



Economic Development Grant Report

Prepared by:

North Carolina Department of Commerce
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T H R I V E
in **NORTH
CAROLINA**

ECONOMIC DEVELOPMENT GRANT REPORT HIGHLIGHTS

North Carolina has two main highly-competitive, performance-based discretionary incentive programs, 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 from existing operations in the state. Other programs administered by the Department of Commerce are also discussed in this Report.

Job Development Investment Grant

- The first grants under the JDIG program were made in 2003. Because grants have an average term of 10 years, **no grant has yet closed during the reporting period (2007-2011)** (the “Reporting Period”). 72 grants awarded during the Reporting Period are currently active.
- 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. **Many companies are still in the early years of job creation and have thus not yet had the opportunity to create the Minimum Required New Jobs that are expected to be created under the grants. It is only after the job creation period has been completed for a given grant that an assessment can be made as to the total number of jobs created and the total cost per job.**
- Since 2007, 3 grantees that have completed their job creation period have together created 91% of the minimum required jobs, for which they received 9% of the total amount payable. These 3 grantees paid at least 137% of the minimum required wage, and invested an average of 161% of the minimum required investment.
- For JDIG grants that are still in the process of creating jobs, Commerce has disbursed \$5,410,945 to companies for creation of 4,150 new jobs, resulting in a cost of \$1,304 per actual job created. These companies also retained 8,612 jobs that existed at the time of their awards.
- For the 14 JDIG grants that have been terminated (and not completed), Commerce paid \$38,453 for 873 jobs created, for a total cost of \$44 per job. For these grants, 5,608 jobs that existed at the time of the grant were also retained. These companies may have created additional jobs after leaving the program, but as companies are not required to report after termination, this information is not known.

One North Carolina Fund

- For the 27 One NC grants that were awarded with the grant term completed during the Reporting Period, **94% of the Minimum Required New Jobs were created, with only 74% of the amounts awarded paid out.** These grants resulted in a cost of \$1,640 per actual job created. As of the date last reported, these companies had also invested \$419,564,351 (in excess of the \$365,806,500 required) and retained 4,564 jobs that existed at the time of their awards. As with JDIG, the Minimum Required New Jobs for active grants is greater than the Jobs Created, as 169 companies are still in the process of job creation, which will take several more years.

Other Commerce-Administered Programs

- The other programs contained in this Report are not immediate job creation programs, but are longer-range initiatives designed to spur future economic activity, innovation, modernization, and prosperity.

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 (the “Economic Development Grant Report” or the “Report”) is due to the General Assembly on March 1, 2012.

It should be noted that different programs have specific reporting cycles, which define what period is reported here. For example, Job Development Investment Grant (“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, and analysis and verification of those reports is not completed until the third or fourth quarter following a calendar year. Because this Report is due on March 1, 2012, the same date on which JDIG grantees submit their reports for performance as of December 31, 2011, the most recent JDIG performance information that can be reported is for the period ending December 31, 2010. Disbursements for 2010 performance are reported, through early 2012, as are recaptures and terminations. **In order to report the most recent calendar year performance information, the Report due date would need to be changed to the 4th quarter of the year immediately following a calendar year.

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 2010 performance. Besides JMAC and JDIG, all other programs show information through December 31, 2011.

Note that with respect to JDIG and One NC reported amounts, the number of jobs and the amount of investment cannot be summed, as this would result in some double-counting. A number of grantees have received both JDIG and One North Carolina Fund awards for the same project, and that same project’s jobs and investment are included in the totals for both programs.

Table 1A: Summary of Economic Development Grants by Commerce Job Creation or Retention Programs, 2007-2011

Commerce Program	Number of Awards	Total Award Amount	Disbursements to Awardees	Jobs Created	Retained Jobs	Private Investment Made
JDIG	87	\$564,915,975	\$5,746,695	5,023	14,220	\$762,900,900
One NC	252	\$60,737,454	\$5,511,297	3,429	5,789	\$542,566,240
JMAC	2	\$60,000,000	\$16,591,455	Not Required	4,426	\$443,060,848
TOTAL	341	\$685,653,429	\$27,849,447	Not Applicable Due to Double-Counting	Not Applicable Due to Double-Counting	Not Applicable Due to Double-Counting
Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011						

Table 1B: Summary of Economic Development Grants by Other Commerce-Administered Programs, 2007-2011

Commerce Program	Number of Awards	Total Award Amount	Disbursements to Awardees
IDF	26	\$4,964,152	\$3,933,737
IDF-Utility Account	46	\$16,637,533	\$8,493,753
Green Business Fund	27	\$1,900,000	\$1,754,563
One NC Small Business-Incentive	88	\$257,873	\$257,873
One NC Small Business-Matching	197	\$13,543,660	\$12,450,267
Economic Development Reserve	11	\$10,000,000	\$9,950,312
TOTAL	395	\$47,303,218	\$36,840,504

Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011

JOB DEVELOPMENT INVESTMENT GRANT PROGRAM (“JDIG”)

JDIG, N.C. Gen. Stat. § 143B 437.50 *et. seq.*, is a performance-based economic development incentive program that provides annual grant disbursements 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 (up to 25 annually) by the five -member Economic Investment Committee (the “EIC”), based on the Criteria for Operation and Implementation of Job Development Investment Grant Program.
- There is a cap of \$15 million on liability in any future grant year for the aggregate of grants made in a particular calendar year.
- 15% of the grant payment for which a company is eligible for a project in a Tier 2 county, and 25% of the grant payment for a project in a Tier 3 county is transferred to the Industrial Development Fund’s (“IDF”) Utility Account (the “Utility Account”) to help fund rural infrastructure.
- **Given the gradual job “ramp up” of new jobs by each company and the fact that many grantees do not reach the annual cap specified in their grant agreements, the maximum State liability is likely to be far less than that suggested by the total award amount.**

Table 2, below, shows activity based on the status of JDIG awards made since January 1, 2007 and whether or not a grant is currently active, terminated prior to completion, withdrawn prior to commencement of the grant, or closed as a result of the grant term being completed. **As the first grants were made in 2003, and grants have an average term of 10 years, no grant has closed yet.**

Table 2 shows grantee performance reported as of December 31, 2010, with respect to jobs created, jobs retained, and investment. It also shows the amount of the JDIG award made to the company, with the portion targeted for the Utility Account separately shown, as well as funds recaptured from grantees through early 2012, and the resultant cost per job actually created. For active grants, this table also shows the remaining potential JDIG liability to companies, the minimum number of jobs that must be created to receive that amount, and the projected cost per job, if a company were to be eligible for the full amount.

It is expected that ultimately the Remaining Potential Liability and Projected Cost Per Job numbers will be reduced as grants run their course, as often a grantee is not eligible for the full amount available in a given year (as a result of lower withholdings or failure to achieve 100% of the performance requirements). **The fact that the State’s liability is reduced every year by the difference between the particular amount set as the annual cap on the amount a grantee may receive and the payment for which a grantee is actually eligible for a given year, means that, for the active JDIG grants reported here, the Amount of Initial Award Available to Company should be reduced by approximately \$14 million in State liability that no longer exists under those grants. Taken with approximately \$86 million in reduced state liability to companies from terminated and withdrawn JDIG grants, total State liability to these companies has been reduced from the Amount of Initial Award to Companies, by \$100 million.**

It should also be noted that the Projected Cost Per Job amount is over the life of a grant, such that the currently indicated \$17,179 represents State payments of approximately \$1,718 per year on a grant of 10 years, for a job which may be paying a salary of \$60,000. It is also expected that the

Remaining Potential Liability to Companies will shortly be reduced by approximately \$7 million, as two existing JDIG grantees are expected to cease their participation in the program.

In 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. **Many companies are still in the early years of job creation and have thus not yet had the opportunity to create the Minimum Required New Jobs that are expected to be created under the grants. It is only after the job creation period has been completed for a given grant that an assessment can be made as to the total number of jobs created and the total cost per job.**

Thus, to summarize the information in the JDIG tables, out of the 87 JDIG awards made between January 1, 2007 and December 31, 2011, 72 are currently active. Of these 72 grants, 41 grants begin their base period in 2011 or later, which means that these companies have not yet begun reporting job creation and have not received any JDIG disbursements. Only 31 of the 72 were required to file a report for performance as of December 31, 2010. For three of these companies, 2010 was the last base period year. The remaining 28 companies are all still in their job creation period. The final data for jobs created is only knowable for three companies for the period covered by this Report.

Thus, the only conclusive numbers at this point, are the following: For the 14 grants that have been terminated (and not completed), Commerce paid \$38,453 for 873 jobs created as of the date reported, for a total cost of \$44 per job. For these grants, 5,608 jobs that existed at the time of the grant were also retained. For grants that are still in the process of creating jobs, Commerce has disbursed \$5,410,945 to companies for creation of 4,150 new jobs, resulting in a cost per job of \$1,304. These companies also retained 8,612 jobs that existed at the time of the award. The 3 grantees that have completed their job creation period have together created 91% of the Minimum Required New Jobs, for which they received 9% of the total amount payable under these 3 grants. These 3 grantees paid at least 137% of the minimum required wage, and invested an average of 161% of the minimum required investment.

Table 2: Job Development Investment Grants, 2007-2011

JDIG	Number of Awards	Amount of Initial Award Available to Companies	Amount of Initial Award Available to Utility Fund	Disbursements to Companies	Recaptured Funds	Jobs Created	Cost Per Actual Job Created	Retained Jobs	Private Investment Made	Remaining Potential Liability to Companies	Minimum Required New Jobs	Projected Cost per Job	Minimum Required Retained Jobs
Active	72	\$353,101,404	\$99,794,108	\$5,410,945	\$0	4,150	\$1,304	8,612	\$712,880,182	\$333,889,315	19,436	\$17,179	24,497
Terminated	14	\$84,208,849	\$25,588,614	\$335,750	\$297,297	873	\$44	5,608	\$50,020,718	\$0	None	\$0	None
Withdrawn	1	\$2,223,000	\$0	\$0	\$0	0	\$0	Unknown	Unknown	\$0	None	\$0	None
Closed	0	\$0	\$0	\$0	\$0	0	\$0	0	\$0	\$0	0	\$0	0
Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011													
Cost Per Actual Job Created = (Disbursements to Companies less Recaptured Funds) divided by Jobs Created													
Projected Cost per Job= Remaining Potential Liability to Companies divided by Minimum Required New Jobs													

Table 3: Job Development Investment Grants Percentage of Jobs Created and Awards Received, 2007-2011

JDIG	% of Jobs Created	% of Award Received										
Active- Base Period Completed	91%	9%										
Active- In Base Period	Job Creation in Process											
Terminated	Unknown	0%										
Withdrawn	Unknown	0%										
Closed	No Grants have Yet Closed											

Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011

% of Jobs Created = Jobs Created divided by Minimum Required New Jobs

% of Award Received = (Disbursements to Companies less Recaptured Funds) divided by Amount of Initial Award Available to Companies, reflecting a State cost distributed over an average of 10 years, for an avg annual cost per job of \$1,761

ONE NORTH CAROLINA FUND PROGRAM (“ONE NC”)

One NC, N.C. Gen. Stat. § 143B 437.70 *et. seq.*, was created in 1993 (as the Governor’s Industrial Recruitment Competitiveness Fund) to help North Carolina achieve economic growth through uniform regional prosperity. It provides matching grants to local governments to help recruit new and expanding businesses to create quality jobs. Unless tied to JDIG performance, grant payments are generally provided in four equal disbursements over three years, based on demonstrated job creation, investment, and other performance criteria.

Table 4 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. **As noted above, the only final performance data is that for grants that have been completed.**

Table 5 reflects that for **One NC grants that have been completed, with funds disbursed, 94% of the Minimum Required New Jobs were created, with only 74% of the amounts awarded drawn.** (The higher percentage of jobs created than money disbursed may be a result of local match not being fully met, or other factors that made a grantee ineligible for the full grant amount.) **These grants resulted in a cost of \$1,640 per actual job created. As of the date last reported, these companies had also invested \$419,564,351 (in excess of the \$365,806,500 required) and retained 4,564 jobs that existed at the time of the award. As with JDIG, the Minimum Required New Jobs is greater than the Jobs Created, as 169 companies are still in the process of job creation, which takes several years.**

Total State liability under closed One NC grants has been reduced by approximately \$10 million from the amount reflected in the Total Award Amount.

Table 4: One North Carolina Grants, 2007-2011

One NC	Number of Awards	Total Award Amount	Disbursements	Recaptured Funds	Jobs Created	Cost Per Actual Job Created	Retained Jobs	Private Investment Made	Remaining Potential Liability	Minimum Required New Jobs	Projected Cost per Job	Minimum Required Retained Jobs
Active	169	\$47,243,954	\$1,959,606	\$0	1,272	\$1,541	1,225	\$123,001,889	\$43,134,348	19,721	\$2,187	31,978
Closed, \$0 Disbursed	56	\$8,688,500	\$0	\$0	Unknown	\$0	Unknown	Unknown	\$0	None	\$0	None
Closed, Funds Disbursed	27	\$4,805,000	\$3,551,691	\$15,000	2,157	\$1,640	4,564	\$419,564,351	\$0	2,288	\$0	4,564

Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011

Cost Per Actual Job Created = (Disbursements less Recaptured Funds) divided by Jobs Created

Projected Cost per Job= Remaining Potential Liability divided by Minimum Required New Jobs

Table 5: One North Carolina Grants Percentage of Jobs Created and Awards Received, 2007-2011

One NC	% of Jobs Created	% of Award Received				
Active	Grants in Process					
Closed, \$0 Disbursed	Unknown	0%				
Closed, Funds Disbursed	94%	74%				
Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011						
% of Jobs Created = Jobs Created divided by Minimum Required New Jobs						
% of Award Received = (Disbursements less Recaptured Funds) divided by Total Award Amount						

INDUSTRIAL DEVELOPMENT FUND (“IDF”) & IDF UTILITY ACCOUNT

IDF, N.C. Gen. Stat. § 143B 437.01 *et. seq.*, provides support 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 to projects in Tier 1 and 2 counties (effective through July 1, 2012), and, after July 1, 2012, for projects in counties with one of the 65 highest rankings for purposes of determining development Tier ranking.
- 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.**

The Utility Account of the Industrial Development Fund is financed through statutory deductions from the grant payments for which JDIG grantees are eligible (25% of the grant for JDIG projects located in Tier 3 counties and 15% for JDIG projects located in Tier 2 counties).

- To receive an award, the local government applicant must demonstrate that the infrastructure funded by the grant is expected to lead to job creation in eligible industries.
- For these grants, a specific job commitment is not required, and thus no cost per job can be calculated even though jobs are often created.

The IDF tables 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 and under the Utility Account of the IDF.

Table 6: Industrial Development Fund Awards, 2007-2011

IDF	Number of Awards	Total Award Amount	Disbursements	Remaining Potential Liability
Active	19	\$4,025,939	\$3,155,622	\$870,317
Closed	7	\$938,213	\$778,114	\$0
Total	26	\$4,964,152	\$3,933,737	\$870,317

Table 7: Industrial Development Fund- Utility Account Awards, 2007-2011

IDF- Utility Account	Number of Awards	Total Award Amount	Disbursements	Remaining Potential Liability
Active	26	\$10,298,015	\$3,024,548	\$7,273,467
Closed	20	\$6,339,518	\$5,469,204	\$0
Total	46	\$16,637,533	\$8,493,753	\$7,273,467

Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011

GREEN BUSINESS FUND (“GBF”)

GBF, N.C. Gen. Stat. § 143B-437-4 *et. seq.*, awards competitive grants of up to \$100,000 per project to private businesses with fewer than 100 employees, nonprofit organizations, local governments, and State agencies to encourage the expansion of innovative commercial technologies, products and services, to grow a green economy in the State.

- The intent is to promote the growth of economic activity in North Carolina around environmentally preferable technologies and practices that improve operational performance, productivity or efficiency while reducing inputs, energy consumption, waste or pollution.
- Program priorities are biofuels, green building, clean energy technology and renewable energy products.
- The program operated for two years, 2008 and 2009, with State appropriations, during which period 27 grants were awarded, totaling \$1,900,000.
- Since 2009, the program has operated with funds authorized pursuant to the American Recovery and Reinvestment Act, which has placed specific requirements on projects, including demonstration of energy efficiency savings. Information reported in this report covers awards made with State-appropriated funds.

As the primary purpose of these programs is to provide long-term benefit to North Carolina by supporting development and commercialization of early-stage technologies by small business, and the bulk of funding is used to purchase equipment and supplies, rent facilities, pursue intellectual property rights, etc., no minimum job creation or capital investment is required to receive funds.

Table 8: Green Business Fund Awards, 2008-2009

Green Business Fund	Number of Awards	Total Award Amount	Disbursements	Remaining Potential Liability
Active	4	\$260,435	\$202,935	\$57,500
Closed	23	\$1,639,565	\$1,551,628	\$87,937
Total	27	\$1,900,000	\$1,754,563	\$145,437

Source: NC Department of Commerce, February 2012. Awards made is Fiscal Year 2008 to Fiscal Year 2009

ONE NC SMALL BUSINESS PROGRAM (“SMALL BUSINESS PROGRAM”)

The **Small Business Program**, N.C. Gen. Stat. § 143B-431.71(c); § 143B-431.80 *et. seq.* is administered by the North Carolina Board of Science and Technology. This program leverages the federal Small Business Innovative Research (“SBIR”) and Small Business Technology Transfer (“STTR”) programs, which provide highly competitive early-stage technology development grants for small businesses. North Carolina’s program has two components.

- The Incentive Program reimburses small for-profit North Carolina based businesses for up to 50% of the costs of preparing a federal SBIR or STTR Phase I proposal, up to \$3,000.
- The intent of the reimbursement is to give businesses an *incentive* to apply for a Phase I grant. Awards under the Incentive Program were only made for the first two years of the program (FY 2008 – FY 2009). A total of \$257,873 was disbursed under this program.

The Matching Program provides North Carolina-based small businesses up to \$100,000, 75% of which is available if the company receives a federal SBIR or STTR Phase I award, and an additional 25% of which is available if those companies submit the corresponding Phase I report and a Phase II proposal.

- Since the program’s launch in spring 2006, 90 Incentive grants and 245 matching grants, totaling \$16,891,509, have been awarded to companies.
- As with the Green Business Fund, jobs are not a requirement of this program because immediate jobs are not the purpose. Instead, the payoff to North Carolina from supporting this research and development activity is cutting-edge, long-term sustainable jobs and future economic activity that is expected to occur after these small businesses have developed and commercialized their innovative technologies.

Table 9: One North Carolina Small Business Program Incentive Awards, 2007-2011

One NC Small Business-Incentive	Number of Awards	Total Award Amount	Disbursements	Remaining Potential Liability
Closed	88	\$257,873	\$257,873	\$0

Source: NC Department of Commerce, February 2012. Date Range for Awards is Fiscal Year 2008 to Fiscal Year 2009

Table 10: One North Carolina Small Business Program Matching Awards, 2007-2011

One NC Small Business-Matching	Number of Awards	Total Award Amount	Disbursements	Recaptured Funds	Remaining Potential Liability
Active	88	\$4,702,878	\$4,115,555	\$91,587	\$495,736
Closed	109	\$8,840,782	\$8,334,712	\$414,820	\$91,250
Total	197	\$13,543,660	\$12,450,267	\$506,407	\$586,986

Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011

JOB MAINTENANCE AND CAPITAL DEVELOPMENT FUND (“JMAC”)

JMAC, N.C. Gen. Stat. § 143B-437.12, is a discretionary incentive program, available for projects in Tier 1 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 \$69 million may be made under the JMAC program; \$60 million and two 10-year grants have already been awarded.
- 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. Effective July 1, 2010, eligibility was expanded 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.
- Annual grant payments are based on grantees’ actual expenditures on eligible expenses related to modernization (typically, worker training). JMAC is geared at providing funds that will enable a large facility to modernize and thus retain existing jobs; new jobs are not required and not reported.

Table 11: Job Maintenance and Capital Investment Fund Awards, 2007-2011

Active Awards	Total Award Amount	Disbursements	Recaptured Funds	Retained Jobs	Cost per Actual Retained Job	Private Investment Made	Remaining Potential Liability	Minimum Required Retained Jobs	Projected Cost per Retained Job
2	\$60,000,000	\$16,591,455	\$0	4,426	\$3,749	\$443,060,848	\$43,000,000	4,481	\$9,596
Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011									
Cost Per Actual Retained Job = (Disbursements less Recaptured Funds) divided by Retained Jobs									
Projected Cost per Retained Job= Remaining Potential Liability divided by Minimum Required Retained Jobs, representing projected state payments, which are spread over a 10 year period (avg \$1,200 per \$40,000+ job per year)									

State liability under JMAC was reduced by approximately \$400,000 (from the Total Award Amount) as a result of a grantee not being eligible for the full amount available in prior years.

ECONOMIC DEVELOPMENT RESERVE (“ED RESERVE”)

The **ED Reserve**, *NC Session Law 2006-66*, was created by the General Assembly in FY 2006-07, with a one-time appropriation of \$10,000,000 to provide funding for government and nonprofit entities seeking to implement local economic development projects or acquire land for economic development purposes.

- The maximum funding available for an individual economic development project in this program was \$500,000 and the maximum available for a site acquisition and infrastructure project was \$5 million.
- Job creation and investment were not required for program eligibility. As with GBF and Small Business Program, the goal was not immediate job creation, but long-term investment and economic development.

Table 12: Economic Development Reserve Awards, 2007-2011

ED Reserve	Number of Awards	Total Award Amount	Disbursements	Remaining Potential Liability
Active	1	\$3,500,000	\$3,450,312	\$49,688
Closed	10	\$6,500,000	\$6,500,000	\$0
Total	11	\$10,000,000	\$9,950,312	\$49,688

Source: NC Department of Commerce, February 2012. Date Range for Awards is 1/1/2007 to 12/31/2011

LOCAL INCENTIVES

Local Government Incentives are usually derived from property taxes expected to be paid on the company’s investment. They are either a percentage of the taxes paid, or a cash grant, and typically include both investment and job creation requirements.

Given that local incentives are generally investment driven, Local Governments usually provide their incentives after the company has paid its annual taxes on investments made, which may involve 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 JDIG and One NC award.

Table 13: Local Incentives associated with Commerce-Administered Programs, July 1 through December 31, 2011

Program	Local Funds		Local Cost per Job	Local Funds Awarded	Minimum Required New Jobs	Local Projected Cost per Job
	Disbursed	Jobs Created				
JDIG	\$0	0	\$0	\$2,074,000	528	\$3,928
One NC	\$206,135	Unknown	Unknown	\$14,334,753	2,035	\$7,044
JDIG & One NC	\$0	0	\$0	\$6,669,114	830	\$8,035
Total	\$206,135	Unknown	Unknown	\$23,077,867	3,393	\$6,802

Source: Local Governments and NC Department of Commerce, February 2012. Date Range for Awards is 7/1/2011 to 12/31/2011

Local Cost per Job = Local Funds Disbursed divided by Jobs Created

Local Projected Cost per Job = Local Funds Awarded divided by Minimum Required Jobs