

2009 – 2012 Economic Development Board Strategic Plan

Goal 1.0 Create a Globally-Competitive Business and Economic Development System			
Objective 1.1 <u>Business Competitiveness:</u> Establish an environment to enhance opportunities for measurable success and global competitiveness of established industries, entrepreneurs, small businesses, and relocated companies across the state in key emerging and existing industries to make North Carolina a premier business location.			
Actions		Status	Notes
1.1.	1 Develop a program to provide a purchasing matching program for NC companies	Accomplished	NC companies have more opportunities to receive state contracts
	2 Develop a legislative proposal to provide a purchasing preference for NC small businesses	In Progress	Under Examination by Department of Administration
	3 Advocate for an alteration in the rules for businesses with minor environmental infractions that are eligible for tax credits in the 2010 Short Session.	Accomplished	Part of 2010 EDB legislative agenda. Statutory language was altered to better address major polluters & companies putting their employees & community at risk. [S.L. 2010-147 & S.L. 2010-186]
	4 Improve the communication and services to NC's businesses through improved coordination and access	Outstanding	
	5 Develop a plan for NC's economic development and international trade approach in Asia	In Progress	Plan being drafted by Commerce's International Trade Division with input from China Council

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Objective 1.2 Taxes and Incentives: Establish and support a globally competitive tax policy and incentives portfolio that is fair and balanced and enhances North Carolina’s economic development competitive advantages.			
Actions		Status	Notes
1.2.	1 Develop a proposal to modify the film incentive in order to recruit more productions to NC	Accomplished	Film credit was modified as part of Commerce’s 2010 legislative agenda. Credit was modified to make NC more competitive for film & TV productions [S.L. 2010-147]
	2 Develop an incentive proposal to help get unemployed workers back to work for the 2010 Short Session.	Accomplished	Proposal was developed and included in the Governor’s budget. Small businesses allowed temporary 25% credit [S.L. 2010-31 Sec. 31.1.A]
	3 Advocate for a one-year extension of the Article 3J tax credit in the 2010 Short Session.	Accomplished	Part of 2010 EDB legislative agenda. Credit was extended to 2013 [S.L. 2010-147]
	4 Advocate for a \$10 million appropriation for the One NC Fund for the 2010 Short Session.	Accomplished	Part of 2010 EDB legislative agenda. \$12.5M was appropriated to enhance the ability of NC to support business expansion, recruitment, & job creation
	5 Develop an incentive program to recruit and retain digital interactive media companies	Accomplished	Credit was created support the expansion & relocation of digital interactive media companies to NC [S.L. 2010-147]
	6 Review NC’s incentive structure portfolio to determine if these policies are competitive regionally, nationally, and globally and make recommendations for any needed changes. <i>[To be completed in coordination with 1.2.7 and 3.6.1]</i>	In Progress	Component of Taxes & Tools Committee’s charge
	7 Develop recommendations to establish a tax structure that improves NC’s competitiveness, lessens revenue volatility, balances individual, sales, and corporate taxes, reflect changes in the economic environment, and broadens the tax base and lowers rates to make NC more competitive with other tax structures regionally, nationally, and globally.	Outstanding	

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Objective 1.3 Targeted and Emerging Industries: Identify, promote, and support key existing and emerging industry clusters to maximize North Carolina's globally competitive position.				
Actions		Status	Notes	
1.3.	1	Identify current and emerging industry clusters to focus all facets of economic development to promote and support cluster development and growth and strengthen the supply chain in target industries. <i>[To be completed in coordination with 1.4.1 and 1.5.1]</i>	Accomplished	Targeting Task Force identified emerging & current industry clusters in NC & identified potential priority sectors
	2	Develop a buyer-supplier database that identifies NC companies and the products they make to help match them with other NC companies	In Progress	
Objective 1.4 Economic Development System and Structure: Assess and capitalize on economic development infrastructure to foster better teamwork and ensure city, county, regional, state, and private sector organizations are properly aligned and coordinated to create a seamless delivery process.				
Actions		Status	Notes	
1.4.	1	Capitalize on the existing economic development infrastructure and coordinate activities, planning and marketing strategies for better team work and a seamless delivery process between the state, region, local agencies and private sector. <i>[To be completed in coordination with 1.3.1 and 1.5.1]</i>	In Progress	Component of EDB Outreach strategy
	2	Advocate for \$5.2 million in recurring funding for the NC Regional Partnerships and \$300,000 for travel for the NC Department of Commerce's Business and Industry Division in the 2010 Short Session.	Accomplished	Part of EDB 2010 legislative agenda. Partnerships appropriated \$5M (\$2.5M recurring) to support regional ED; \$875K for Commerce business recruiting & product marketing
Objective 1.5 Marketing and Branding: Elevate North Carolina's global competitiveness and economic development position in the marketplace through the implementation of a coordinated marketing plan resulting in easy access to the economic development network.				
Actions		Status	Notes	
1.5	1	Study NC's plan for marketing and branding and recommend short and long term funding required for NC to be competitive with other states.	Accomplished	Part of EDB 2010 legislative agenda. \$1M appropriated to market NC as a tourist destination. Component of plan of work for Targeting Task Force
	2	Advocate for a \$500,000 appropriation for the Department of Commerce's Marketing Program in the 2010 Short Session.	Accomplished	Part of EDB 2010 legislative agenda. \$1M appropriated to market NC as a tourist destination; \$875K for business recruiting and product marketing

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Goal 2.0		Develop and promote North Carolina as a global leader in innovation and technology with a highly educated and qualified workforce	
Objective 2.1		<u>Workforce Development:</u> Align workforce development and economic development resources and activities. Integrate planning and resource allocation among key education, workforce development, and economic development organizations aimed at making North Carolina’s workforce globally competitive.	
Actions		Status	Notes
2.1.	1	Establish a Workforce Innovation Fund to provide grants for current and emerging innovative industry cluster, demand-driven workforce development. Capitalize the fund with multiple sources of funding.	Outstanding
	2	Establish a lead to promote seamless and efficient employment, education, and training opportunities to North Carolina citizens and employers. (This would include collaboration between boards and commissions responsible for planning, policy development and oversight of workforce development and economic development activities.)	Outstanding Component of ESC and Commerce Merger Committee
	3	Encourage the Department of Commerce to work with the Governor’s Office to bring together all of the appropriate agencies that provide labor market and economic data sources to ensure that needs of citizens, employers and agencies are being met.	In Progress Component of ESC and Commerce Merger Committee
Objective 2.2		<u>R&D and Innovation:</u> Increase the level of R&D and innovation, particularly by small businesses.	
Actions		Status	Notes
2.2.	1	Advocate for a \$5 million appropriation for the NC Green Business Fund in the 2010 Short Session.	Accomplished Included in the EDB’s recommendations but not included in final budget. ARRA funds used instead of state funds for the Green Business Fund
	2	Encourage the UNC system to expedite development of an electronic 'look-in' portal to enable companies and economic developers to review technology and determine faculty expertise for research and technology development.	Accomplished Reach NC is under development. The EDB adopted a resolution in support of this technology.
	3	Study the effectiveness of the NC R&D tax credit and develop recommendations for changing the credit if necessary.	Accomplished Innovation Council studied the R&D credit as part of its work and recommended a range of possible modifications to the credit. Some recommendations were part of legislation in 2011 Long Session (ex. HB 919)

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Objective 2.3 <u>Capital:</u> Increase early-stage capital for innovation, particularly by small businesses.			
Actions		Status	Notes
2.3.	1 Advocate for (1) the sunset extension of the Qualified Business Venture tax credit; (2) the expansion of the credit for institutional investors, and (3) the extension or removal of the cap in the 2010 Short Session	Accomplished	Credit was extended in 2010 session to 2013 [S.L. 2010-31 Sec. 31.5]. Innovation Council reviewed QBV and made recommendations for further improvements in the 2011 Long Session. (HB 919)
	2 Advocate for the creation of a Founder’s Tax credit in the 2010 Short Session.	Accomplished	Innovation Council recommended establishing a new tax exclusion for capital gains on stock acquired by founders and investors in qualifying NC start-up companies. (HB 919)
	3 Advocate for a \$5 million appropriation for the One NC Small Business Fund in the 2010 Short Session.	Accomplished	Part of the EDB 2010 legislative agenda. \$1.5M to match federal grants to innovative/ competitive companies
	4 Advocate for the creation of Life Sciences Development Corporation to assist life sciences companies in financing new manufacturing facilities, laboratories and other facilities in the 2010 Short Session.	Outstanding	
	5 Encourage study of creation of a seed investment fund to enable early stage development of university technology into commercially viable products.	In Progress	Innovation Council is reviewing the creation of a seed investment fund
Objective 2.4 <u>Leadership:</u> Leverage North Carolina’s economic potential related to the green economy and position the State as a leader in green and other key industries where the State has a clear competitive advantage.			
Actions		Status	Notes
2.4.	1 Work with the Department of Commerce to increase markets for the export of green economy products and services based and manufactured in NC.	Outstanding	
	2 Encourage the Department of Commerce, NGO, and universities to conduct supply chain research for key green economy industries that have been determined to have development potential and to identify existing industry that can be broadened to supply components to this supply chain.	In Progress	Commerce and its Energy Division has worked with several local universities on studies covering Smart Grid, Off-Shore Wind, and Renewables.
	3 Encourage focused support efforts to assist small start-up businesses within NC’s six targeted ‘green’ energy sectors in capital formation, financial reporting, access to University R&D, workforce development. <i>[in coordination with 3.3.1]</i>	In Progress	The Green Business Funding funds small firms and start-ups; the Small Business and Technology Development has resources for small firms as well as the Rural Center and Golden LEAF

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Goal 3.0 Improve the prosperity of disadvantaged populations and communities across North Carolina			
Objective 3.1 <u>Infrastructure Funding:</u> Support additional funding and identify flexible financing alternatives for broadband, water/sewer, and public transportation infrastructure in low resource communities			
Actions		Status/	Notes
3.1.	1 Identify funding sources for infrastructure development in low resource communities. Project team will also focus on identifying strategies to incent regional infrastructure development.	In Progress	EDB's Infrastructure and Regional Development Committee identified potential funding mechanisms.
	2 Advocate for e-NC sunset extension or removal	Accomplished	Legislation introduced in 2011-2012 Session [HB 91 / SB 91]
Objective 3.2 <u>Business & Community Development Capacity & Collaboration:</u> Improve the efficiency and effectiveness of business and community development service delivery in North Carolina through: 1) the promotion of knowledge-sharing and leadership capacity building at the local level; and 2) programmatic and statutory incentives designed to encourage regional collaboration and resource sharing.			
Actions		Status/	Notes
3.2.	1 Identify legislative or programmatic actions that can be taken to encourage regional and local cooperation, particularly around developing multi-jurisdictional industrial parks and infrastructure projects	Accomplished	Eco-Industrial Park legislation was passed in 2010 session [S.L. 2010-147]; Ongoing mega-site taskforce
	2 Evaluate the Regional Economic Development hub studies completed by NCSU and UNC-CH and develop recommendations that should be implemented in NC	Accomplished	Reviewed, evaluated and decided not to pursue at this time
	3 Advocate for continued funding for NC Commerce community development programs	Accomplished	\$1.5M was appropriated for the Main Street Solutions program. Funding was provided to support small business development and job creation in small, rural downtowns
	4 Identify strategies to enhance leadership development and civic engagement in disadvantaged communities and identify any service gaps	Outstanding	
Objective 3.3 <u>Small Business Access to Capital & Technical Assistance:</u> Encourage the growth and development of small businesses by creating greater opportunities to access capital and technical assistance.			
Actions		Status/	Notes
3.3.	1 Commission a work group to analyze the feasibility and desirability of B-Corps and L3Cs as new corporate forms in North Carolina. If approved, develop implementation recommendations and draft legislation for the 2011 legislative session. <i>[To be completed in coordination with 2.4.3]</i>	Accomplished	A part of the 2010 legislative agenda

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Objective 3.4			
<u>Residential, Commercial & Industrial Development:</u> Improve the physical environment in disadvantaged communities by promoting: redevelopment of underused and vacant buildings; redevelopment of brownfield sites; new site development; and quality affordable housing.			
Actions		Status	Notes
3.4.	1	Evaluate the effectiveness of existing physical environment tax credits (e.g. historic preservation, brownfields, affordable housing) and develop recommendations if applicable.	Outstanding
	2	Advocate for recurring funding for the Department of Commerce’s and the NC Rural Center’s building reuse programs.	Accomplished \$3.1M appropriated to Rural Center. Strengthened the capacity of rural communities to compete for & attract new and expanding businesses
Objective 3.5			
<u>Grow, Retain & Attract Skilled Workers:</u> Improve the ability of disadvantaged communities to retain and attract young, educated and skilled residents, and provide retraining for the existing workforce.			
Actions		Status	Notes
3.5.	1	Identify strategies to improve access to and the understanding of the state’s various existing workforce development programs by disadvantaged communities.	Outstanding
	2	Advocate for recurring funding for the NC Arts Council grant programs.	Accomplished A part of the 2010 legislative agenda
Objective 3.6			
<u>Business Incentives:</u> Establish and support community and economic development tools specifically designed to incent job creation and capital investment in disadvantaged communities through: new business startups; the expansion of existing companies; and the relocation of companies.			
Actions		Status	Notes
3.6.	1	Identify economic development tools that will incent job creation and capital investment in disadvantaged communities. Project team will also review the definition of “distressed” in North Carolina. <i>[To be completed in coordination with 1.2.6 and 1.2.7]</i>	In Progress Component of Taxes & Tools Committee
	2	Advocate for recurring funding for the NC Community College System’s customized training program.	Accomplished NCCCS got their funding at a recurring level with the EDB’s support