



To: Members of the North Carolina House of Representatives
Members of the North Carolina Senate

From: Michael Smith, NCEDA President

Date: January 15, 2015

Subject: NC Economic Developers Association 2015 Legislative Priorities -
Keeping North Carolina Competitive

On behalf of the Board of Directors, and the members of the North Carolina Economic Developers Association (NCEDA), I want to thank you for your leadership and continued support of economic development in North Carolina.

It is the goal of NCEDA to ensure that our state's economic development efforts continue to encourage economic prosperity and job creation for all North Carolinians. We feel strongly that the investment North Carolina has made in economic development has generated excellent returns to our state. We are grateful for your continued support.

In today's global community, business retention and recruitment requires an emphasis on competitive corporate tax rates, workforce training and the option of economic development incentives to attract new businesses and to retain and grow current industries.

To help keep North Carolina competitive, NCEDA will work with our partners to advocate for policies, initiatives and programs that promote job creation, encourage investment and result in economic prosperity that reaches all corners of our state.

I have included NCEDA's 2015 Legislative Priorities to keep North Carolina competitive.

Our NCEDA members are on the frontline of job creation and work every day to grow North Carolina's economy across communities large and small.

Working together, we can keep our businesses competitive and encourage more new investment. Your continued support for economic development and creating jobs for our citizens is greatly appreciated.

2015 NCEDA Legislative Priorities

1. Maintain the Job Development Investment Grant (JDIG) Program

- Recapitalize it so that the state has adequate capacity to be competitive
- Expand it so it can be used on smaller, yet high impact projects, especially in economically distressed counties
- Reauthorize the program until at least 2020

2. Establish a Business Facilities/Site Readiness Program

- This would create a loan fund that will assist local economic development organizations and communities with the development of industrial sites and buildings
- Pass enabling legislation
- Obtain initial annual appropriation

3. Create a closing fund for economic development projects

- This will assist the state in winning economic development projects that will generate high economic impact for the state

4. Prepare NC to viably compete for an automotive assembly plant

- Industry projections indicate that automotive companies will place several new facilities in North America over the next few years. NC is the only southern state without an automotive assembly plant
- Invest in funding for mega site development that will meet automotive plant parameters

5. Establish a single weighted sales tax apportionment formula

- This is a business cost competitiveness factor in business recruitment

6. Strengthen rural economic development support

- Enhance funding level for NC Commerce Rural Division programs
- Preserve the Utility Fund component for its intended purpose of supporting rural economic development infrastructure, and discontinue diversions without clear job, wage, and investment commitments

7. Modify the economic development tier system to be more effective

- Consider aligning tier designations with the U.S. Housing & Urban Development entitlement designations
- Ensure that tier status does not disadvantage any county who is competing solely with an out of state location
- Establish clearer definition of rural areas

8. Support Tax Credits

- NCEDA support tax credits that make sense and are incentive tools to help generate economic impact, investment, and jobs