

Funding Resources Workshop



March 3

Funding Resources Workshop



Bruce Pleasant

**Director of Business & Cooperative Programs
USDA Rural Development**

March 3



Business and Cooperative Programs

 Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Business & Industry Guaranteed Loan Program

The purpose of the B&I Guaranteed Loan Program is to improve the economic health of rural communities:

- To improve, develop, or finance business, industry, and employment
- To improve the economic and environmental climate in rural communities
- To provide lasting community benefits
- Not intended for marginal or substandard loans

Business & Industry Guaranteed Loan Program

- North Carolina Fiscal year 2020
 - Number of Loans: 24
 - Amount Obligated: \$1.01 million
 - Average Loan Size: \$4.2 million



Business & Industry Guaranteed Loan Program

- Regulated lenders:
 - Any Federal or State chartered bank or other financial institution, Farm Credit Bank, other Farm Credit System institution with direct lending authority, Bank for Cooperatives, Savings and Loan, Savings Bank, or mortgage company that is part of a bank-holding company
 - Must be subject to credit examination and supervision by either an agency of the United States or a State
 - Credit unions
 - Must be subject to credit examination and supervision by either the National Credit Union Administration or a State agency
- Non-regulated lenders must apply for eligibility

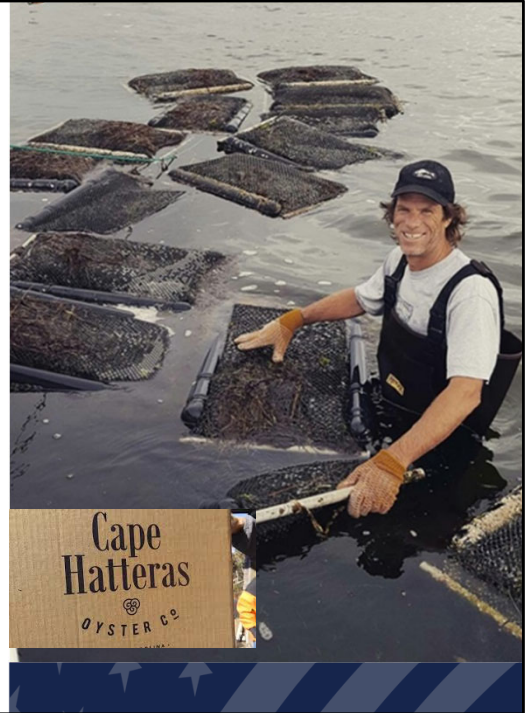
Eligible Borrowers

- Entity types:
 - A cooperative organization, corporation, partnership, or other legal entity organized and operated on a profit or nonprofit basis not otherwise listed as ineligible
 - An Indian tribe on a Federal or State reservation or other federally recognized tribal group
 - A public body or an individual
- A borrower must be engaged in or proposing to engage in a business, including manufacturing, wholesaling, retailing, and providing services or employment in eligible areas



Rural Area

- Business must be located in an eligible rural area
- General definition of rural area: any area other than a city or town that has a population of greater than 50,000 inhabitants and any urbanized area contiguous and adjacent to such city or town
- Rural area determination tool:
<http://eligibility.sc.egov.usda.gov/eligibility/>



Locally grown foods for Underserved Communities



Projects that distribute and/or regionally produced agricultural food products to support community development are eligible and may be located in urban areas as well as rural.

Loan Purposes

- Real estate purchases and improvements
- Machinery and equipment
- Working capital
- Debt refinancing
- Local food projects (can also be done in urban areas)



Loan Limits

- Maximum loan amounts:
 - \$25 million to any one borrower
 - \$40 million for rural cooperative organizations that process value-added agricultural commodities



Rural Energy for America Program (REAP)

REAP provides Grants and Guaranteed Loan funding for Renewable Energy System Installations and Energy Efficiency Improvements.

Eligible Applicants:

- **Agriculture Producers** - Individual or entity that receives 51 percent or more of their gross income from agricultural production (crops, livestock, aquaculture, forestry operations, nurseries, dairies)
- **Rural Small Businesses** - as defined by the Small Business Administration (SBA) in a rural area or non-metro community of < 50,000



Rural Energy for America Program (REAP)

North Carolina: Fiscal year 2020

Number of Loans: 27

- Amount Obligated: \$ 139.8 million
- Average Loan Size: \$5.2 million



Eligible Technology

Energy Efficiency	Renewable Energy
Lighting	Solar
Heating	Wind
Cooling	Small Hydroelectric
Ventilation	Anaerobic Digester
Fans	Biomass
Automatic Controls	Geothermal
Insulation	Wave/Ocean Power



Value-Added Producer Grant

- The purpose of the Value-Added Producer Grant is to help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based value-added products.
- Goals of the program:
 - Create and Expand marketing opportunities
 - Generate new products
 - Increase producer income



Competitive Grant

- Funds can be used for:
 - Planning to determine viability of value-added venture.
 - Working Capital for operational cost related to processing and/or marketing of value-added product.



Eligible Applicants

- Independent producers
- Agricultural producer groups
- Farmer or rancher cooperatives
- Majority-controlled producer based business ventures



Rural Business Development Grant (RBDG)

- The purpose of the program is to provide technical assistance and training for small rural businesses. Businesses must employ 50 or fewer new workers and less than \$1 million in gross revenue.
- Eligible applicants include:
 - Public Bodies/Government Entities
 - Nonprofit Entities
 - Institutions of higher education
 - Federally-recognized tribes



Rural Business Development Grant (RBDG)

Eligible Use of Funds

- Technical assistance such as project planning, business counseling, market research, feasibility studies, professional or technical reports and producer service improvements.
- Acquisition or development of land, easements, or rights of way: construction, conversion, renovation of buildings; plants, machinery, equipment, road access, parking areas and utilities.
- Distance adult learning for job training and advancement
- Pollution control and abatement
- Capitalization of revolving loan funds
- Rural transportation improvement
- Community economic development
- Technology-based economic development
- Rural business incubators
- Leadership and entrepreneur training



Rural Economic Development Loan & Grant (REDLG)

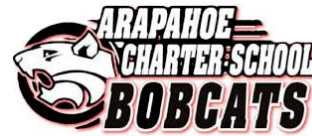
The REDLG program provides financing to eligible Rural Utilities Service (RUS) electric or telecommunication borrowers (Intermediaries) to promote rural economic development and job creation.

- Start-up venture costs, including, but not limited to, financing fixed assets such as real estate, buildings, equipment or working capital.
- Facilities and equipment to educate and train rural residents to facilitate economic development.
- Community development assistance to nonprofits and public bodies.
- Facilities and equipment for medical care for rural residents.
- Business incubators.
- Business expansion.
- Technical assistance.



RED Loans

Under the RED Loan (REDL) program, Zero-Interest loans are made to the Intermediary to relend at a zero-interest rate to Ultimate Recipients. Recipients are responsible for repayment to the Intermediary. The Intermediary must transmit the repayment to Rural Development.



RED Grant

Under the RED Grant (REDG) program, USDA provides grant funds to the Intermediary to establish revolving loan funds (RLF). REDG zero-interest loans are made by the Intermediary to finance specific projects. The Ultimate Recipient's loan repayments are to be retained in the RLF maintained by the Intermediary, to finance other rural economic development projects.





In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call the toll-free customer service line at (866) 632-9992. Submit your completed form or letter to USDA by:

mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
Fax: (202) 690-7442
email: program.intake@usda.gov

Funding Resources Workshop



Hillary Sherman

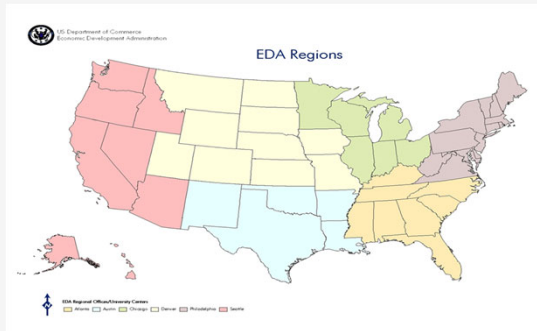
**NC Economic Development Representative
NC Department of Commerce EDA**

March 3

EDA: Strategic resources to advance economic development

Presentation to NCEDA
March 3, 2021

Who is EDA and what do we do?



Provide strategic grant-based investments to catalyze economic development

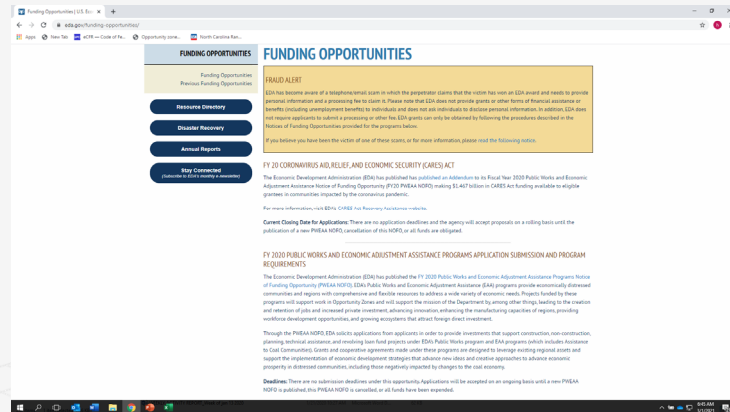
Provide economic data to inform local and regional decisions

Supports development of regional plans through partnership with Economic Development Districts

EDA Grant Programs

EDA has a range of grant programs, including:

- Public Works Program
- Economic Adjustment Assistance Program
- Planning Program
- Trade Adjustment Assistance for Firms
- University Centers
- Research and National Technical Assistance
- Local Technical Assistance Program
- Build to Scale



Key things to know – technical requirements

1 To apply you must be an **Eligible Applicant**.

Eligible applicants include:

State governments;

City, Counties or other political subdivision of a State, including a special purpose unit of State or local government engaged in economic or infrastructure development activities;

Institutions of high education;

District organization or COG;

Native American tribal governments; and,

Non-profit organizations acting in cooperation with officials of a political subdivision of a State.

Key things to know – technical requirements

1 To apply you must be an **Eligible Applicant**.

2 To apply you must **meet regional distress eligibility**.

Regions that meet one or more of the following criteria may be eligible for EDA grants:

- **Unemployment rate** for the most recent 24-month period that is at least 1% point higher than the national average;
- **Per capita income** that is 80% or less than the national average; *or*,
- **A Special Need**, such as (but not limited to) underemployment, recent or pending plant closings, natural disasters, military base closures, Presidential Disaster Declarations, or located in a designated Opportunity Zone

Key things to know – technical requirements

1 To apply you must be an **Eligible Applicant**.

2 To apply you must **meet regional distress eligibility**.

3 To apply you must **meet Matching Share requirements**.

Applications for EDA assistance generally require a 50 percent Matching Share. Matching Share funds must:

- *Be available and committed* to use for the specific EDA project outlined in the application as of the date that the application is submitted;
- *Be unencumbered*, or not otherwise limited or directed to specific tasks (Matching Share funds need to be available for the entire EDA SOW requested); *and*,
- *Be from eligible sources* (generally other Federal funds may not be used as Matching Share for an EDA award).

Key things to know – technical requirements

1 To apply you must be an **Eligible Applicant**.

Applications for EDA assistance must be received electronically via the applicable Grants.gov.

2 To apply you must **meet regional distress eligibility**.

All materials – including matching share funds verification – must be included in the application package.

3 To apply you must **meet Matching Share requirements**.

4 To apply you must **submit online via Grants.gov** and have a full application package.

But what makes an application competitive?



More questions? Want to discuss a project and alignment with EDA?

Hillary Sherman, EDA NC Representative

hsherman@eda.gov

Funding Resources Workshop



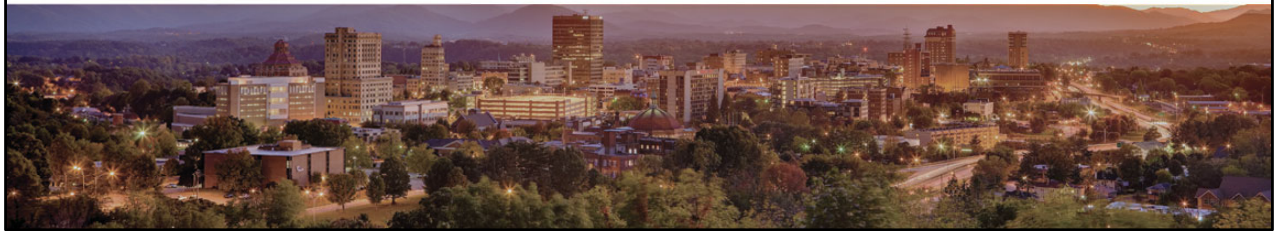
Olivia Collier

**Program Manager
Appalachian Regional Commission**

March 3



Appalachian Regional Commission North Carolina Program Overview



Appalachian Regional Commission



ARC VISION STATEMENT

Appalachia is a region of great opportunity that will achieve socioeconomic parity with the nation

ARC MISSION STATEMENT

To innovate, partner and invest to build community capacity and strengthen economic growth in Appalachia

NORTH CAROLINA DEPARTMENT OF COMMERCE

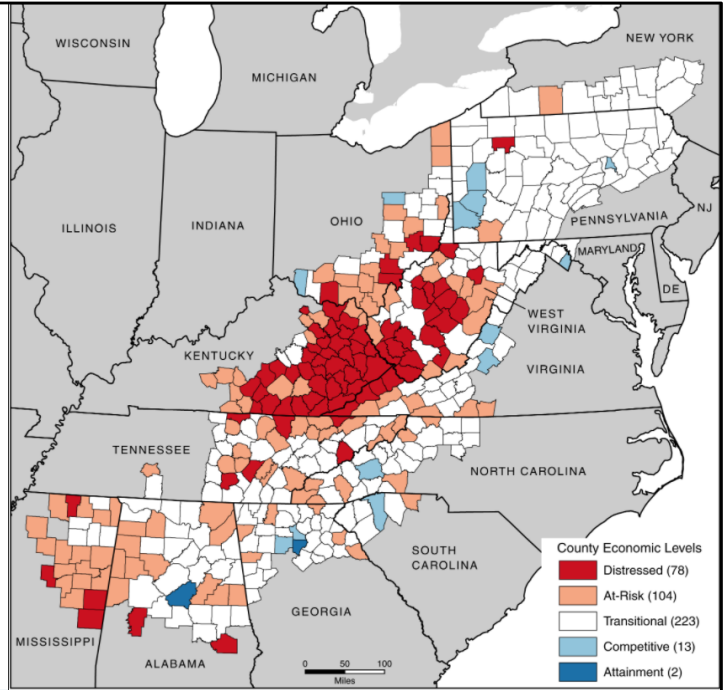
County Economic Status, FY 2021

ARC's five county economic status designations are based on three indicators: three-year average unemployment rates, per capita market income, and poverty rates.

- **Distressed:** The most economically depressed counties, ranking in the worst 10% of the nation's counties. In FY 2021, 78 Appalachian counties are designated as distressed.
- **At-risk:** Counties at risk of becoming distressed.
- **Transitional:** Counties transitioning between at-risk and competitive status.
- **Competitive:** Counties able to compete in the national economy but don't rank in the highest 10% of the nation's counties.
- **Attainment:** The economically strongest counties, ranking in the best 10% of the nation's counties.



NORTH CAROLINA DEPARTMENT OF COMMERCE



A1

NC ARC Investment Priorities

- Enhance long-term infrastructure commitments that allow for the **creation** and **retention of jobs**;
- Enrichment of partnerships between local industries, educational institutions to **expand** and **enhance** workforce development opportunities,
- Efforts that support **STEAM** and **STEM** education opportunities, encourage CTE achievement and certificate or degree attainment;
- Spur economic activity in the health care sector and **improve the quality** of health care services; while **tackling health challenges**;
- Support the deployment of digital infrastructure that allows the region to **connect** to global markets.



NORTH CAROLINA DEPARTMENT OF COMMERCE

A1 Olivia update
Author, 5/1/2019







Appalachian Regional Commission

North Carolina Investments FY 2020



During FY 2020, ARC investments in North Carolina's 29 designated counties provided the following:

- **1,200** jobs created or retained 
- **2,100** students and workers trained 
- **\$14.4M** in grants awarded to 42 projects 
- **\$122.8M** in private investments 



NC ARC Funding Timeline FY 2022 Projects

Timeline

- Pre-Application Packet published on-line March 1, 2021.
- Pre-Applications will be due on April 21, 2021.
- Applicants will be invited to submit full applications by May 17, 2021.
- Application Workshop – mid-June 2021
- Full Applications will be due on July 30, 2021.
- Governor's Project Recommendations will be submitted to ARC by October 1, 2021.

*Dates subject to change.



NORTH CAROLINA DEPARTMENT OF COMMERCE

Olivia Collier
Appalachian Regional Commission Program
ocollier@nccommerce.com
Phone: 919-814-4656

www.ncccommerce.com/arc

Twitter: @arc_nc



NORTH CAROLINA DEPARTMENT OF COMMERCE

Funding Resources Workshop



David Spratley

**Senior Assistant Secretary of Finance
NC Department of Commerce**

March 3

NC COMMERCE GRANT PROGRAMS

FOR THE NORTH CAROLINA ECONOMIC DEVELOPERS ASSOCIATION

March 3, 2021



NORTH CAROLINA
DEPARTMENT of
COMMERCE

COMMON ELEMENTS



NORTH CAROLINA
**DEPARTMENT of
COMMERCE**

Programs provide grants to units of local government

Program eligibility and/or funding levels are dependent on county tier designation

Quality job creation, not investment, is the primary driver for all programs

PROGRAM CATEGORIES

PUBLIC INFRASTRUCTURE

SEWER, WATER, RAIL, ROADS, NATURAL GAS,
ELECTRICITY* (APPROVED BY RIA)

BUILDING IMPROVEMENTS

FUND IMPROVEMENTS TO BUILDINGS IN EXCHANGE
FOR JOB CREATION (FORGIVABLE LOANS)

CASH GRANTS

THE SEXY ONES

INFRASTRUCTURE

RURAL ECONOMIC INFRASTRUCTURE PROGRAM



NORTH CAROLINA
DEPARTMENT of
COMMERCE

Available in tier 1, 2, and rural census tracts in tier 3

Max award \$5,000 to \$12,500 per job, capped at \$500,000 (\$250,000 cap in tier 3)

Based on jobs to be created over first two years of the grant

5% local match

RIA approval/award

INFRASTRUCTURE

UTILITY ACCOUNT



Available in tier 1 and 2

Max award \$5,000 to \$10,000 per job, capped at \$500,000

Based on jobs to be created over first two years of the grant

5% local match

RIA approval/award

Only program that does not require a bird in hand – can be used speculatively

INFRASTRUCTURE

CDBG INFRASTRUCTURE



NORTH CAROLINA
DEPARTMENT of
COMMERCE

Federal dollars (HUD) to support low- and moderate-income job creation, so no wage standard

Available in all tiers. Not available in HUD entitlement communities (3 counties and 24 municipalities)

Max award up to \$15,000 per job, capped at \$1,000,000 (\$750,000 tier 3)

Based on jobs to be created over first two years of the grant

25% local match except for 25 most distressed counties

RIA approval/award

Federal strings attached that can affect project cost and timing

**BUILDING
IMPROVEMENTS**

**CDBG BUILDING
RENOVATION**



NORTH CAROLINA
DEPARTMENT of
COMMERCE

Federal dollars (HUD) to support low- and moderate-income job creation

Available in all tiers. Not available in HUD entitlement communities (3 counties and 24 municipalities)

Can fund 50% of improvements to vacant buildings (vacant >30 days)

Max award up to \$20,000 per job, capped at \$750,000

Based on jobs to be created over first two years of the grant

RIA approval/award

Federal strings attached that can affect project cost and timing

BUILDING IMPROVEMENTS

RURAL BUILDING REUSE



NORTH CAROLINA
DEPARTMENT of
COMMERCE

Available in tier 1, 2, and rural census tracts in tier 3

Can fund 50% of improvements to vacant buildings (vacant >90 days) or existing buildings (occupied >12 months)

Max award \$5,000 to \$12,500 per job, capped at \$500,000 (\$250,000 cap in tier 3)

Based on jobs to be created over first two years of the grant

5% local match

This is everyone's favorite program!
(unless they are in a tier-three county, then it's JDIG)

CASH GRANTS

ONENC



NORTH CAROLINA
DEPARTMENT of
COMMERCE

This is a pure cash for jobs program

Available in all tiers, but typically reserved for tiers 1 & 2

Typical award per job: tier 1, \$3,000; tier 2, \$2,000; tier 3, \$1,000

Local match: tier 1, 1:3; tier 2, 1:2; tier 3, 1:1

Based on jobs to be created over first three years of the grant

But-for program

Governor approval/award

CASH GRANTS

JDIG



NORTH CAROLINA
DEPARTMENT of
COMMERCE

Grants are based on state withholdings tax generated by new project jobs

Available in all tiers

Maximum grant is 75% of withholdings for 12 years

A portion of all grant payments in tiers 2 & 3 are transferred to the Utility Account

Local incentives required in tier 3 counties

Based on jobs to be created over first five years of the grant

But-for program

EIC approval/award

Only program that awards grants directly to companies

EDUCATE YOURSELF

ASK & APPLY

www.nccommerce.com/grants-incentives
edpnc.com/why-north-carolina/incentives/



NORTH CAROLINA
DEPARTMENT of
COMMERCE

NC COMMERCE GRANT PROGRAMS

FOR THE NORTH CAROLINA ECONOMIC DEVELOPERS ASSOCIATION

March 3, 2021



NORTH CAROLINA
DEPARTMENT of
COMMERCE

Funding Resources Workshop



Ted Lord

**Senior Vice President & Staff Attorney
GoldenLEAF Foundation**

March 3



Golden LEAF Foundation

Overview

The Golden LEAF Foundation was established in 1999 to administer a portion of the tobacco settlement agreement.

Golden LEAF's mission is to increase economic opportunity in North Carolina's **rural, economically-distressed**, and tobacco-dependent communities through leadership in grantmaking, collaboration, innovation, and stewardship as an independent and perpetual foundation.



Golden LEAF Foundation
Strategic Priorities FY 2022-2026

- To **increase job creation and economic investment** in rural, economically distressed, and tobacco-dependent communities
- To **improve workforce preparedness** in rural, economically distressed, and tobacco-dependent communities
- To **increase the value of North Carolina's agriculture industry**
- To **improve the competitiveness, capacity, and vitality of targeted communities**
- **To have, and be recognized for, excellence** in organizational collaboration, innovation, and impact

Golden LEAF Foundation

Job Creation and Economic Investment

Golden LEAF awards funds to units of local government and charitable nonprofit organizations to support job creation and economic investment in rural, economically-distressed, and tobacco-dependent regions of North Carolina.

Economic Catalyst

- ✓ Awards range in size depending on the number and quality of jobs and project location.
- ✓ One step process, applications accepted throughout the year.

Open Grants

- ✓ Up to \$200,000 per project.
- ✓ Two step process, applications accepted throughout the year.

Community-Based Grants Initiative

- ✓ Up to \$1.5m available per county in the eligible region.

Golden LEAF Foundation
Job Creation and Economic Investment Funding

2017 19 projects \$19.4m awarded	2018 13 projects \$8.3m awarded	2019 15 projects \$10.1m awarded	2020 13 projects \$17.5m awarded	2021 1 project \$200k awarded*
---	--	---	---	---

Funds are awarded by the Golden LEAF Board throughout the year through three available programs.

*As of March 1, 2021

Golden LEAF Foundation

Requirements for All Awards

- Eligible Applicant
 - ✓ 501(c)(3) nonprofit
 - ✓ Governmental entity
- Eligible Uses of Funds
 - ✓ Must be charitable – no impermissible private benefit
 - ✓ May not be used for purchase of land or buildings
 - ✓ May not be used for grant administration
- Projects are subject to due diligence by Golden LEAF staff, Board, and legal counsel as necessary.
- Golden LEAF Board of Directors makes final funding decisions.
- Funded projects are subject to all reporting requirements of Golden LEAF Foundation, the State Auditor, and Office of Budget and Management as applicable. Grantees must comply with all conditions and requirements in the grantee agreement.
- All correspondence/communications to and from Golden LEAF are subject to the North Carolina Public Records Law and may be disclosed to third parties.

Golden LEAF Foundation

Job Creation and Economic Investment Outcomes

- Investment in publicly owned infrastructure
- Investment in privately owned property, plant, and equipment
- New full-time jobs created
- Average annual wage of new full-time jobs
- Business start-ups

Narrative: Jobs retained that were at risk without Golden LEAF support; comparison to county wages; job creation in identified job sectors; etc.

Davidson County

Awarded \$1,000,000 in April 2017 through CBGI in the
Piedmont Triad (Central) Prosperity Zone.

Golden LEAF funds were used for public wastewater infrastructure at a county-owned industrial park near Interstate 85. The county expects that over time companies will create 9,000 new full-time jobs at the park.

- ✓ Evidence of **interest** from business and industry to locate at the site.
- ✓ **Responds** to demand for industrial space in the region.
- ✓ Funds were used to construct **public** infrastructure to support multiple businesses using the site.
- ✓ In July 2017, EGGER Wood Products announced a \$700 million and 770 job expansion to locate at the park.

17-034

Johnston County

Awarded \$500,000 in 2019 through Economic Catalyst.

Golden LEAF funds were used for public water and wastewater infrastructure to support location of an Ashley Homestore licensee. The company is expected to create 161 permanent full-time jobs with an average annual wage of \$42,391.

- ✓ **Commitment** from business to create the proposed jobs
- ✓ The water and sewer infrastructure will also **serve other properties** and create beneficial redundancies in the systems.
- ✓ Funds awarded by **U.S. EDA and the State of North Carolina**

Questions?



Ted Lord

Senior Vice-President / Staff Attorney

TLord@goldenleaf.org

252-442-7474

Funding Resources Workshop



March 3