

NORTH CAROLINA ECONOMIC DEVELOPMENT BOARD



Minutes Raleigh, North Carolina October 30, 2002

The Economic Development Board met in Room 544 of the Legislative Office Building on October 30, 2002. Chairman Gordon Myers called the meeting to order at 9:10 a.m.

Chairman Myers welcomed the Board and its newest member, Dale Carroll. Mr. Carroll, who is President of the Economic Developers' Association, was appointed to serve in an ex officio capacity. He was sworn in by NC Court of Appeals Judge Robert C. Hunter.

Chairman Myers called for a motion to approve the minutes of the June 27 meeting. A motion was made and seconded to approve the minutes as submitted. The motion carried.

Robert Stolz thanked the Board for their hard work in pulling together the Strategic Plan for North Carolina. He said that the current document reflects the seven goals with objectives and action steps as discussed over the last several months, but there have been administrative changes to the plan as follows:

- 1) Order of the goals were changed and organized around the four cornerstones of economic development.
- 2) Several committees made changes since the June 2002 meeting.

Mr. Stolz said that going forward, no hard copies of the Strategic Plan would be printed and distributed. He said it would be made available on the Commerce Economic Development Board Website and when updated, changes would be made accordingly, again on the Website.

He said that the Committees and their chairs are responsible for making this document work. He encouraged Committee chairs to review their portion of the document at every meeting to follow up on the deadlines that are listed, to make changes if there are changes, and to ask very tough questions of the staff in the Department of Commerce and of other administrative personnel.

As there were no questions regarding the Strategic Plan, Chairman Myers called for a vote of approval. A motion was made and seconded that the Board approve the Strategic Plan as presented. The motion carried without opposition.

In an effort to take the Strategic Plan to the people of the state, Mr. Stolz proposed that the Board meet in locations about the state other than in Raleigh for at least two of the quarterly meetings in 2003. He suggested that a dinner or reception be held prior to each meeting to enable the community leaders to interact with the Board and to discuss the Strategic Plan and how it does or does not speak to the needs of their specific community. The meeting dates for 2003 are: February 13, May 21, August 21 and November 13.

Secretary Fain discussed the incentives legislation, HB 1734, **NC ECONOMIC STIMULUS AND JOB CREATION ACT**, which was a product of the Board's Recruitment and Retention Committee and was passed during the Legislative Session ending in October 2002. He said that, immediately following the passage of this important legislation, people approached the Department of Commerce about projects of significance that have great potential for North Carolina and there have been rather substantial and favorable comments in the trade press in the economic development realm. He said that this legislation would have a great impact on economic development in the State of North Carolina.

The Secretary thanked Representative Bill Owens for sponsoring HB 1734 and for his full support in shepherding this legislation to its final approval in the General Assembly. He also thanked Don Hobart for helping to draft this legislation and for his tireless efforts in educating the Legislators about HB 1734.

Mr. Hobart then discussed HB 1734 in more detail, outlining its main points and how it will be useful as an additional economic development tool. Highlights of the version of the bill that was approved are as follows:

- Job Development Grant Program
- Five-man committee to include Secretary of Commerce, Secretary of Revenue, the State Budget Director and one appointee from the House and one from the Senate.
- Program is in place for two years
- Committee can make 15 grants for projects per year
- \$10 million cap on Program
- A directive to begin work on a bio manufacturing training center and cancer hospital at UNC
- Technical changes to enable small businesses better able to take advantage of the Industrial Revenue Bond Program
- \$500,000 was set aside in a Film Incentives Fund for grants for productions in North Carolina
- When grants are awarded in Tiers 4 and 5 Counties, 25 percent is placed in a Utility Account in the Industrial Development Fund for infrastructure for economic development in rural counties (Tiers 1,2, and 3).

Mr. Hobart said that other legislation passed was as follows:

- Changes to the William S. Lee Act
 1. Graduated rate for the machinery and equipment credit
 2. Higher thresholds in urban counties
 3. Eliminate wage standard in Tiers 1 and 2
- Adjustments to the worker training tax credits
- Adjustments to the wage standard
- Qualified business venture tax credit was extended for another year
- Extended the State Port tax credit.
- Changes were made to the state's air courier incentives bill

For the up-coming long session, Mr. Hobart said that items to consider are:

- Development Zones
- Research and Development
- Central Office and local government issues.

Dr. Noah Pickus, Director of the Institute for Emerging Issues at North Carolina State University, shared his observations about the state as a whole and offered suggestions on how to market the Strategic Plan effectively.

Ray Denny, Susan Fleetwood and Jim Nichols with the Commerce Business/Industry Division, and Stewart Dickinson with the Commerce Finance Center, provided information and actual case studies on the industry recruitment process, and Dene Dawson with the Commerce Marketing Division, explained the marketing strategy for Commerce.

The Board adjourned at 12:30 p.m.