



North Carolina Economic Developers Association 2009 Legislative Agenda (As of 1/8/09)

Summary

North Carolina's economic development policy needs to encourage economic prosperity and job creation among all of North Carolina's 100 counties.

The North Carolina Economic Developers Associations (NCEDA) enthusiastically supports the creation of jobs and economic prosperity as a top priority for North Carolina. Despite the fiscal challenges facing our state, we know that job creation will enable North Carolina's economic recovery to be accelerated. Now is the time to invest in programs and policies that have a positive return to our state. North Carolina economic development policies are revenue generators, not expenses.

In today's global community, business retention and recruitment requires the options of incentives and competitive corporate tax rates to attract new businesses and retain current industries. Nearly every state and major country uses these tools and continually adapts them to remain competitive. North Carolina must continue to do the same. Our state must recognize the immense competition that exists for bringing in and retaining businesses, and thus continue to support these policies.

The North Carolina Economic Developers Association is committed to economic incentive policies, workforce training and infrastructure and the value they bring to our state when competing for jobs.

Our priorities to move North Carolina's economy forward are listed below. Please note that these are not listed in rank order.

Preserving our Economic Development Toolbox

- **Job Development Investment Grant Program**
NCEDA strongly supports the rapid renewal of the Job Development Investment Grant Program (JDIG), scheduled to sunset in January 2010. JDIG has proven to be one of North Carolina's most effective economic development tools, with stringent accountability built into the program. We recommend that JDIG be a permanent part of North Carolina's economic development efforts without a project or funding cap. Making a long-term commitment to JDIG will remove any doubt from potential or

existing business leaders about our state's commitment to welcoming major, transformational projects to North Carolina.

○ **Article 3J Credits**

NCEDA strongly supports the continuation and rapid renewal of the 3J credits for growing businesses. Tax credits for investment and job creation are one of the primary economic development tools to support business growth in North Carolina, from both the new and existing industry perspective. **We also recommend permanent removal of the wage standard and investment thresholds in Tier 2 counties,** which would increase the effectiveness and utilization of these credits in applicable communities.

○ **One North Carolina Fund**

The One North Carolina Fund is one of our state's long-standing economic development tools; yet, it is funded with non-recurring dollars at varying amounts. **NCEDA strongly supports a \$20 million annual appropriation to the One North Carolina Fund from a dedicated funding source that would also provide an allowance for carry-forward.**

○ **North Carolina Community College System**

North Carolina Community Colleges Customized Training Program reaches across all 100 counties to both new and existing industries to meet the workforce development needs of our business community. **NCEDA supports an increase in the funding of the North Carolina Community Colleges' customized industrial training program, which has not received additional funding in 10 years.** NCEDA also supports the funding needs of North Carolina Community Colleges to **raise faculty and staff salaries to the national average, to improve technology and equipment for students and to enhance programs in healthcare and technical education.**

○ **Other Competitive Differentiators**

- **NCEDA recommends a provision to make North Carolina more competitive for data centers by removing the sales tax on their electricity purchases.** This dramatically reduces our competitiveness for such facilities. The sales tax on energy purchases for manufacturers is being phased out by 2010. **Data centers should be recognized as an eligible industry and have the tax removed.**
- NCEDA recommends changes to the **Industrial Development Fund** to allow eligibility for all **Tier 1 and 2 counties.** We also recommend an increase in the eligible amount per job to **\$15,000 in Tier 1 counties and \$10,000 per job in Tier 2 counties** and defining eligible industries as currently defined under the JDIG program.

Funding the Foundation of Economic Development

○ **Increased Funding for the North Carolina Department of Commerce**

NCEDA supports the increase of General Assembly funding for the North Carolina Department of Commerce. North Carolina needs to **fund Commerce marketing efforts for a competitive advantage** and provide the ability to **complete current initiatives.** Continued state support is critical to North Carolina's short- and long-term competitiveness.

- **Restoration of Funding for the Seven Regional Partnerships**
Supported by the findings of the N.C. General Assembly's Program Evaluation Division, NCEDA recommends that the funding for the seven regional economic development partnerships be returned to the recurring budget. Further, we support restoring the 5% reduction in funding by the legislature in the 2008 Legislative Session to the partnerships. Recurring state support for these vital economic development organizations is critical to North Carolina's economic success.
- **N.C. Biotechnology Center Loan Program**
NCEDA supports the continued funding of the Center's loan program, which helps biotechnology company inception, research and growth activities. Since its launch, the Center's loan program has provided approximately \$19 million in funding to companies and has helped these companies raise an additional \$1.8 billion in follow-on funding.
- **University of North Carolina System**
NCEDA supports efforts across the UNC System to stimulate economic development through basic and applied research, technology transfer and commercialization, outreach and engagement, and targeted recruitment and retention efforts.
- **N.C. Rural Center**
The N.C. Rural Center focuses its programs and tools on North Carolina's rural economic development strategies and needed infrastructure. **The Rural Center supports job creation through infrastructure grants, provides financing, encourages entrepreneurship and offers the flexibility to meet individual community needs.**
- **Transportation**
Rapid growth is placing a strain on our state's transportation infrastructure - including our highways, bridges and transit systems. Already, there is a \$65 billion shortfall between projected needs and anticipated revenue. To preserve our quality of life and continue to attract economic development opportunities our state, **NCEDA supports an increased investment in North Carolina's transportation infrastructure.**