 1, 2007, 136 are currently active; 170 have closed with no funds disbursed, and 150 have closed with funds disbursed.
- The 136 active grantees have reported creating 7,368 new jobs and retaining 43,405 existing jobs. These active grantees have received disbursements of \$7,841,723 for a state cost to date of \$1,064 per job created. Private investment made by these grantees exceeded \$1.6 billion during this time period.
- 150 One NC grants awarded during this period have closed with funds disbursed in the amount of \$25,269,092, and companies reported creating 14,714 new jobs and retaining 23,400 existing jobs.<sup>5</sup> This results in a final state cost per new job of \$1,718. These companies made over \$4.7 billion in private investment.
- Of the 456 grants announced since January 1, 2007, 257 involved the expansion of an existing facility, while 199 involved building a new facility.<sup>6</sup>

### **Summary of Industrial Development Fund (including Utility Account)**

- Under the IDF, 26 grants have been awarded since 2007 and \$4,152,612 has been disbursed to local governments, with six grants currently active.
- Under the IDF-Utility Account, 83 grants have been awarded since 2007 and \$21,421,641 has been disbursed to local governments, with 34 grants currently active.
- IDF funds are provided for infrastructure expected to lead to job-creation, however, particularly with the IDF-Utility Account, creation of a specified number of jobs is not required or reported. This is a longer-range program designed to provide infrastructure that will attract job creation to particular localities.

---

<sup>4</sup> Since 2003, the JDIG program has reimbursed \$201,105,318 and recaptured or "clawed back" \$3,122,198 due to lack of performance by companies, bringing the net reimbursements to companies to \$197,983,120. Cost per job is over the life of the grant, an average of 10 years.

<sup>5</sup> Since 2007, the One NC program has disbursed \$26,561,886 for closed grants and recaptured or "clawed back" \$1,292,794 due to lack of performance by companies, bringing the net disbursements to companies to \$25,269,092.

<sup>6</sup> The One NC application did not ask about whether a company had existing North Carolina operations until mid-2013, although dual JDIG/One NC awards did capture this information before this time. Where data exists for One NC grants awarded since 2007, 117 companies did have North Carolina operations, while 57 did not.

## **Summary of Job Maintenance and Capital Development Fund**

- Four JMAC grants have been awarded since 2007, with \$45,108,963 disbursed to three companies through June 30, 2016, with 4,450 jobs retained, at state cost to date of \$10,137 per job retained. These companies have made private investments of \$529 million to date.
- Job creation is not an element of this program, although providing grants for modernization is intended to spur future economic activity, jobs, and prosperity. Because JMAC is a retention-focused program, all four awardees had existing operations and facilities in the state at the time of the award.

## OVERVIEW OF COMMERCE-ADMINISTERED PROGRAMS

The following information summarizes activity in Commerce-administered grant programs, required by N.C. Gen. Stat. §143B-437.07. This report is due to the General Assembly on October 1, 2016.

Different programs have specific reporting cycles, which determines the information available as of June 30, 2016. JDIG grantees report on March 1 for activity (job creation and retention, minimum average wage, investment, etc.) as of December 31 of the prior calendar year. Commerce staff analyzes these reports, obtains additional information as needed from grantees, and obtains verification of withholdings and that no overdue tax debts exist from the Department of Revenue. This process generally results in finalization of eligibility for payments and certification by the North Carolina Economic Investment Committee (EIC), which administers the program, in the third or fourth quarter of the year following the end of the reported year. Given the reporting and verification cycle, as of June 30, 2016, the latest performance information available for JDIG grantee is for performance as of December 31, 2014. Thus, this report contains JDIG grantee performance information through December 31, 2014, and information on reimbursements, recaptures, and terminations through June 30, 2016.

JMAC grantees are not required to report until May following the end of a calendar year, so the last reported information, included here, is for 2014 performance, giving similar timing parameters for verification and certification as described above for JDIG grantees.

Performance information for One NC and the IDF programs is provided through June 30, 2016.

Table 1A provides summary information on JDIG, One NC, and JMAC. During the general reporting period (January 2007 to June 2016). Additional information on JDIG awards made before 2007 is available in the JDIG Program section. Note that 49 grantees have received both JDIG and One North Carolina Fund awards for the same project during the general reporting period. These awards are listed separately in order to avoid double counting of jobs and investment.

Table 1A: Summary of Economic Development Grants by Commerce Job Creation or Retention Programs, 2007-2016						
Commerce Program	Number of Awards	Total Initial Awards	*Disbursements to Awardees	Jobs Created	Jobs Retained	Private Investment Made
JDIG (only)	116	\$670,201,725	\$49,657,774	12,986	27,205	\$1,525,328,512
One NC (only)	407	\$80,682,750	\$20,095,403	13,723	91,727	\$3,690,106,739
JDIG and One NC**	98	\$572,764,808	\$44,079,844	10,199	14,869	\$2,706,053,961
JMAC	4	\$79,000,000	\$45,108,963	Not Required	4,450	\$528,949,129
<b>TOTAL</b>	<b>625</b>	<b>\$1,402,649,283</b>	<b>\$158,941,984</b>	<b>36,908</b>	<b>138,251</b>	<b>\$8,450,438,341</b>

**Note:** Total Initial Awards for JDIG include the amounts available to companies as well as to the Utility Fund.

\*Recaptured Funds have been subtracted from Disbursements, resulting in net disbursements.

\*\*Forty-nine projects were awarded both JDIG and One NC grants for a total of 98 awards. For projects receiving both JDIG and One NC awards, Job Creation and Retention reflect JDIG reporting and Private Investment comes from One NC reports.

**Source:** NC Department of Commerce, August 2016. Date range for awards is 1/1/2007 to 6/30/2016.

Table 1B summarizes the IDF and IDF-Utility Account, which provide grants to local governments to support infrastructure development.

Table 1B: Summary of IDF and Utility Account Grants, 2007-2016			
Commerce Program	Number of Awards	Total Initial Awards	*Disbursements to Awardees
IDF	26	\$4,964,152	\$4,087,743
IDF-Utility Account	83	\$35,983,539	\$21,421,641
<b>TOTAL</b>	<b>109</b>	<b>\$40,947,691</b>	<b>\$25,509,384</b>

Source: NC Department of Commerce, September 2015. Date range for awards is 1/1/2007 to 6/30/2016.

\*Recaptured Funds have been subtracted from Disbursements, resulting in net disbursements.

## JOB DEVELOPMENT INVESTMENT GRANT PROGRAM

**JDIG** (\$143B 437.50) is a performance-based economic development incentive program that provides annual reimbursements for a period of up to 12 years to businesses that will newly locate or expand current activity in North Carolina, based on a percentage (ranging from 10% to 75%) of withholding taxes paid by new employees during each calendar year of the grant.

- Grants are made to qualifying companies by the five-member EIC, based on the Criteria for Operation and Implementation of Job Development Investment Grant Program.
- Historically, there has been a cap of \$15 million on liability in any future grant year for the aggregate of grants made in a particular calendar year. For the Fiscal Year biennium from July 2013 through June 2015, however, the cap on maximum annual state liability for new awards was adjusted to \$22.5 million, and from July 2015 until the end of 2015 the liability cap was \$12.5 million. The annual cap is currently \$20 million in any future grant year and is extended to \$35 million for a year in which a grant is awarded for a high-yield project.
- Ten percent of the grant payment for which a company is eligible for a project in a Tier 2 county, and 25 percent of the grant payment for a project in a Tier 3 county is transferred to the IDF-Utility Account to help fund rural infrastructure.
- Because some grantees do not meet each year's minimum required job creation target, the remaining potential state liability is likely to be less than that suggested by the total initial award amount.

Table 2 shows all JDIG awards made from the first award in 2003 through June 30, 2016 and whether or not a grant is currently active, terminated prior to completion, withdrawn prior to commencement of the grant, or closed with reimbursements issued as a result of the grant term being completed. The initial announced awards available to both companies and the Utility Account are shown, as well as the job targets required to receive reimbursements. Based on these initial conditions, a projected cost per new job can be calculated. The table shows actual grantee performance reported as of December 31, 2014, with reimbursements made to the company as well as any funds recaptured from grantees through early 2016, as well as a cost per new job to date.

**Table 2: Job Development Investment Grants, 2003-2016**

Status	Initially Projected						Actual Performance					
	Number of Awards	Initial Awards Available to Companies	Initially Projected Awards Available to Utility Account	Minimum Required New Jobs	*Cost Per New Job	Minimum Required Retained Jobs	Reimbursements to Companies	Recaptured Funds	Jobs Created	**Cost per Job Created (to date)	Jobs Retained	Remaining Potential Liability to Companies
Active	119	\$762,566,050	\$234,434,412	37,306	\$20,441	52,868	\$140,133,796	\$0	25,011	\$5,603	37,093	\$588,770,700
Completed, Reimbursements Issued	6	\$32,679,179	\$10,359,708	2,193	\$14,902	2,257	\$31,729,678	\$0	2,864	\$11,079	5,982	\$0
Terminated, \$0 Reimbursements Issued	36	\$174,590,449	\$51,205,211	10,902	\$16,015	19,891	\$0	\$0	1,109	\$0	5,898	\$0
Terminated, Reimbursements Issued	52	\$248,960,079	\$63,407,708	17,697	\$14,068	17,229	\$29,241,844	\$3,122,198	8,868	\$2,945	17,565	\$0
Withdrawn, \$0 Reimbursements Issued	7	\$15,374,400	\$1,698,600	1,389	\$11,069	324	\$0	\$0	0	\$0	0	\$0
<b>TOTAL</b>	<b>220</b>	<b>\$1,234,170,157</b>	<b>\$361,105,639</b>	<b>69,487</b>	<b>\$17,761</b>	<b>92,569</b>	<b>\$201,105,318</b>	<b>\$3,122,198</b>	<b>37,852</b>	<b>\$5,230</b>	<b>66,538</b>	<b>\$588,770,700</b>

**Note:** Job Creation and Retention totals may not equal program totals presented in Table 1A as a result of some projects receiving both JDIG and One NC awards.

\*Initial Projected Cost per New Job = Amount of Initial Award available to Companies divided by Minimum Required New Jobs. Projected Cost per Job is over the life of the grant.

\*\*Cost per Job Created (to date) = (Reimbursements issued to Companies less Recaptured Funds) divided by Jobs Created. Cost per Job does not include retained jobs.

**Source:** NC Department of Commerce, September 2016. Date for awards, reimbursements issued, recaptures, and remaining liability as of June 30, 2016; job data as of December 31, 2014 for most grants.

Note that the remaining liability for active grants is less than initial announced awards (even after subtracting reimbursements issued) as often a grantee is not eligible for the full amount available in a given year due to failure to achieve 100% of the performance requirements. It should also be noted that the Initial Projected Cost per New Job amount is over the life of a grant, such that the currently indicated \$17,761 represents a projected cost per job of approximately \$1,776 per year on a grant of 10 years.

For JDIG, each grant has a job “ramp-up” period (termed the “base period”), which may run from one to five years; most JDIG awards have a four or five year period during which jobs are created as companies ramp up projects to full operation. The total grant term during which the jobs must be maintained can run up to 12 years. The first year of the base period may start a year or more after the grant award date, given the anticipated timing of construction, government approvals, and the company’s hiring plans. Following the base period, companies who maintain required levels of employment will receive reimbursements for the remainder of the grant term, usually an additional six years. It is only after the grant term has been completed that an assessment can be made as to the total number of jobs created and the final cost per job.

## ONE NORTH CAROLINA FUND PROGRAM

**One NC** (§143B 437.70) was created in 1993 (as the Governor’s Industrial Recruitment Competitiveness Fund) to help North Carolina achieve economic growth and prosperity across the State. It provides matching grants to local governments to help recruit new and expanding businesses to create jobs. Grant payments are generally provided in four equal disbursements over three years, based on demonstrated job creation, investment, and other performance criteria. For companies that have also received a JDIG award, performance is tied to performance required under their JDIG awards.

Table 3 shows data for One NC awards that are still active, those that have closed without grant disbursements, and those that were closed after disbursement and completion of the grant term. Final performance data and actual costs per job can only be provided for grants that have been completed.

- 136 grants awarded during the reporting period are currently active and have reported creating 7,368 new jobs and retaining 43,405 existing jobs. As with JDIG, the Minimum Required New Jobs is greater than the Jobs Created, as these companies are still in the process of job creation, which takes several years. These companies have received \$7,841,723 in disbursements during this period. Based on the current figures, this results on a state cost to date per job of \$1,064.
- 150 grants awarded during this period have closed with funds disbursed and have reported creating 14,714 new jobs and retaining 23,400 existing jobs. Over half (51%) of these companies met or exceeded their job creation targets. In total they received 65 percent of the total initial award amount, as a result of some companies not meeting all performance requirements. This results in a state cost per job of \$1,717.

**Table 3: One North Carolina Grants, 2007-2016**

Status	Initially Projected				Actual Performance					
	Number of Awards	Initial Awards	Minimum Required New Jobs	*Cost per New Job	Disbursements	Recaptured Funds	Jobs Created	**Cost per Job Created (to date)	Jobs Retained	Remaining Potential Liability
Active	136	\$47,096,404	19,939	\$2,362	\$7,841,723	\$0	7,368	\$1,064	43,405	\$39,254,681
Closed, \$0 Disbursed	170	\$33,110,790	17,176	\$1,928	\$0	\$0	256	\$0	43,862	\$0
Closed, Funds Disbursed	150	\$38,886,364	14,492	\$2,683	\$26,561,886	\$1,292,794	14,714	\$1,717	23,400	\$0
<b>TOTAL</b>	<b>456</b>	<b>\$119,093,558</b>	<b>51,607</b>	<b>\$2,308</b>	<b>\$34,403,609</b>	<b>\$1,292,794</b>	<b>22,338</b>	<b>\$1,482</b>	<b>110,667</b>	<b>\$39,254,681</b>

**Note:** Job Creation and Retention totals may not equal program totals presented in Table 1A as a result of some projects receiving both JDIG and One NC awards.

\*Initial Projected Cost per New Job = Amount of Initial Award available to Companies divided by Minimum Required New Jobs. Projected Cost per Job is over the life of the grant.

\*\*Cost per Job Created (to date) = (Disbursements to Companies less Recaptured Funds) divided by Jobs Created. Cost per Job does not include retained jobs.

**Source:** NC Department of Commerce, September 2016. Date for awards, disbursements, recaptures, and remaining liability as of June 30, 2016; job data as of December 31, 2015 for most grants.

## INDUSTRIAL DEVELOPMENT FUND & IDF-UTILITY ACCOUNT

**IDF** (\$143B 437.01) provides grants to units of local government for construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed buildings conducting eligible industrial operations.

- Grants are made for public infrastructure for projects in Tier 1 and 2 counties (effective until July 1, 2012) and, from July 1, 2012, for projects in counties with one of the 65 highest development tier rankings.
- Grants are generally capped at the lesser of \$10,000 per job or \$500,000 per project.
- The infrastructure funded must be located at the building site or directly related to the industrial activity.
- This program is currently unfunded.<sup>7</sup>

**The IDF-Utility Account** is financed through statutory deductions from the grant payments for which JDIG grantees are eligible (25% of the grant payment for JDIG projects located in Tier 3 counties and 10% for JDIG projects located in Tier 2 counties).

- Grants are made to projects in Tier 1 and 2 counties (effective until July 1, 2012) and, from July 1, 2012, for projects in counties with one of the 65 highest development tier rankings.
- The infrastructure funded must be located at the building site or directly related to the industrial activity.
- To receive an award, the local government applicant must demonstrate that the infrastructure funded by the grant is reasonably expected to lead to job creation in eligible industries.
- A specific job commitment is not required, and thus no cost per job can be calculated even though jobs are often created.

The tables below show the total Commerce awards made to local governments for reimbursement for infrastructure costs for grants made since 2007, and disbursements made for those projects under the IDF Program (Table 4) and under the IDF-Utility Account (Table 5).

Status	Number of Awards	Initial Awards	*Disbursements	Remaining Potential Liability
Active	6	\$1,512,084	\$1,401,692	\$100,392
Closed, \$0 Disbursed	3	\$525,359	\$0	\$0
Closed, Funds Disbursed	17	\$2,926,709	\$2,686,051	\$0
<b>TOTAL</b>	<b>26</b>	<b>\$4,964,152</b>	<b>\$4,087,743</b>	<b>\$100,392</b>

\*Recaptured Funds have been subtracted from Disbursements, resulting in net disbursements.

Source: NC Department of Commerce, September 2016. Date range for awards is 1/1/2007 to 6/30/2016.

Status	Number of Awards	Initial Awards	Disbursements	Remaining Potential Liability
Active	34	\$17,572,654	\$6,160,804	\$11,411,850
Closed, \$0 Disbursed	5	\$2,196,000	\$0	\$0
Closed, Funds Disbursed	44	\$16,214,885	\$15,260,837	\$0
<b>TOTAL</b>	<b>83</b>	<b>\$35,983,539</b>	<b>\$21,421,641</b>	<b>\$11,411,850</b>

Source: NC Department of Commerce, September 2016. Date range for awards is 1/1/2007 to 6/30/2016.

<sup>7</sup> Effective July 1, 2013, the IDF and IDF-Utility Account were renamed the Industrial Development Fund Utility Account

## JOB MAINTENANCE AND CAPITAL DEVELOPMENT FUND

**JMAC** (§143B-437.012) is a discretionary incentive program, available for projects in Tier 1 and 2 counties, designed to encourage retention of significant numbers of high-paying, high-quality jobs and large-scale capital investment, enlarge the overall tax base, and increase revenues to the State and its political subdivisions. Grant recommendations are made by the EIC to the Secretary of Commerce, based on a thorough review of the factors enumerated in the Criteria for Operation and Implementation of Job Maintenance and Capital Development Fund Program.

- A total of five grants and awards totaling \$79 million may be made under the JMAC program; as of June 30, 2016, four 10-year grants have been awarded totaling \$79 million.
- Two grants were awarded on September 17, 2008, under the original statutory provisions (Goodyear and Bridgestone). Eligibility for these two grants required that the companies employ at least 2,000 workers and commit to invest at least \$200 million in capital improvements within six years of initial expenditure.
- One grant was awarded on June 14, 2012 (Domtar), under the amendments to the program statute, which became effective July 1, 2010. These amendments expanded eligibility to include large manufacturing employers converting their manufacturing process to change their product, that invest at least \$65 million within a three-year period, and that employ and will continue to employ at least 320 full-time workers.
- One grant was awarded on December 19, 2014 (Blue Ridge Paper Products), under amendments to the program statute, which became effective July 1, 2014. These amendments allowed a large manufacturing employer in a Tier 2 county with a population of less than 60,000 that employs and retains at least 800 full-time workers to qualify for the program.
- Annual grant payments for all grants are based on grantees' actual expenditures on eligible expenses related to modernization (typically, worker training and capital investments).
- State liability under JMAC was reduced by approximately \$2.4 million (from the initial award amount) as a result of Bridgestone and Goodyear being ineligible for the full amount available in prior years.
- JMAC is intended to enable a large facility to modernize and thus retain existing jobs; new jobs are not required and not reported.

**Table 6: Job Maintenance and Capital Investment Fund Awards, 2007-2016**

Grantee	Initially Projected			Actual Performance				Remaining Potential Liability	Private Investment Made
	Initial Awards	Minimum Required Retained Jobs	*Cost per Retained Job	Disbursements	Recaptured Funds	Jobs Retained	**Cost per Retained Job (to date)		
Blue Ridge Paper Products Inc.	\$12,000,000	800	\$15,000	\$0	\$0	0	N/A	\$12,000,000	\$0
Bridgestone Firestone North American Tire, LLC	\$30,000,000	2,083	\$14,402	\$18,770,764	\$0	1,852	\$10,135	\$9,500,000	\$211,210,315
Domtar Paper Company, LLC	\$7,000,000	320	\$21,875	\$6,500,000	\$0	415	\$15,663	\$500,000	\$85,888,281
The Goodyear Tire & Rubber Company	\$30,000,000	2,398	\$12,510	\$19,838,199	\$0	2,183	\$9,088	\$9,500,000	\$231,850,533
<b>TOTAL</b>	<b>\$79,000,000</b>	<b>5,601</b>	<b>\$14,105</b>	<b>\$45,108,963</b>	<b>\$0</b>	<b>4,450</b>	<b>\$10,137</b>	<b>\$31,500,000</b>	<b>\$528,949,129</b>

\*Initial Projected Cost per Retained Job = Amount of Total Award divided by Minimum Required Retained Jobs. Projected Cost per Job is over the life of the grant.

\*\*Cost per Retained Job (to date) = (Disbursements less Recaptured Funds) divided by Retained Jobs.

Source: NC Department of Commerce, September 2016. Reporting data as of December 2014.

## LOCAL INCENTIVES

Local Government incentive awards are typically provided in the form of cash grants or based on a percentage of property taxes expected to be paid on the company's new investment for the proposed project. Investment and job creation minimums are typically required.

Given that the value of local incentives are generally investment-driven, local governments usually provide funds after a company has paid its annual taxes on investments made, typically after a ramp-up/construction period. These incentive payments usually begin a year or two after the grant is awarded, or later. Thus, the local government's first grant payment year is usually different than the first grant payment year of the Commerce incentive.

As required by statute, local information is reported commencing with Commerce awards as of **July 1, 2011**, where the locals are incenting a project that has received a JDIG award, a One NC award (or both), a JMAC, or an IDF-Utility Account award. For the IDF-Utility Account, local incentives awarded since July 1, 2011 amounted to \$3,927,575, none of which has yet been disbursed.

The table below outlines the local funds awarded and disbursed for the various programs, as well as jobs created (where required) and a local cost per job to date. Note that the Minimum Required New Jobs numbers represent the number of required jobs that must be created over the life of the grants to receive full disbursement under JDIG and One NC; local job requirements may differ.

Table 7: Local Incentives associated with JDIG, One NC, IDF-Utility, and JMAC Awards made from July 1, 2011 through June 30, 2016						
Program	Initially Projected			Actual Performance		
	Initial Local Funds Awarded	Minimum Required New Jobs	*Local Cost per Job	Local Funds Disbursed	Jobs Created	**Local Cost per Job (to date)
JDIG (only)	\$87,349,444	16,375	\$5,334	\$14,106,812	3,317	\$4,253
One NC (only)	\$191,787,519	16,270	\$11,788	\$39,242,178	6,687	\$5,868
JDIG and One NC***	\$65,721,418	10,805	\$6,083	\$24,374,950	5,367	\$4,542
IDF-Utility Account****	\$3,927,575	N/A	N/A	\$0	N/A	N/A
JMAC*****	\$1,953,609	N/A	N/A	\$1,030,125	N/A	N/A
<b>TOTAL</b>	<b>\$350,739,564</b>	<b>43,450</b>	<b>\$7,937</b>	<b>\$78,754,065</b>	<b>15,371</b>	<b>\$5,056</b>

\*Initial Projected Local Cost per Job = Initial Local Funds Awarded for JDIG and One NC divided by Minimum Required New Jobs for JDIG and One NC. Projected Cost per Job is over the life of the grant.

\*\*Local Cost per Job (to date) = Local Funds Disbursed for JDIG and One NC divided by Jobs Created for JDIG and One NC. Local Cost per Job does not include retained jobs.

\*\*\*Twenty-five projects were awarded both JDIG and One NC grants for a total of 50 awards. For projects receiving both JDIG and One NC awards, Local Funds Awarded and Disbursed, Minimum Required New Jobs, and Local Jobs Created reflect JDIG reporting.

\*\*\*\*While IDF-Utility Account grants do not require job creation, some recipients have committed to job targets (433 jobs).

\*\*\*\*\*JMAC awards are for retained jobs, not new job creation.

Source: Local Governments and NC Department of Commerce, September 2016.

## STATE AND LOCAL COMBINED COSTS

Table 8 shows awards made to **JDIG and One NC recipients from July 1, 2011 through June 30, 2016**, in order to show projected and current costs per job created with a combination of state and local funds. It should be noted that the projected cost per Job amount is over the life of a grant, such that the currently indicated \$21,762 for JDIG represents a projected cost per job of approximately \$2,176 per year on a grant of 10 years. Note also that although some IDF-Utility Account and JMAC grants may include local funding, there are no required new jobs to be created; therefore a cost per job calculation is not applicable.

Table 8: State & Local Awards for JDIG and One NC, July 2011-June 2016									
Program	Initially Projected				Actual Performance				***State & Local Cost per Job (to date)
	*State Funds Awarded	Local Funds Awarded	Minimum Required New Jobs	**State and Local Cost per Job	State Funds Disbursed	Local Funds Disbursed	Recaptured Funds	Jobs Created	
JDIG (only)	\$269,006,550	\$87,349,444	16,375	\$21,762	\$5,522,478	\$14,106,812	\$54,457	3,317	\$5,901
One NC (only)	\$44,369,660	\$191,787,519	16,270	\$14,515	\$8,648,492	\$39,242,178	\$3,000	6,687	\$7,161
JDIG and One NC****	\$280,201,358	\$65,721,418	10,805	\$32,015	\$15,592,870	\$24,374,950	\$1,564,643	5,367	\$7,155
<b>TOTAL</b>	<b>\$593,577,568</b>	<b>\$344,858,380</b>	<b>43,450</b>	<b>\$21,598</b>	<b>\$29,763,840</b>	<b>\$77,723,940</b>	<b>\$1,622,100</b>	<b>15,371</b>	<b>\$6,887</b>

\*State funds awarded through JDIG reflect portion available to companies.

\*\*Initial Projected State and Local Cost per Job = (State Funds Awarded plus Local Funds Awarded) divided by Minimum Required New Jobs. Projected Cost per Job is over the life of the grant.

\*\*\*State & Local Cost per Job (to date) = (State Funds Disbursed (minus State Funds Recaptured) plus Local Funds Disbursed) divided by Jobs Created. Cost per Job does not include retained jobs.

\*\*\*\* Twenty-five projects were awarded both JDIG and One NC grants for a total of 50 awards. For projects receiving both JDIG and One NC awards, Local Funds Awarded and Disbursed, Minimum Required New Jobs, and Local Jobs Created reflect JDIG reporting.

Source: Local Governments and NC Department of Commerce, September, 2016.