

Economic Development

Recommendation

Provides \$166 million to address North Carolina’s economic development needs, with an emphasis on supporting site development to attract major employers, bolstering technical support for job seekers and small businesses, and providing relief to communities in need.

Table 1: Allocation of Funds for Economic Development

	Recurring	Nonrecurring
Site Development	\$500,000	\$131,000,000
Small Business Support	\$3,000,000	\$28,490,000
QVC Fire Relief and Resiliency		\$2,750,000
Grand Total	\$3,500,000	\$162,240,000

Statement of Need

To remain economically competitive, North Carolina needs tailored investments that meet the needs of both large and small employers as well as communities recovering from crisis. These needs include:

- Businesses looking to expand often seek out prepared sites for an expedited process to opening new facilities. Communities need competitive, high-potential properties with desired infrastructure to attract these companies.¹
- Data show that between January and April 2020, small business sales in North Carolina dropped at least 20%. In addition, 70% of the state’s small businesses were concerned about long term financial hardships. Nationwide, small businesses remain 63% below pre-pandemic levels as of November 2021.^{2,3}
- A 2021 survey found that 66% of women and minority businesses that had to shut their doors in 2020 may not re-open.⁴
- The QVC fire in Edgecombe County killed one person and left over 2,000 individuals unemployed in the surrounding community.

Recommendation Detail

Site Development

Invests \$131.5 million nonrecurring to cultivate sites and provide related infrastructure to attract businesses to North Carolina. These funds will be used as follows:

- **Site Identification, Evaluation, and Review:** Provides \$1 million nonrecurring to engage a national site selection and/or an engineering firm through a competitive bid process to evaluate sites and identify up to ten major sites and megasites that will be the most competitive in advanced manufacturing site selection searches. This funding also provides the Department of

¹ Area Development. [“How Certified Sites Can Expedite the Site Selection Process for Expanding Companies.”](#)

² Carolina Across 100. [“The State of North Carolina’s Small Business During COVID-19 Pandemic.”](#)

³ Federal Reserve Banks. [“2022 Small Business Credit Survey.”](#)

⁴ VOA News. [“Black-Owned Businesses Aim for Post-Pandemic Rebound.”](#)

Environmental Quality an additional \$500,000 recurring for surge support to manage in a timely way its environment reviews and address any needs for site development.

- **Site Acquisition:** Provides \$50 million nonrecurring for grants to local governments or a partnership of local governments for the acquisition of a newly identified or existing major site or megasite for up to 85% of the property's purchase price.
- **Public Infrastructure to Sites and On-site Preparation:** Provides \$50 million nonrecurring for grants to local governments or a partnership of local governments with publicly owned sites to construct or improve public infrastructure to those sites. Funds may also be used for on-site preparation including clearing, grading, or other related expenses necessary to meet the needs of prospective major employers.
- **Sites in Distressed Communities:** Funds \$10 million nonrecurring for grants to local governments or a partnership of local governments to complete the certification process for or make improvements to public infrastructure to sites in distressed communities.
- **Infrastructure Investments on Radio Island:** Establishes a \$20 million nonrecurring General Fund reserve for infrastructure on Radio Island. The North Carolina State Ports Authority and the Departments of Commerce and Transportation will administer investments that best attract business tenants to the island.

Small Business Support

Provides \$3 million recurring and \$28.5 million nonrecurring to the Department of Commerce (DOC) to enhance statewide support for small businesses that continue to recover from the COVID-19 pandemic. All the recurring funds and \$20.5 million of nonrecurring funds will be transferred to entities that provide targeted small business assistance statewide.

- **Small Business Support and HUB Incubation:** Provides \$5 million nonrecurring to both the National Institute of Minority Economic Development (The Institute) and the Carolina Small Business Fund (CSBF) to ensure support for minority and women-owned small businesses. In addition, funds are provided to invest an additional \$2 million nonrecurring in the Institute to establish the Center for Entrepreneurship and \$1 million recurring in the CSBF to meet the all-time-high demand for financial and technical assistance.
- **Talent Retention in Key Industries:** Provides \$2 million recurring and \$8.5 million nonrecurring to the state's business assistance organizations, including the Small Business Technology Development Center, the NC Community Colleges' Small Business Center, the Economic Development Partnership of North Carolina, and NC State's Industry Expansion Solutions to increase the competitiveness of small and mid-size businesses and ensure they attract and retain highly skilled talent.
- **One North Carolina Small Business Program:** Provides \$6 million nonrecurring to DOC for early-stage technology development grants for small businesses, expanding the program to increase the number of the state's small businesses which can access funds.
- **Mentorship and Funding for Energy Related Startups:** Invests \$2 million nonrecurring for a DOC program to facilitate the development and deployment of clean energy, energy efficiency, and related technologies and products across the state.

QVC Fire Relief and Resiliency

Provides \$2.75 million nonrecurring to cover costs associated with the QVC fire as well as to provide support services and equipment to the communities directly impacted by the incident.

- **Edgecombe County Loss Coverage:** Provides \$1 million to reimburse Edgecombe County for emergency service response costs associated with the QVC fire and post-fire clean up as well as for the expected loss of FY 2021-22 tax revenue due to the detriment of the QVC property.
- **QVC Employee Support:** Provides \$250,000 to support former QVC employees affected by the fire by matching the United Way Tar River Region's (UWTRR) Edgecombe/Rocky Mount Employee Assistance Fund. UWTRR works with local nonprofit agencies and programs to ensure that donations and other aid are used to provide food assistance, financial stability for housing, utilities, and other individual and family supports to meet the priority needs of QVC employees, regardless of their county of residence.⁵
- **Enhanced Resiliency:** Provides \$1.5 million to Edgecombe County for fire fighting vehicles and equipment to enhance emergency responsiveness.

Expected Impact

By enhancing site readiness and providing needed small business assistance, these investments will boost both North Carolina's commercial competitiveness and its environment for existing businesses.

Expected impacts include:

- Identification of the most competitive, large-scale industrial sites statewide.
- Improvements at major sites and megasites that will increase their competitive profile to prospective tenants.
- Certification of ten industrial sites in distressed communities, making them more attractive to expanding businesses.
- More than 1,000 hours of counseling and assistance per year to new and existing small businesses statewide.
- Support and enhanced resiliency to the community directly affected by the QVC fire.

⁵ [United Way Tar River Region's \(UWTRR\) Edgecombe/Rocky Mount Employee Assistance Fund.](#)