



Fifth Edition 2024

Economic Development Handbook

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Printed in the United States of America

28 27 26 25 24 1 2 3 4 5

ISBN 978-1-64238-100-9

Contents

Preface . . . v

Acknowledgments . . . vii

Introduction to Economic Development . . . ix

Why North Carolina Is Involved . . . 1

History . . . 1

The Need for Economic Development Programs . . . 4

Helping Companies and Communities Compete . . . 6

Participants . . . 9

Local Developers . . . 9

Regional Developers . . . 11

State Developers . . . 13

Economic Development Allies . . . 14

The Role of Elected Officials . . . 15

The Process . . . 19

Strategic Visioning and Planning . . . 19

Strategies . . . 23

Retaining and Expanding Existing Businesses . . . 24

Attracting New Businesses . . . 25

Promoting Entrepreneurship . . . 26

Talent Attraction, Retention, and Development . . . 27

Improving Local Business Linkages . . . 27

Capturing New Dollars . . . 28

Tools . . . 29

Marketing and Business Attraction Tools . . . 29

Business Retention and Expansion Tools . . . 31

Entrepreneurship Tools . . . 31

Product Development Tools . . . 32

How a Business Location Project Happens . . . 35

A Typical Project . . . 35

Financial Incentives ... 39

Current Financial Assistance Programs ... 41

- State Programs ... 41
 - Building Reuse Programs ... 43*
 - Building Demolition Programs ... 43*
 - Public Infrastructure ... 43*
 - Workforce Development ... 44*
 - Transportation ... 45*
 - Other Programs ... 45*
- Regional Programs ... 46
- Local Programs ... 46
 - Local Incentive Examples ... 47*
 - Industrial Revenue Bonds (IRBs) ... 47*
 - Project Development Financing ... 48*

The Future of Economic Development in North Carolina ... 51

Notes ... 53

Resources ... 55

Tables

- Table 1A. North Carolina Employment by Manufacturing Industry Sector, 2012–2022 ... 3
- Table 1B. North Carolina Employment by Major Industry Sector, 2012–2022 ... 4
- Table 2. Top Site-Selection Factors for Corporate Facilities, 2023 ... 40

Figures

- Figure 1. Real Median Annual Wages in North Carolina, 1993–2021 ... 6
- Figure 2. Percentage Growth in Real Annual Wages for North Carolina Workers, by Earnings Percentile, 2014–2021 ... 7
- Figure 3. Share of Total Wages Earned in North Carolina in 2021, by Earnings Level ... 7
- Figure 4. Prosperity Zones Map ... 12
- Figure 5. The Site-Selection Process ... 36

Preface

As the fifth edition of this handbook is being written, North Carolina continues to press toward a full and robust economic recovery after experiencing a short-term pause in economic activity due to the COVID-19 pandemic. With the pandemic lockdowns clearly in the rearview mirror, North Carolina faces the uncertainty that stems from the escalation of geopolitical conflicts across the globe, inflationary pressures, a tight labor market, and an upcoming major election cycle. But even in this volatile environment, the state continues to be a top destination for businesses and residents alike. This is due to the state's committed leadership and support for economic development and its many assets, including a skilled and talented workforce; an extensive network of universities and community colleges; a high quality of life; attractive natural, cultural, and recreational amenities; geographic location; and a mild climate. These assets make North Carolina well positioned for continued prosperity.

North Carolina's current marketing slogan—"All in NC"—seeks to differentiate the state and draw attention to its many distinctive assets. This latest branding effort is consistent with previous campaigns such as "Nothing Compares" and others that billed North Carolina as the "State of Minds" and "A Better Place to Be." The point is that North Carolina has a great deal in its favor. At the same time, the state has the opportunity to aim even higher in its aspirations, as embodied in the current economic development strategy of making North Carolina "First in Talent."

The work of economic development endures, and the ultimate mission remains clear: to preserve and enhance the standard of living for North Carolina's residents amid a rapidly changing economy in which the state must compete globally for domestic and foreign investment.

The work of keeping North Carolina competitive is implemented through a network of organizations and professionals who employ various policies, programs, and tools in a process that is not always well understood. The North Carolina Economic Development Association (NCEDA) partnered with the UNC School of Government to prepare this publication as a basic introduction to economic development. It is offered as an educational resource for legislators, policymakers, community leaders, and interested citizens across the state who desire to keep North Carolina competitive in its quest for new jobs and investment.

Joanna Helms, President, NCEDA
Jonathan Q. Morgan, Ph.D.
Crystal Morphis, CEcD
March 2024

Acknowledgments

In 2001, several NCEDA members volunteered their time to create the original version of the *Economic Development Handbook* to educate North Carolinians about the constantly changing profession of economic development. Robin Hiott Spinks chaired the committee that developed the first edition; committee members included Ray Burrows, Doug Byrd, Brenda Daniels, Jim Fain, Oppie Jordan, Bob Leak Jr., Dianne Reid, Steve Yost, and Lawrence Bivins. In 2003, Leslie Scott led the effort to revise the first edition. Committee members who worked on the second edition of this handbook include Ronnie Goswick, Scott Millar, John Peterson, and Mac Williams.

The third edition of the handbook in 2009 was made possible through a partnership between NCEDA and the UNC School of Government under the direction of Professor Jonathan Morgan. That edition updated and augmented much of the original content with information on new approaches, policies, programs, examples, and emerging trends within the field. NCEDA members who offered suggestions for revisions and reviewed drafts for the third edition included Len Kulik, Michael Smith, Joanna Helms, and Scott Hamilton. George Sherrill helped update the information on state financial programs.

Professor Morgan led the effort to update and revise previous content to produce the fourth edition of the handbook in 2016. The following NCEDA members helped identify sections that needed updating and reviewed drafts of the fourth edition: Brenda Daniels, Loren Hill, Randall Johnson, Gary Lanier, Maureen Little, Crystal Morphis, Michael Smith, and Steve Yost.

For this 2024 fifth edition, Professor Morgan and Crystal Morphis collaborated to substantially update the content and contribute new material. Thanks to NCEDA members Dr. Patricia Mitchell, Steve Yost, and Ashley Cagle who reviewed drafts and offered feedback.

Introduction to Economic Development

Economic development is both a process and a set of desired outcomes. The process is multifaceted and dynamic and results in new private investment, job creation, increased wealth, and a higher standard of living for residents. What drives economic development is private sector business activity; that is, businesses of all sizes starting up, relocating, or expanding in an area. They may be involved in manufacturing, distribution, agriculture, transportation, research and development (R&D), technology, business services, or other sectors of the economy. The investment these businesses make in a community gives rise to a range of related commercial activities and services. Residential growth can also occur, bringing a wide variety of retail, consumer services, recreational, tourism, and other commercial enterprises.

The ripple effect of new jobs and investment can be significant. The analytical model used by the North Carolina Department of Commerce to gauge economic impact shows, for example, that every 100 new jobs in semiconductor manufacturing generate an additional 134 jobs as a result of indirect and induced economic activity. The model estimates that every \$5 million in manufacturing facility construction investment spurs another \$2.6 million in statewide spending. New jobs and investment, in turn, generate income, sales, and property tax revenues for local and state governments to spend on crucial public services and amenities that help attract more firms and residents and enhance quality of life.

Economic development is conducted by a network of professionals using an array of tools designed to encourage private investment and job

creation which, in turn, help grow local, regional, and state economies. It can be defined as the specific activities, programs, and tools aimed at

- stimulating private investment to expand a tax base;
- increasing employment opportunities, wages, and personal incomes; and
- increasing wealth in a community.

Economic development can help expand and balance a tax base so that a jurisdiction will have the resources it needs to provide high-quality public services at a reasonable cost to its residents. Balancing the tax base among the various land uses—agricultural, residential, commercial, and industrial—is especially important for the many “bedroom” communities that exist in North Carolina. These communities rely on local tax bases comprised mostly of residential property. However, residential development does not typically generate sufficient tax revenues to pay for the public services it requires. By contrast, commercial and industrial development projects not only pay for themselves but produce net tax revenues *in excess of the costs* for needed public services.

Economic development efforts can produce other desirable outcomes. One example of this is the broadening of a community’s leadership base as new companies recruit talent and entrepreneurs who can participate in various local organizations and programs. Another example is that new companies can provide a community with support in the form of philanthropy and corporate citizenship.

Why North Carolina Is Involved

History

North Carolina has undergone considerable economic change since the arrival of its early settlers, when the state prospered in trading, fishing, and farming. After the industrial revolution, as new railroads and highways began crisscrossing the state, North Carolina's economy shifted toward other types of economic activity. The Piedmont Triad region built an economy on manufacturing; the Research Triangle region emerged as a center for government and higher education; and Charlotte established itself as a financial services and distribution hub.

During the late 1950s, a milestone in North Carolina economic development occurred, as Governor Luther Hodges and a handful of government, university, and business leaders began to plan a project that would eventually transform the state's economy.¹ The idea was to attract companies to locate to assembled parcels of land located between Raleigh and Durham. By the late 1960s, the resulting Research Triangle Park (RTP) had landed major anchor tenants that would lay the foundation for it to become a global model of a successful technology park affiliated with major research universities that drives collaborative innovation-based development.² At the same time North Carolina experienced a rapid expansion in its traditional industries—textiles and furniture—as U.S. manufacturing jobs moved south. Tobacco farming and processing were also strong industries during this period.

North Carolina has benefited from visionary leadership, and government and private sector entities have worked well together to make the state attractive to new businesses. Some of the state's major public investments have included:

- the expansion of the North Carolina Community College System;

- customized workforce training for new, expanding, and existing companies;
- creation of statewide business agencies such as the NC Biotechnology Center;
- support for the campuses of the University of North Carolina System; and
- the construction of an extensive highway network.

Because of these strategic state investments, businesses in North Carolina can get workers trained, access talent and innovation, and move their product to market.

These public investments, along with a business-friendly regulatory environment, have resulted in North Carolina being regularly ranked among the best locations (number four in 2022) in the United States for industry by *Site Selection*, a leading economic development trade publication.^{2,3} CNBC scored North Carolina as the top state for business in 2023 with the state ranking number two for “access to capital,” number twelve for “workforce,” and number one for “economy.”⁴ *Business Facilities* ranked North Carolina number one in their “best business climate” category for 2022, citing the increasing number of companies locating and expanding in North Carolina and the diversity of growth sectors, incentives, workforce development, and education partnerships that the state offers.⁵

In recent decades the trend of declining employment in the state’s traditional industries has caused significant economic disruption and transition. This trend has made the work of economic developers in North Carolina more challenging but also more essential to efforts to rebuild and sustain a vibrant economy in the state. Agriculture, long a leading economic engine, is suffering from a sector-wide decline that is impacting both large and small growers. Tobacco production and cigarette manufacturing have declined substantially since the 1997 national Master Settlement Agreement. Similarly, the erosion of manufacturing jobs—particularly in the textile and apparel sectors—has adversely affected the state’s urban and rural areas alike. (See Table 1A, below.) The COVID-19 pandemic created challenges for economic growth across the country and in North Carolina. A survey of economic development organizations (EDOs) in the state showed

**Table 1A. North Carolina Employment
by Manufacturing Industry Sector, 2012–2022**

Description	2012	2022	Percent (%) Change
Durable goods manufacturing	246,012	267,767	8.8
Wood product manufacturing	17,204	20,360	18.3
Nonmetallic mineral product manufacturing	14,811	17,542	18.4
Primary metal manufacturing	7,772	7,752	-0.3
Fabricated metal product manufacturing	36,969	39,759	7.5
Machinery manufacturing	30,832	38,758	25.7
Computer and electronic product manufacturing	34,064	28,919	-15.1
Electrical equipment, appliance, and component manufacturing	21,807	22,972	5.3
Furniture and related product manufacturing	35,018	36,743	4.9
Miscellaneous manufacturing	17,966	17,918	-0.3
Nondurable goods manufacturing	214,158	227,951	6.4
Food manufacturing	52,941	58,925	11.3
Beverage and tobacco product manufacturing	10,738	14,614	36.1
Textile mills	28,956	25,084	-13.4
Textile product mills	7,171	5,770	-19.5
Apparel manufacturing	10,001	6,566	-34.3
Paper manufacturing	15,946	18,094	13.5
Printing and related support activities	12,830	13,353	4.1
Chemical manufacturing	43,102	46,611	8.1
Plastics and rubber products manufacturing	30,734	37,121	20.8
Total Manufacturing	460,170	495,718	7.7

Source: United States Bureau of Economic Analysis.

workforce issues, supply chain problems, lack of financial capital availability due to rising interest rates, small business resiliency, persistent issues from COVID-19, and macroeconomic forces and fears as challenges moving forward from the pandemic.⁶

Employment growth in the state is now primarily driven by non-manufacturing sectors of the economy such as educational services, health care, real estate, and arts/entertainment/recreation. (See Table 1B, below.) However, from 2012 to 2022, some manufacturing sectors saw job growth as shown in Table 1A. Overall, the total number of

Table 1B. North Carolina Employment by Major Industry Sector, 2012–2022

Description	2012	2022	Percent (%) Change
Farm employment	62,181	62,960	1.3
Mining, quarrying, and oil and gas extraction	8,961	6,714	-25.1
Utilities	13,041	16,459	26.2
Construction	292,805	408,393	39.5
Manufacturing	460,170	495,718	7.7
Wholesale trade	188,368	224,918	19.4
Retail trade	548,175	639,971	16.7
Transportation and warehousing	146,402	311,025	112.4
Information	83,860	104,891	25.1
Finance and insurance	240,180	370,626	54.3
Real estate, including rental and leasing	221,157	359,328	62.5
Professional, scientific, and technical services	304,570	469,144	54.0
Educational services	124,015	146,389	18.0
Health care and social assistance	527,116	613,981	16.5
Arts, entertainment, and recreation	112,271	134,387	19.7
Accommodation and food services	380,493	464,937	22.2
Other services	306,057	358,341	17.1
Government and government enterprises	861,379	833,516	-3.2
Total employment (number of jobs)	5,356,134	6,602,041	23.3

Source: United States Bureau of Economic Analysis.

manufacturing jobs increased by 7.7 percent during this period, a reversal from many years of continual decline. This uptick in employment is consistent with the fact that certain technology-intensive, advanced manufacturing sectors are emerging as vital parts of the state's economy. There are some trends to look out for in the future, including recent growth in the electric vehicle industry and clean energy technologies.⁷

The Need for Economic Development Programs

Nearly every state in the country has an economic development program designed to recruit and retain industry, and several thousand cities,

towns, and counties across the United States are vying for new business investment. With an increasing number of communities participating and making greater use of economic development strategies, North Carolina must constantly assess its competitive position and retool as needed. This requires a commitment to enhancing the programs that led to past success and a renewed effort to remain innovative in the face of new economic realities.

Historically, North Carolina's geographic location, climate, quality of life, educational institutions, highway network, lower cost of living, and positive business climate enabled the state to be competitive in economic development without necessarily providing much in the way of incentives. But as other states have become more intent on competing for jobs and investment, they have implemented aggressive programs for business attraction. A series of industrial project losses in the 1990s, including the loss of Mercedes-Benz USA to Alabama, BMW USA to South Carolina, and Motorola to Virginia, prompted North Carolina public officials to take a more assertive stance with respect to economic development incentives.

Localities throughout the United States are also developing programs to become more attractive as business destinations. These include financial incentives, public-private partnerships to develop business parks and buildings, workforce development and talent attraction initiatives, and other programs focused on the needs of business. The result is that there are many more communities seeking business locations than there are projects. The number of large industrial recruitment projects has declined over time while the use of incentives to lure them has increased. In a given year, it is estimated that, on average, some 15,000 communities vie for roughly 1,500 major industrial development projects searching for sites in the United States^{3,8} This means that North Carolina's communities face increasingly aggressive competition for every major business location project.

North Carolina also continues to support economic development as a way to raise the standard of living and quality of life for all of its residents, particularly those in economically distressed areas who are at risk of being left behind in an ever-changing global economy. This policy goal of promoting "widely shared prosperity" continues to be a priority amid growing concern about rising inequality and the deepening

Figure 1. Real Median Annual Wages in North Carolina, 1993–2021



Source: N.C. Department of Commerce, Labor & Economic Analysis Division (LEAD), analysis of data from the N.C. Common Follow-Up System (CFS).

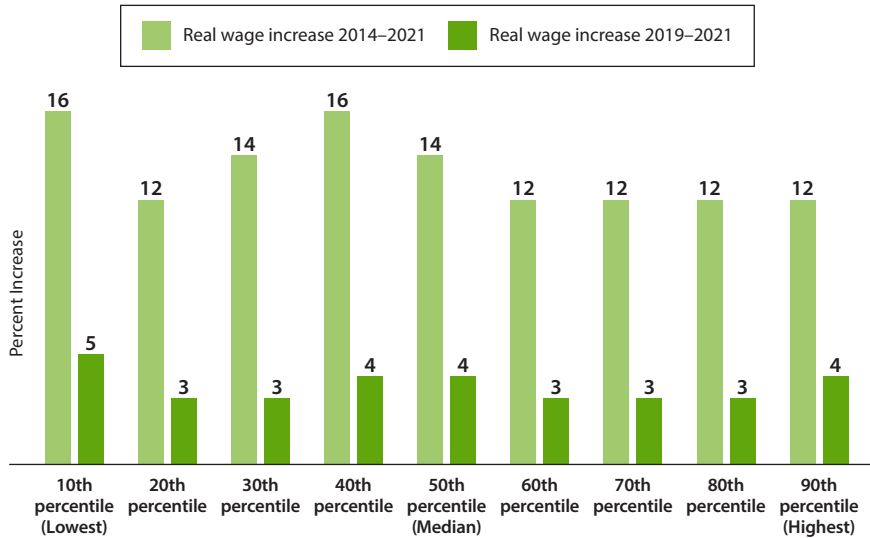
Note: Wage earnings are adjusted to 2021 price levels using the Consumer Price Index for All Urban Consumers.

economic divide between the state’s urban and rural areas.^{4,9} Recent years have demonstrated considerable wage growth across income levels due to a growing economy and tightening labor market. Real median annual earnings increased to a record high of \$32,000 in 2021 and wage growth occurred across the earnings distribution (see Figures 1 and 2).¹⁰ However, as shown in Figure 3, the gap between high and low earners remains wide and persistent. This is why more EDOs are focusing on nontraditional efforts to promote equitable development in ways that expand opportunity across the board and increase affordable housing and sustainability.

Helping Companies and Communities Compete

Companies know that they bring value to their host communities, a value that is easily measured by the new jobs, higher wages, and additional tax revenue they produce. Many companies also want to add value to their own products and services. To expand jobs in communities and increase the value of their enterprises, businesses must be profitable. A relentless focus on the bottom line is critical. American

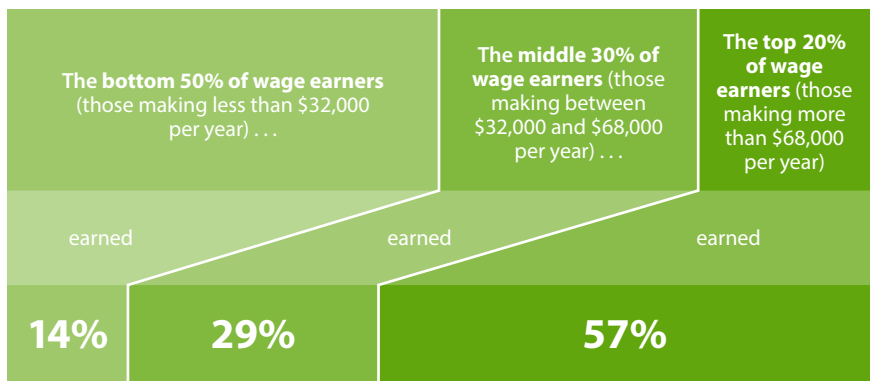
Figure 2. Percentage Growth in Real Annual Wages for North Carolina Workers, by Earnings Percentile, 2014–2021



Source: N.C. Department of Commerce, Labor & Economic Analysis Division (LEAD), analysis of data from the N.C. Common Follow-Up System (CFS).

Note: Wage earnings are adjusted to 2021 price levels using the Consumer Price Index for All Urban Consumers.

Figure 3. Share of Total Wages Earned in North Carolina in 2021, by Earnings Level



... of all wages paid in North Carolina in 2021.

Source: N.C. Department of Commerce, Labor & Economic Analysis Division (LEAD), analysis of data from the N.C. Common Follow-Up System (CFS).

companies now operate in a global economy, competing with firms across the world. In many other countries the costs of doing business are sharply lower. The result is that most American firms now must constantly seek new ways to add value and operate more efficiently to stay in business.

North Carolina can help companies add value by providing and facilitating:

- **A talented and productive workforce**—educated, skilled people who are the products of high-quality schools. Strategies that align education and training to industry needs and attract highly skilled workers.
- **Access to innovation**—ideas, knowledge, and research and development (R&D) that generate new technologies, products, and processes that help firms innovate and establish new niches and boost productivity.
- **Access to markets**—good roads, rail, airports, seaports, and high-speed Internet connections that move products and services quickly and securely to a larger number of consumers.

North Carolina can help businesses operate more productively and efficiently by ensuring that the following are available:

- Cost-effective workforce training programs
- Competitive state and local tax rates
- Streamlined, consistent, and predictable government regulations
- Expedited permitting processes that reduce the risks and costs associated with construction delays
- Adequate and affordable utility infrastructure (water, sewer, electricity, natural gas, and modern telecommunications, including broadband Internet and digital wireless networks)
- A network of transportation modes to move materials and products
- Access to inputs and raw materials
- Affordable construction costs for sites and buildings
- Financial incentives

Participants

Economic development professionals work in a diverse array of agencies and organizations across all levels of government and represent a range of functional interests. They may be employed by the following entities:

- Municipalities
- State agencies
- Counties
- Federal agencies
- Chambers of commerce
- Nonprofit organizations
- Utility organizations
- Regional organizations

They are employed by organizations of all types, including the following:

- Public
- Public-private
- Private
- Nonprofit

These organizations, along with the professional network itself, are constantly adjusting to meet new and changing demands. There is also an ongoing effort to minimize duplication and overlap among economic development organizations. What follows is a description of the various participants and the roles they play in the process of economic development.

Local Developers

Local economic developers may work for

- county or city governments;
- semi-autonomous public economic development commissions;

- public-private entities, which may be chartered as nonprofit economic development corporations; or
- chambers of commerce or other private organizations such as utilities

Each type of structural arrangement has its own advantages and disadvantages given the local business environment, the level of financial resources available to fund the program, and the overall nature of governance within the community. In some cases, multiple local jurisdictions have partnered to support joint programs. For example, the Economic Development Coalition for Asheville-Buncombe was formed thirty years ago as a public-private partnership to retain and expand businesses, support entrepreneurship, research, and marketing and recruitment. It is funded jointly by Buncombe County, the City of Asheville, and the Asheville Area Chamber of Commerce.

Over time, localities can modify how they organize and structure their economic development activities in order to clarify roles and responsibilities, improve services, streamline programs, and create cost savings. For example, in 2015 the Greensboro and High Point economic development groups—along with their respective municipal governments and Guilford County—formed a close working alliance in order to present a more cohesive presence to clients. In 2013, the City of Monroe and Union County merged their respective economic development groups to form Monroe–Union County Economic Development Commission. This decision unified economic development efforts within the county for the first time in twenty years.

Local developers take the lead in the production of promotional and informational materials, making sure that the latest data about the community are available and easy to obtain. Often in the form of web-based community profiles, this information will typically highlight existing businesses and industry and include data on the local workforce, schools, wage/income levels, demographics, industry composition, taxes, housing, and quality of life. Local developers strive to keep local business leaders informed about their programs. It is also the economic developers' responsibility to ensure that available sites and buildings are listed in local, regional, state, and private databases.

Local development professionals stay current on all relevant state laws, regulations, and local ordinances. This means keeping in touch with city council members, county commissioners, state legislators, and other elected officials whose help will be needed to support economic development projects. Local developers interface closely with allies, as described later, on issues such as product development, infrastructure, workforce readiness, and project financing.

Local developers are a primary source of information and support for existing businesses seeking to expand their operations as well as prospective businesses seeking to locate in the area. The local developer is often the main point of contact for a client in determining what types of assistance are available with respect to grants, incentives, worker training, and permitting. The local developer must have an in-depth knowledge of what programs are available, who to call for help and support, and where to access information needed to address business needs and concerns.

Local development professionals are at the center of the economic development process and facilitate new business locations, existing business expansions, and support for new business start-ups. They provide project leadership and ensure that stakeholders at all levels work as a team. Their facilitative role in business attraction is particularly important in the current environment, as the timeline for industrial projects has decreased from eighteen to twenty-four months to as little as four to six months.

Local economic developers often convene the public and private sectors to forge collaborative partnerships to address challenges and hurdles. They can facilitate the development of a shared vision for growth, lead public-private partnerships to tackle issues like workforce development, and convene groups to advocate for business-friendly policies. Convening creates a multiplier effect in promoting market assets and ensures the community operates as a team in business recruitment, retention, and development.

Regional Developers

North Carolina's regional approach is implemented through eight designated geographic regions that function as "prosperity zones" for

Figure 4. Prosperity Zones Map



economic development purposes. (See Figure 4, above.) The Economic Development Partnership of North Carolina (EDPNC) has regionally-based economic developers who focus on business retention and expansion in one of the eight zones.

Various other regional economic development groups exist to coordinate national and international marketing and related activities on behalf of the multi-county regions they serve.

- Charlotte Regional Business Alliance supports fourteen counties in the bi-state Charlotte region that includes four counties in South Carolina. (See charlotteregion.com.)
- NC East Alliance, based in Greenville, supports twenty-four surrounding counties. (See www.nceast.org.)
- North Carolina's Southeast, based in Elizabethtown, supports twenty surrounding counties. (See www.ncse.org.)
- Research Triangle Regional Partnership, based in Raleigh, supports sixteen surrounding counties. (See www.researchtriangle.org.)
- Piedmont Triad Partnership, a private leadership organization supporting high-priority transformational economic development projects, markets the Carolina Core brand, promoting central North Carolina along US 421. (See www.piedmonttriadnc.com.)

These regional economic development organizations market the unique assets of their respective regions and work closely with state and local

developers to address regional economic issues. Their programs vary and can include generating leads; managing prospect inquiries; promoting product development; providing research assistance; talent attraction, and publicizing improvements in transportation, infrastructure, and the labor force. These entities are funded through membership dues and private investors.

State Developers

North Carolina has embraced a public-private partnership model for implementing economic development at the state level. In doing so the state joins others, such as Arizona, Indiana, Michigan, Ohio, and Wisconsin, that have privatized certain economic development functions previously conducted directly by state government. In North Carolina, the Department of Commerce contracts with the Economic Development Partnership of North Carolina (EDPNC) to conduct the state's marketing, business attraction, existing industry support, international trade, tourism, and sports promotion activities.

The EDPNC leads national and global marketing and outreach efforts, and its programs and resources are designed to prompt business leaders to consider North Carolina for business locations and expansions. On large-scale projects in particular, EDPNC staff members are often the first point of contact with potential industrial clients who are considering a location in the state. They help match community assets (sites, buildings, workforce availability, skills, etc.) with client site selection criteria and provide information from communities to the client.

In addition to the Department of Commerce, other North Carolina agencies playing important roles in economic development include the following:

- Office of the Governor
- General Assembly
- North Carolina Community College System
- Department of Revenue
- Department of Transportation
- Department of Environment and Natural Resources
- University of North Carolina System

- Board of Science and Technology
- North Carolina Biotechnology Center
- Department of Public Instruction
- Department of Environmental Quality
- Department of Agriculture
- Industrial Expansion Solutions

Economic Development Allies

In addition to local, regional, and state developers, there are many private sector organizations and other institutions involved in economic development. They collaborate with and support on some level the development efforts described in this handbook. These allies include, among others, the following:

- Banks and financial institutions
- Site-selection consultants
- Electric utilities
- Community colleges
- Natural gas companies
- Colleges and universities
- Railroads
- K–12 school systems
- Councils of governments
- Real estate brokerage, development, and relocation services firms
- Environmental firms
- Staffing agencies
- Industry associations
- Construction contractors
- Chambers of commerce
- Architects and engineering firms
- Law firms
- Telecommunications companies
- Entrepreneurship councils, incubators, and accelerators
- Philanthropic foundations

The Role of Elected Officials

Elected officials at all levels of government are instrumental in the process of economic development. In North Carolina, state legislators, county commissioners, and city council members support professional economic development organizations by providing resources and keeping the state and its communities attractive destinations for business. These efforts require public investment. Elected officials who provide support understand that economic development is a strategy for creating quality jobs and investment, generating tax revenue, and improving the standard of living of North Carolina residents.

Below are examples of some of the roles and responsibilities of elected officials in economic development.

1. Understand the local economic development ecosystem. According to the National League of Cities (NLC), local elected officials will provide more effective leadership and support when they know and understand the following:¹¹

- Local economic strengths and weaknesses
- Community's place in the broader regional economy
- Community's economic development vision and goals
- Community's strategy to attain its goals
- Connections between economic development and other local policies (zoning, housing, transportation, environmental, etc.)
- Local regulatory environment
- Local economic development stakeholders and partners
- Needs of the local business community
- Community's economic development message
- Local economic development staff

2. Support professional economic development organizations. Elected bodies—city councils, boards of county commissioners, and the General Assembly—provide core financial resources necessary to support economic development at the local, regional, and state levels. Costs incurred by economic development organizations include expenditures for

- administration,
- staff,
- travel,
- technology,
- client recruitment,
- research,
- advertising/marketing,
- programs such as business retention and expansion and entrepreneur development,
- consultant cultivation and lead generation, and
- office space.

3. Invest in infrastructure. When locating their new facilities, businesses need basic infrastructure—water, wastewater, natural gas, electricity, telecommunications (including high-speed Internet and digital wireless), rail, and highways. Most types of infrastructure require elected bodies to authorize public financing. Infrastructure can be considered a public investment because it creates a tangible asset for a community and meets the operating requirements of industries.

According to the N.C. Department of Commerce, most companies begin their location searches by looking for available buildings in which to locate. One way communities can proactively prepare is to invest in shell buildings, which can be customized to fit companies' exact needs. This can save the companies time and money and reduce their project start-up risks. Local governments can provide funding to construct the facilities or partner with organizations such as nonprofits, banks, and private developers to build them. Local governments can also work together to develop regional multijurisdictional business/industrial parks and share the tax revenues. In addition to buildings, elected officials can enhance the odds of luring a prospective business

and retaining a business by helping to ensure that development-ready sites exist in their communities.

4. Facilitate a competitive business environment. Elected officials can support their states, jurisdictions, and communities in creating an appealing business climate. In addition to infrastructure, localities can invest in industrial parks, shell buildings, and startup space and can offer financial incentives. Other activities that can make a community “business-friendly” include investing in workforce development, supporting quality education from pre-kindergarten through post-secondary levels, developing quality of life amenities, maintaining reasonable tax and utility rates, and instituting effective planning and permitting processes. A competitive business climate also entails having a regulatory environment that is not overly burdensome and assisting firms in complying with all necessary regulations.

5. Help existing businesses. Existing firms create most new jobs and contribute to the tax base of a jurisdiction. State and local elected officials can encourage their economic development organizations to work with existing businesses to promote retention and expansion. Establishing a formal program of activities for assisting existing firms can go a long way toward making those companies feel better connected to their jurisdictions.

6. Provide incentives. Performance-based state and local incentives are important tools for attracting new businesses and helping to retain and grow existing ones. When used appropriately, incentives can be considered a public “investment.” Like any investment, they must offer a suitable rate of return for the public investors or taxpayers. With the guidance of economic development organizations, elected officials make these public investment decisions that influence a company’s location and expansion choices. (Incentives are discussed in greater detail beginning on page 39.)

7. Protect public investments. Elected officials who authorize the use of tax dollars to support economic development should ensure that public funds are spent prudently and that the investment in economic development provides a net benefit to their jurisdictions. This starts by making informed decisions about economic development that are based

on sound planning and analysis, as discussed below. Economic development organizations receiving public funds can be held accountable through representation on governing boards, reporting requirements, performance measurement, and program evaluation.

Several mechanisms exist to help state and local governments avoid paying too much in the form of incentives for too little in return. These include some safeguards already adopted in North Carolina, such as

- setting formal eligibility guidelines,
- requiring analysis of economic and fiscal impacts,
- tying incentives to company performance,
- requiring performance contracts,
- using clawback provisions (which mandate that a business reimburse the government if it does not satisfy agreed upon investment and job creation targets), and
- maintaining wage/job quality standards.

8. Invest in quality-of-life amenities. Elected officials are uniquely positioned to make public investments in various types of amenities that enhance the quality of life in a given place. States and communities known to be rich in such amenities tend to become attractive places to live, work, learn, and play. These amenities may include public parks, bike paths, walking trails, recreational activities, arts and cultural attractions, amateur and professional sports facilities, entertainment venues, good schools, workforce housing, and the like. Quality of life amenities are important in attracting the creative and talented people that many knowledge economy companies seek to hire.

Economic development should be a win-win proposition for companies and communities. A strong level of government support for these activities demonstrates a commitment to existing and prospective industries. It shows that elected officials are serious about improving their communities and that they are partners, not adversaries, with businesses. This approach gives the community leverage to encourage corporate citizenship directed toward community needs such as sustainable business practices and upward mobility.

The Process

Economic development is the process of stimulating private investment through business attraction, creation, retention, and expansion (known as “ACRE”) activities. Private investment will lead to new jobs, higher incomes, increased tax revenues, greater wealth, and a higher standard of living. In this way, economic development is a means by which communities can rebuild, sustain, and transform themselves to remain viable and thrive in a competitive environment.

Economic development is ultimately a long-term process that involves numerous organizational players and a variety of tools and strategies. Much of what happens in the global, knowledge-based economy appears beyond the control of individual jurisdictions. Yet public officials and economic developers form strategies to help their communities adapt, respond, and prosper in the midst of changing economic conditions.

There are few quick fixes in economic development. An effective approach includes a mix of strategies and tools that is consistent with a community’s long-term vision and goals. Jurisdictions that make strategic public investments over time and implement programs that look beyond the next election cycle are better positioned to withstand the ups and downs of the economy.

Strategic Visioning and Planning

Developing a vision, mission, and strategic plan prepares communities to be proactive and deliberate in their economic development efforts. Visioning and strategic planning efforts build consensus around economic development goals and outline strategies and tools to achieve those goals.

A strategic plan for economic development includes goals, strategies, action steps, timeline, metrics, assigns responsibilities, and delineates the role of local government in the process. Sound planning is key to successful economic development.⁵ The initial step in the planning process involves building an organizational team to gather community input, conducting assessments, and developing programs that will achieve the goals. Individuals with experience and expertise in the following areas are valuable to any economic development team:

- Promotion, marketing, and public relations
- Finance, taxes, and incentives
- Education and workforce training
- Utilities and telecommunications
- Sites and buildings development
- Land use planning and permitting
- Environmental regulations
- Transportation
- Innovation and technology
- Entrepreneurship
- Community services (health care, recreation, nonprofits)

A shared vision for the future helps a community or region determine what it aspires to become and where it wants to go in regard to economic development. A long-term vision provides a sense of what is possible in a place over time and gives broad direction to the specific goals set forth in the strategic economic development plan. Six questions highlight key points for consideration by community or regional leaders planning for economic development:

1. *Where has the community (region) been?* This includes a review of economic growth patterns and trends.
2. *Where is the community (region) now?* This includes a SWOT Analysis (strengths, weaknesses, opportunities, and threats).
3. *Where is the community (region) going?* This requires projecting a future economy based on present trends.

4. *Where does the community (region) desire to go?* This is a goal-setting step that considers the types of businesses, jobs, and quality of life amenities the community wants to attract and foster.
5. *How does the community (region) get there?* This is where plans are made, and actions taken. It requires an action plan that includes strategies for accomplishing the goals established previously.
6. *How does the community (region) measure progress?* This is how economic development is innovated—through ongoing evaluation.

North Carolina released its latest statewide strategic economic development plan in 2021. Dubbed “First in Talent,” the plan sets forth three goals to guide state strategy:

1. Prepare North Carolina’s workforce for career and entrepreneurial success.
2. Prepare North Carolina’s businesses for success by growing and attracting a talented workforce.
3. Prepare communities across North Carolina to be more competitive in growing and attracting a talented workforce and businesses.

Each goal encompasses four to six strategies. The state plan can be found here: www.commerce.nc.gov/documents/first-talent-strategic-economic-development-plan-state-north-carolina.

In addition to the state plan, strategic plans for economic development have been created at the regional and local levels in North Carolina. Below are a few examples.

In 2023, the **Greenville Eastern North Carolina (ENC) Alliance** engaged stakeholders in a strategic planning process to build consensus around key economic development priorities for the five-year period 2024–2028.

The resulting strategic plan identifies five goals for economic development in the Greenville metro area:

1. **Prosperity:** Position Greenville—Pitt County to be in the top quartile for job growth among its peers over the next ten years.
 2. **Partnership:** Earn the trust and confidence of economic development partners in the metro area, the region, and the state.
 3. **Promotion:** Establish the metro area as a premier metropolitan statistical area (MSA) for industrial projects, earning recognition from industry leaders, influencers, and insiders.
 4. **Innovative EDO:** Execute targeted strategies for “next generation” opportunities to establish and promote the Alliance as a national leader.
 5. **Long-Term Vision:** Serve as the guiding force on ED priorities for the metro area by, for example, locating enablers that will support and unlock economic growth.
-

The **Town of Fuquay-Varina Economic Development Strategy (2015–2025)** focuses on six distinct initiatives:

1. Commercial and retail recruitment and development
 2. Economic development incentive policy and toolkit
 3. In-fill downtown development
 4. Manufacturing recruitment and development
 5. Marketing and public outreach
 6. Transportation, infrastructure, and utility investment
-

The **2020 City of Selma Economic Development Strategic Plan** focuses on three primary goals:

1. Grow jobs, tax base, and sense of place through redevelopment, business attraction, and small business development in uptown Selma.

2. Increase and improve internal communications, improve the image of Selma, and foster community pride and spirit.
3. Be prepared to capture growth in Johnston County. Develop the town “product” to attract jobs, visitors, and new residents.

Strategies

Communities and regions must map their assets and liabilities to be successful in promoting economic development. The following questions must be answered to give a realistic assessment of a location’s likelihood of success at stimulating job creation and private investment:

1. *What types of businesses align with the assets and opportunities of community?*
2. *What business development opportunities does the community’s talent; infrastructure (e.g., highways, utilities); product (e.g., buildings, sites); and business climate support?*
3. *What barriers exist that may hamper a community’s ability to compete for business attraction, retention, and startup projects?*

Answering these questions can help a jurisdiction determine which of the economic development strategies discussed below to pursue. Specific action steps under these strategies will vary depending on whether a community or region is urban or rural or is oriented toward manufacturing, agriculture, tourism, or another industry sector. *No one strategy alone is a panacea—there is no silver bullet for economic development.* A community or region will need to determine the appropriate mix of strategies given its assets and opportunities. Each strategy involves leveraging resources and partnerships effectively, and each requires a certain level of energy, skill, and sustained commitment.

Retaining and Expanding Existing Businesses

An important strategy for a community or region looking to spur economic development is to support the retention and expansion of existing businesses. Expansions can occur as local businesses

- increase sales of their current products and services,
- discover and create innovative niche products and services,
- diversify and begin marketing new products and services,
- discover and move into new export markets,
- make strategic acquisitions of other companies,
- lower their cost of production through the adoption of innovative technologies or more efficient processes, or
- consolidate from other operations.

Retaining companies that already exist in a jurisdiction and helping them grow is considered a more cost-effective approach to economic development because it (1) builds the local economy from within and (2) strengthens a company's ties to the local community. Moreover, studies suggest that anywhere from 60 to 80 percent of new jobs and investment come from existing businesses.⁶

Staff members with the Economic Development Partnership of North Carolina (EDPNC) who specialize in existing business and international trade are key partners for business retention and expansion efforts. Also, the staff at the Industry Expansions Solutions group at North Carolina State University provides training and technical assistance to manufacturers in applying cutting-edge technologies and using processes to increase their profitability, both of which might help them stay and grow in North Carolina. The North Carolina Biotechnology Center is another statewide resource for the life sciences industry. Local community colleges and workforce development boards are also an important source of training and assistance for existing and expanding businesses.

Ensuring the success and satisfaction of existing business and industry is important in recruiting new firms to an area, as business leaders considering a new location frequently seek the input of business leaders already there. If existing businesses are not happy with their community, new firms are less likely to locate there.

Below are the top five expansions of existing businesses in North Carolina in 2022 (listed by business, dollar amount invested, number of jobs created, and location):

- **GE Hitachi Nuclear Energy**, \$85.2 million, 485 jobs, New Hanover County
- **BestCo**, \$177 million, 394 jobs, Iredell County
- **Ziehl-Abegg, Inc.**, \$450.5 million, 313 jobs, Forsyth County
- **MegaCorp Logistics, LLC**, \$10.5 million, 300 jobs, New Hanover County
- **Champion Home Builders, Inc.**, \$18.7 million, 288 jobs, Scotland County

Attracting New Businesses

EDPNC leads business attraction at the state level. Regional economic development organizations such as North Carolina's Southeast, the Research Triangle Regional Partnership, the Carolina Core, and the NC East Alliance market groups of counties to attract new business. At the local level, business-attraction efforts include marketing, promotion, product development, and lead generation.

Until recently, there was a steady decline in the total number of major industrial recruitment projects active at any single point. Post-pandemic, the number of active major recruitment projects surged. Communities are positioning themselves to attract the new industrial or corporate facilities of firms engaging in manufacturing, R&D, transportation, distribution, technology, and other activities.

Announcements of such "wins" create excitement and momentum for other initiatives both at the state level and in the local community. The following list highlights the largest projects by investment in 2022.

- **Wolfspeed**, \$5.04 billion, 1,801 jobs, Chatham County
- **Vinfast**, \$4 billion, 7,500 jobs, Chatham County
- **Toyota Battery Manufacturing North Carolina**, \$2.5 billion, 350 jobs, Randolph County
- **Microsoft**, \$1 billion, 50 jobs, Catawba County
- **Eli Lilly and Company**, \$939 million, 589 jobs, Cabarrus County

Promoting Entrepreneurship

Communities can actively help new businesses start up. New businesses can be created to provide products and services that are unavailable locally, produce new products, and sell products or services to replace those imported into the area. New businesses can be created without local market ties by selling products and services outside the area.

The Small Business Centers (SBCs) at each community college in North Carolina offer training and counseling in starting a business. The Small Business and Technology Development Centers (SBTDCs) at each University of North Carolina (UNC) System campus help small business owners at various stages of their firm's growth. Colleges and universities often spin off new companies through technology transfer, as well as support entrepreneurs through research and training. Formal networks for entrepreneurs are now active in at least three regions of the state, including the following:

- [Council for Entrepreneurial Development](#) in the Research Triangle area
- [Launch Greensboro](#) in the Triad region
- [Mountain BizWorks](#) in the Asheville region
- [Network for Entrepreneurs in Wilmington](#) (NEW)
- Sandhills Entrepreneurship Engagement Network (SEEN)
- [Eastern North Carolina Entrepreneurial Promise](#) (ENCEP)

Entrepreneurial development is a homegrown approach to job creation that is feasible in nearly all types of communities—rural and urban, large and small. Some examples of local efforts to support entrepreneurship in North Carolina include the following:

- Developing CoSquare, a startup space in Yanceyville, Caswell County
- Launching a resource navigator for entrepreneurs to access resources in Moore County
- Forming a partnership between the City of Greenville, East Carolina University, and the Greenville–Pitt County Chamber of Commerce to launch the Greenville SEED@ ECU for startups to connect with university resources

- Using methane gas from county landfills to power the studios of fledgling artisans in incubator spaces in Yancey (Energy Xchange) and Jackson (Green Energy Park) counties¹²

Talent Attraction, Retention, and Development

Economic development organizations are taking a lead role in talent attraction and strong supportive roles in talent retention and development. The number one concern of all companies is hiring and retaining talented workers. Economic development organizations can craft marketing campaigns to attract people and raise awareness of local career pathways. They can also advocate for public investments in amenities and placemaking that support talent attraction. Recently, EDOs are incorporating cost of living calculators and interactive maps to explore the community on websites. Work in the Triangle, Charlotte's Backyard, and More in the Core are just a few examples of talent attraction programs.

Economic developers are liaisons between business and education, exchanging information on in demand careers and skills. Educational institutions rely on business input to ensure curriculum, certificate, and credential programs are relevant to local employers. Economic developers can form coalitions to develop and implement strategies to retain talent, such as by promoting pathways from high school to community college to the workplace through apprenticeship programs.

Improving Local Business Linkages

This economic development strategy seeks to strengthen linkages among firms in ways that add value to industries and communities, often called “business to business” (B2B). An important linkage to shore up is one between local sellers and buyers of raw materials and other inputs, finished goods, and services. The idea is to increase the opportunities for local firms within a group of related industries—an industry cluster—to trade with one another.

The more a dollar circulates in a local economy before moving out of it, the more wealth will be generated. A survey of spending patterns of institutional buyers in a community—hospitals, school districts, and governments (municipal, county, state, or federal), for example—could

identify new market opportunities for local businesses. Downtown development and the NC Main Street Program are other examples of creating linkages between businesses. Downtown development organizations promote connections between businesses through networking and events such as makers markets.

Firms can also benefit from collaborating in ways that may not involve purchasing transactions that occur within an industry's supply chain. Networking among businesses within an industry cluster can help firms identify new customers and suppliers, as well as result in partnerships and joint ventures for research and development (R&D) or workforce development. When businesses are connected in meaningful ways, they can exchange ideas and information that might boost innovation and add value within the entire cluster.

Several prominent industry clusters in the state feature strong and frequent linkages among firms that may be competitors in the marketplace. These companies find that, in some instances, they must collaborate in order to compete. Industry associations and economic development organizations often act as facilitators of industry networks. These networks can be either formal or informal and are more likely to form in communities or regions with high levels of social capital. An example of a regional effort to improve local linkages within an emerging target industry is the implementation of the Cleantech Cluster in the Research Triangle Region.

Capturing New Dollars

Although it is advantageous for companies to buy locally, communities create more wealth when firms sell their goods and services outside the local market area. Firms that export increase the flow of new money into a community or region. When thinking about developing new sources of outside dollars, many communities try to develop or recruit companies that serve national or global markets or those that are in "traded" clusters (businesses in traded sectors tend to export their products and services beyond the local economy). Firms that serve only local markets typically do not create as high a multiplier effect as those that sell outside the area.

In addition to supporting traded sectors of the economy that export, there are other ways to capture a greater share of outside dollars and

increase the flow of new money into a community. Tourism is a good example. Some examples in this sector include

- an out-of-state investor purchasing and developing/redeveloping local property,
- a relocated retiree spending monthly Social Security and pension benefits on local goods and services,
- a family of tourists renting a beach house for the week and dining at local restaurants,
- international visitors attending an annual musical festival in a mountain community,
- special events centers that draw visitors for conferences and entertainment,
- customers being drawn to a large regional shopping destination, and
- out-of-town patients seeking health care services at a specialized medical facility.

Tools

Marketing and Business Attraction Tools

Jurisdictions employ a number of marketing and promotional tools and activities to attract new businesses. These tools help prospective firms and industries learn about North Carolina's many advantages. Marketing messages should be unified, coordinated, and complementary across counties, regions, and the state. A jurisdiction can highlight and market its assets through a combination of tools that include the following:

- **Website.** A high-quality web presence is essential. A website should display current information and be both concise and easy to navigate.
- **E-communications.** Email marketing and e-communications to a targeted prospect list can raise awareness of a community's assets.

- **Social media.** Platforms such as LinkedIn, Facebook, Instagram, and others can be used strategically to reach certain audiences.
- **Engagement with site-selection consultants.** Building rapport with the technical experts who guide the site-selection process on many large projects can be beneficial.
- **Prospect engagement.** Face-to-face communication during sales trips, meetings, and special events is an effective way to sell a place and the assets it has to offer.
- **National media relations.** Business executives read articles about various regional economies in business and trade publications, so North Carolina jurisdictions should actively seek out such coverage.
- **Digital advertising.** There is a wide range of digital advertising opportunities from online platforms to targeting with technologies like geofencing.
- **Print collateral.** These should be attractive and describe in detail the benefits of locating in the area, target industry sectors, and priority sites/buildings and made available in digital form on the website.
- **Trade shows.** Visibility is crucial in economic development, and having a presence at trade shows in your target sectors can raise brand awareness.
- **Local media.** Local public relations efforts keep the public informed about economic development and can help build and maintain needed community support.

Post-pandemic, many economic developers continue to use virtual meetings as a cost-effective way to share information and promote their communities as business locations, especially to distant audiences such as foreign offices and consultants in other markets, etc. One approach, for example, is to host a community overview webinar or invite a consultant to join a virtual committee/board meeting for a mutual exchange on community assets and trends in site selection.

Business Retention and Expansion Tools

A formal business retention and expansion program seeks to build relationships with local companies to identify critical needs and facilitate access to resources and other assistance that will help firms become more competitive. Such a program can also help identify local companies that may be at risk of experiencing a major decline that results in layoffs or facility closings. Business retention and expansion tools include the following:

- **Visits**—reaching out to existing firms to learn about business needs, concerns, and plans.
- **Business surveys**—systematically collecting data on competitiveness issues and satisfaction within the community.
- **Business networking**—producing mutual gains by bringing firms together.
- **Technical assistance**—helping firms with financing, staffing, regulations and permitting, utilities, market development, operations, technology, succession planning, and so forth.
- **Workforce training assistance**—ensuring that firms know about education and workforce resources and have access to the skilled labor and talent they need.
- **Recognition and appreciation**—celebrating the contributions of existing firms through symbolic gestures, such as award luncheons, news stories, and proclamations, that make them feel valued by the community.
- **Financial incentives**—using performance-based grants to support retention and expansion of existing businesses.
- **Local information**—keeping companies informed about happenings in the community, capital projects, regulatory changes, and other information impacting business.

Entrepreneurship Tools

Small business development and entrepreneurship programs provide support to smaller firms and encourage the startup of new enterprises to stimulate economic development. Local governments work in collaboration with entities like state agencies, community colleges, universities,

chambers of commerce, and local nonprofits on small business development. Several North Carolina counties and cities invest in and help facilitate certain small business and entrepreneurship development activities, including the following:

- **Business incubators.** Affordable physical space offers access to shared support services for fledgling startups until they grow out of the incubator.
- **Revolving loan funds.** A loan pool can relend to borrowers as funds are repaid.
- **Technical assistance.** Small startups need help with financing, accounting, management, marketing, technology, and staffing to grow to the next level.
- **Entrepreneur networks.** Entrepreneurs can learn from one another and explore opportunities for joint ventures when they participate in formal networks or informal interactions.
- **Equity or venture capital funds.** These specialized sources of financial capital rely on private investors willing to provide seed funding for early-stage firms with high growth potential.

Product Development Tools

The “product” that a company seeks when selecting a business location is the particular building or site that meets its operational requirements. In today’s quick-turnaround economy, North Carolina will be better positioned if it has a quality product to sell when a business is looking. Therefore, it is advantageous to have existing buildings and prepared sites available before prospects visit a community. A bare, unimproved parcel of land is not typically considered a viable business development site. The mantra, “No product, No project®” rings true given that roughly 85 percent of corporate location searches seek an existing building.¹³ Most prospective companies request an existing building rather than an undeveloped site because it saves them time and money and reduces risk. In some cases, the prospect will like an area but not the first building viewed. Consequently, other “shovel-

ready” sites should be available with infrastructure in place, approvals and permits granted, due diligence completed, and site development ready to proceed.

In North Carolina, initiatives such as the Certified Sites program serve to indicate that a site is “shovel ready.” A certified industrial site is one that has undergone an extensive review process to verify site readiness with respect to zoning, environmental assessments, conceptual site planning, infrastructure, and transportation. The due diligence steps of site certification can benefit economic development professionals by providing them with an inventory of pre-qualified industrial sites for which accurate and detailed information is readily available to share with prospective businesses. This makes it easier to promote certain industrial sites and match them to the specific needs and site requirements of a project. The reductions in costs and time made possible by an expedited site search are obvious advantages to a prospective business.

The North Carolina Certified Sites program, created by the state in 2001, is administered by the N.C. Department of Commerce. A search of [EDPNC’s database](#) will produce a current list of certified industrial sites throughout the state. In addition to the Certified Sites program, electric utility agencies have launched efforts to increase the number of shovel-ready industrial sites in the state. Duke Energy created its [Site Readiness Program](#) in 2005, Electricities started the [Smart Sites \(S²\)](#) shovel-ready site-qualification program in 2014, and NC Electric Cooperatives launched the [Cooperative Ready Sites Program](#) in 2022. In addition to utility programs to certify or qualify sites, Golden LEAF created the [SITE Program](#) that supports site identification, due diligence, and preparation. NC Railroad’s [Build Ready Sites](#) program invests in preparing rail sites.

Recognizing that major projects had depleted the state’s megasite inventory, in 2022 the General Assembly created the Megasite Readiness Program and appropriated one million dollars to provide initial funding for the program. The General Assembly also directed EDPNC to engage a national site-selection firm to evaluate North Carolina sites and identify up to five megasites best positioned to successfully serve major advanced manufacturing projects. The [NC Megasite Readiness Program Report](#) was released in 2023. In the 2023 legislative session, the General Assembly allocated \$10 million for the SelectSites Readiness

Program, a program to identify and defray costs of due diligence on sites less than 1,000 acres.

Many smaller, rural jurisdictions find it difficult to support certain types of “product development” on their own. When municipalities and counties collaborate on larger projects, such as industrial parks, they can enjoy economies of scale and cost savings and get suitable real estate properties and related infrastructure in place that otherwise might not be feasible. The General Assembly enacted legislation to encourage and facilitate interlocal cooperation on economic development. Chapter 158, Section 7.4 of the North Carolina General Statutes authorizes two or more units of local government to enter into a formal agreement to share financing, expenditures, and revenues related to joint development projects. It specifically authorizes the sharing of property tax revenues generated from a joint industrial or commercial park or site.

Two examples illustrate how cities and counties might formally collaborate on product development to strengthen their competitive positions.⁸ The first is the Triangle North project, involving Franklin, Granville, Vance, and Warren counties. An interlocal agreement stipulates how the counties will share the costs of development and allocate the tax revenues created by the industrial park network. The Kerr-Tar Regional Council of Governments spearheaded and helped facilitate this process. The second example is Commerce Station, a partnership between the towns of Cornelius, Davidson, and Huntersville. In March 2005, the three towns signed an interlocal agreement that sets forth a process for joint ownership of the industrial park and a plan for revenue sharing. Other examples are Burke Business Park and the International Logistics Park of North Carolina in Brunswick and Columbus Counties.

Another important tool for product development involves the reuse of existing buildings. Many North Carolina communities, large and small, have no shortage of vacant, underutilized industrial and commercial properties, including former textile mills, furniture factories, and tobacco warehouses. It can be challenging to get the financing needed or find private investors who are willing to redevelop some of these properties so that they can be repurposed for active use. The Building Reuse Program, administered by the Rural Development Division of the N.C. Department of Commerce, makes grants to local governments

in distressed areas of the state for the renovation of buildings. The Development Finance Initiative (DFI) at the UNC School of Government is available to assist with certain redevelopment projects in distressed communities across the state. The DFI contracts with local governments to help them attract private developers interested in redeveloping a particular property. Many DFI revitalization projects are in downtown areas and often involve vacant and/or underutilized buildings.

Supporting the development of entrepreneurship spaces is another product development strategy. Incubators, co-work, accelerators, and maker spaces are just a few examples of entrepreneur related product development. Economic development organizations and local governments can sponsor feasibility studies, facilitate partnerships, raise funding, apply for grants, develop buildings, and manage entrepreneur facilities. Workspace is a co-work facility supported by the Town of Louisburg. Workspace offers hot-desks, private offices, conference rooms, and member networking. Forge Greensboro is a successful community makerspace used by students, entrepreneurs, artisans, trade professionals, tinkerers, and hobbyists. Launch Chapel Hill is a startup accelerator that focuses on ventures that have passed the ideation stage.

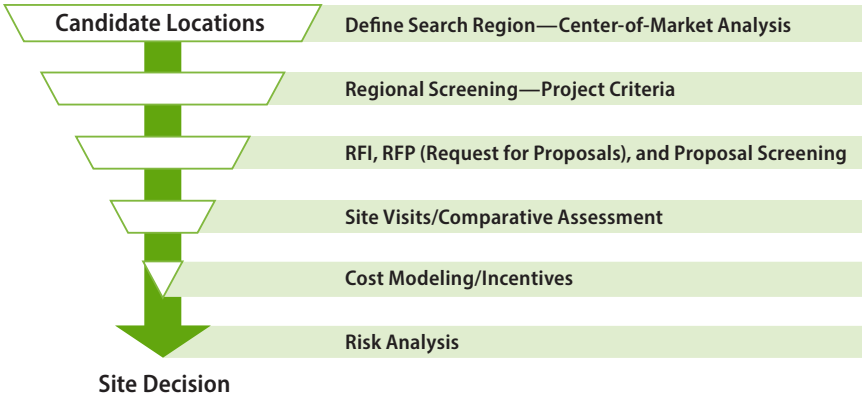
How a Business Location Project Happens

A business location project can originate from many sources and can work its way through the system from many starting places. For example, an inquiry may come from EDPNC, regional contacts, existing business referral, marketing outreach, utility partner, or directly from a site-selection consultant. Prospects may contact a local developer directly if they know exactly where they want to be, or a regional developer if they know their approximate target location. Often the prospective company will call EDPNC first. The following is an example of how a project works its way through the system, starting with a general inquiry about North Carolina. (See Figure 5, below.)

A Typical Project

An inquiry about a business location project may come from a representative of the company or from a site-selection consultant representing a company. The prospect or consultant will gather initial information

Figure 5. The Site-Selection Process



Source: McCallum Sweeney Consulting, used with permission.

by reviewing websites and data sources. The prospect or consultant often issues a formal “Request for Information” (RFI) to state agencies. A state developer will take the prospect on as a client and will then contact local or regional developers from communities that meet the requirements of the RFI. The local developers will evaluate the project and decide if they have a site or building that aligns with the request. Then, they will respond to the RFI by submitting proposals to the state developer, who then will send all the community packages to the client. There are typically several contacts between the client and state developer to clarify information in the proposals and to gather additional information that will aid the company in eliminating some locations. If the client is still interested in one or more of the proposed locations, the state developer will schedule and coordinate visits by the client to those communities.

Today, most communities are eliminated before a site visit based on research and analysis—another reason effective websites and other marketing tools are important. Thus, the first visit is a critical point in the sales process. Generally, a client will be visiting several communities in one day. Thus, time is at a premium. Developers at all levels must be prepared with the precise information that a client might want to view in a short period of time. From a client’s point of view, the purpose of the visit is to further eliminate communities to reach a short list of three or four with which it can further negotiate.

Generally, a state developer will be a client's primary contact until the client's company settles on a short list of possible locations. Once the location negotiations begin, a local developer will take the lead and become the primary contact and deal closer. During these negotiations, the local developer must utilize all allies and resources for support and coordination. The terms and conditions that a company requests of a community during these negotiations may cover a broad spectrum of issues, including site development, infrastructure, talent attraction, workforce training, permits, financing, utility enhancements, research partnerships, and strategic community engagement. As in any negotiation, the local developer and his or her support team must know what the value of the project is—and the limits of the local investment—to meet a targeted return. In this case, the local investment is coordinated from all resources, including public dollars from all levels of government within the state, combined with money from private investors that might have an interest in the project.

The need for confidentiality is one issue in the site-selection process that is often misunderstood.⁹ Companies require confidentiality because they do not want competitors to learn about strategic decisions, particularly new locations or expansions. Participants in this process must honor the need for confidentiality in order to keep their jurisdictions under consideration. The use of nondisclosure agreements (NDAs) and anonymous project code names helps minimize premature information leaks.¹⁴ Communities have lost projects because of confidentiality breaches or premature press coverage.

The time frame for what has been described above can take weeks or years, depending on how fast a company is willing to make decisions and on the scope of the project. In today's competitive economy, time frames are getting shorter and shorter.

Financial Incentives

Financial incentives are used mostly to support two particular economic development strategies: business attraction and business retention/expansion. However, many jurisdictions are exploring the possibilities for creating effective financial incentives to aid small firms and startups. In North Carolina, to pass legal/constitutional scrutiny, business incentives must (1) fulfill a public purpose that includes job creation and tax base expansion and (2) preferably be driven by interstate competition.¹⁵

Public officials use incentives as tools to affect a given project's success. However, their results can vary depending on how they are applied.^{16,10} Just as a business makes an investment to achieve a return, a state or locality can treat its expenditures on business incentives as public investments that require an appropriate rate of return.

The net return from incentive policies at all levels must be measurable. Quantifiable results should show that a community or the state has derived benefits that outweigh the cost of the incentives.^{17,11} Claw-back provisions that require firms to reimburse incentive providers should the firms fail to meet agreed investment and jobs targets must be included in all project agreements.

Most costs associated with relocating a business occur early on in the relocation process, and many incentive policies are designed to help companies ramp up new operations with minimal disruption and financial drain. The most successful transactions occur when a community and a company see the location choice as a win-win situation. Each party makes an investment, and both divide the risks and share the rewards.

In deciding upon a location, a firm takes incentives into account along with other key site-selection factors, such as access to skilled labor, adequate buildings and facilities, infrastructure, and quality of

Table 2. Top Site-Selection Factors for Corporate Facilities, 2023

Factor Ranking	Percent (%) of Executives Ranking as Important
1. Labor costs	92.5
2. Availability of skilled labor	87.2
3. Environmental regulations	81.5
4. Tax exemptions	79.5
5. ICT/broadband	79.0
6. Right-to-work state	78.4
7. Quality-of-life (tie)	78.3
7. Energy costs (tie)	78.3
9. Corporate tax rate (tie)	76.9
9. Highway accessibility (tie)	76.9
11. State and local incentives	76.3
12. Low union profile	73.6
13. Construction costs	71.1

Source: 38th Annual Corporate Survey, Area Development.

life. The data in Table 2 show the top thirteen factors, out of a possible thirty-one, that corporate decision-makers in 2023 considered to be most important in their business location and expansion decisions. Based on an annual survey of corporate executives, these numbers suggest that incentives are not likely to be the single most important site-selection factor, but they clearly matter. That incentives are ranked among the top factors is notable.

Thus, it is important to understand how and when incentives matter in the site-selection process. Incentives are typically negotiated once a business has narrowed the list of possible locations to a few that meet all its other requirements for a site or building, infrastructure, workforce, and so forth. At that point the incentives offered can tip the scale in favor of one location over another. From a competitiveness perspective, a jurisdiction must decide whether to play to win or sit on the sidelines. In the current environment incentives are necessary to be in the game.

With firms seeking to maximize shareholder value, financial support from communities that bolsters the bottom line is a critical site-selection criterion. Because site-selection searches are largely a process of elimination, communities and states refusing to offer reasonable incentives may not be viewed as serious about economic development

and may risk being eliminated quickly from consideration by companies and site-selection consultants.

State and local governments striving to capture their share of new jobs and investment offer long-term advantages to new and expanding firms, including a balanced menu of sensible incentives. Jurisdictions can take steps to negotiate incentive deals from a position of strength by conducting the due diligence necessary to make smart decisions about projects.¹⁸ Having a formal policy that specifies the types of industries eligible for incentives and the criteria for company performance can help ensure that incentives are used strategically to benefit the jurisdiction. In the end, any financial support for new or expanding industry must be predicated upon a targeted return on investment.

States and localities should utilize economic and fiscal impact analysis tools to estimate the costs and benefits of a given project to a jurisdiction. Like any sound investment, incentives should more than pay for themselves in yielding economic and fiscal benefits over and above what the incentives cost and any expenditures required for new public services.

Current Financial Assistance Programs

The state of North Carolina and its local governments offer performance-based incentives to companies meeting certain requirements. These incentive programs are designed to induce private investment and job creation by lowering the cost of doing business for firms locating and expanding in the state.

State Programs

State-level economic development incentives in North Carolina have shifted away from statutory tax credits in favor of discretionary grants. This policy shift reflects growing concern about the ability of tax credits to directly influence business decisions given the time lag that occurs in claiming the credits on tax returns. Some companies may not generate enough profit early on to incur sufficient tax liability against which to claim credits. Also, it can be difficult for the state to accurately estimate the amount of revenue it will forego due to tax credits in any given fiscal year. For these reasons discretionary grants now are the foundation of North Carolina's incentives.

State incentive programs use an economic development tier system to steer greater benefits to the counties most in need. The tier system assigns each county a ranking between 1 and 100 based on the sum of various economic distress indicators. The forty counties with the highest levels of distress receive a Tier 1 designation, the next forty are labeled Tier 2, and the twenty best performers are considered Tier 3. Companies receive a higher dollar amount of state incentives for locating or expanding in a Tier 1 county. Some incentive programs are only available to Tier 1 and 2 counties.

The following state programs are available as of January 2024. The amount of money available in each program may be limited.

Job Development Investment Grant (JDIG). JDIG is a discretionary incentive program that provides a limited number of cash grants directly to new and expanding businesses that will create economic benefits for the state but that need grants to carry out their projects in North Carolina. A five-member Economic Investment Committee (EIC) evaluates projects and makes decisions regarding JDIG awards, funding levels, grant periods, and other terms of the grants. The EIC is authorized to award grants to be disbursed annually for a period of up to twelve years. The amount of the JDIG grant is based on the percentage of income tax withholdings associated with eligible positions created by a company over a specified period of time. The share of the grant the company receives depends on the tier designation of the county in which the company's project is located. (See edpnc.com/incentives/job-development-investment-grant/.)

One North Carolina Fund. Companies may receive money from this discretionary grant fund for the installation or purchase of new equipment; structural repairs on, improvements to, or renovation of existing buildings to be used for expansion; construction of or improvements to new or existing water, sewer, gas, or electric utility distribution lines or equipment for existing buildings; and construction of or improvements to new or existing water, sewer, gas, or electric utility distribution lines or equipment for new or proposed buildings to be used for manufacturing and industrial operations. The grant awards are tied to certain criteria, such as the number of jobs the project will generate, the amount of investment, and the county tier designation. The company

must agree to meet a wage standard, and its local unit of government must agree to provide matching financial assistance to the company. (See edpnc.com/incentives/one-north-carolina-fund/.)

Building Reuse Programs

Building Reuse Program. Administered by the Rural Development Division of the N.C. Department of Commerce, the Building Reuse Program provides grants to local governments for (1) renovation of vacant buildings, (2) renovation of buildings occupied by existing businesses seeking to expand, and (3) renovation or construction of rural health facilities. (See edpnc.com/incentives/building-reuse-program/.)

Community Development Block Grant, Building Reuse Program. This program provides funds to renovate vacant buildings for economic development purposes. Grants are for local government applicants working in conjunction with a company intending to operate in said vacant building and the operations must result in the creation of permanent, full-time jobs. (See edpnc.com/incentives/community-development-block-grant-building-reuse-program/.)

Building Demolition Programs

Community Development Block Grant, Demolition Program. This program provides funds to local governments to demolish vacant and dilapidated industrial buildings to result in viable industrial or commercial sites. There is a \$1 per \$3 match required. (See edpnc.com/incentives/community-development-block-grant-demolition-program-cdbg-demolition/.)

Rural Division, Rural Building Demolition Program. Administered by the Rural Division of the N.C. Department of Commerce, this program provides grants to local governments for demolition of vacant buildings to encourage site rehabilitation and availability. (See edpnc.com/incentives/rural-division-rural-building-demolition-program/.)

Public Infrastructure

North Carolina Community Development Block Grant, Economic Development Program. This program offers grants to local governments (municipal and county) for infrastructure projects involving a specific business that will create new jobs. Project activities must predominantly

benefit persons living for the preceding twelve months in a low or moderate family income status. (See edpnc.com/incentives/community-development-block-grant-program-economic-development/.)

Utility Account. This provides infrastructure grants to local governments in Tier 1 and Tier 2 counties and are awarded for publicly owned and maintained infrastructure improvements. Grant amounts depend on funding availability and project merits. A match of \$1 per \$3 awarded is required except for the state's 25 most distressed counties. (See edpnc.com/incentives/utility-account/.)

Rural Division, Economic Infrastructure Program. Administered by the Rural Division of the N.C. Department of Commerce, this program provides grants to local governments to assist with public infrastructure leading to the creation of new, full-time jobs. (See edpnc.com/incentives/economic-infrastructure-program/.)

Workforce Development

Customized Training. The N.C. Department of Commerce, in conjunction with the state's community college system, established the Customized Training Program to provide industry-specific workforce training. The program is designed to respond quickly to the needs of businesses and to respect the confidential nature of proprietary processes within an organization. The design and delivery of training is provided to new and existing businesses that are creating jobs, investing in new technologies, and/or enhancing the productivity of incumbent employees. Resources may include training assessment, instructional design and development, instructional costs, and training delivery. (See www.nccommunitycolleges.edu/businesses/ncedge/.)

Work Opportunity Tax Credit (WOTC). The N.C. Department of Commerce's Division of Workforce Solutions (DWS) administers the WOTC, which is a federal tax credit available to employers that hire qualified individuals from eligible target groups who face significant barriers to employment. The amount of the employer tax credit ranges from \$1,200 to \$9,600 for each eligible employee and is based on the target group of the person hired, wages paid to them in the first year of employment, and the number of hours worked. DWS also helps administer federal On-the-Job Training (OJT) funds to encourage employers to hire previ-

ously unemployed or underemployed individuals. Businesses can receive a wage reimbursement incentive of 50 to 75 percent to offset the cost of training a new hire for a period not longer than six months. (See www.commerce.nc.gov/grants-incentives/workforce-grants.)

Transportation

Rail Industrial Access Program. The N.C. Department of Transportation administers this program, which provides grant funding to aid in financing the cost of constructing or rehabilitating railroad tracks required by new or expanding industry. Funding is contingent upon the expectation that jobs will be created by or capital investment made in a given project. (See edpnc.com/incentives/north-carolina-department-of-transportation-rail-industrial-access-program/.)

N.C. Department of Commerce and Department of Transportation joint Economic Development Program. The joint program awards funding for transportation improvements and infrastructure in amounts up to \$2,500 per new job with a \$400,000 limit per project. (See edpnc.com/incentives/joint-economic-development-program-with-north-carolina-department-of-transportation/.)

Other Programs

Certain business activities may also qualify for financial assistance and tax relief through the following state-level programs:

- Data Center Sales and Use Tax Exemption
- Historic Preservation Tax Credit
- Manufacturing Tax Exemption
- Pollution Abatement and Recycling Equipment Sales and Use Tax Exemption
- Foreign Trade Zones (customs duties deferral)
- N.C. Biotechnology Center Partnership Development Grant
- Large Fulfillment Facility Tax Exemption
- R&D and Software Publishing Sales Tax exemption
- One North Carolina Small Business Program
- Electric Provider Assistance
- Golden Leaf Foundation, Economic Catalyst Program
- Natural Gas Infrastructure Funding

Regional Programs

The state's regional economic development organizations vary with respect to the financial support, if any, they provide for industrial projects. Other regional organizations that support economic development to varying degrees are Councils of Government (COGs) and Workforce Development Boards.

In North Carolina, sixteen COGs or regional councils serve multi-county regions by assisting local governments with planning and development. COGs provide technical assistance to local governments and help coordinate access to state and federal programs. Some COGs are more directly engaged in economic development activities than others. For example, the Upper Coastal Plain COG located in Rocky Mount administers a revolving loan fund and is developing a regional business incubator. (See www.ucpcog.org/.) The Centralina COG in the Charlotte region created and staffs a nonprofit organization called the Centralina Economic Development Commission. (See www.centralina.org/.)

There are twenty Workforce Development Boards in the state that oversee and coordinate federal workforce programs at the local level. Some Workforce Development Boards serve single counties, but most serve multi-county regions and are based within COGs. Local elected officials appoint board members, a majority of whom must be business representatives.

Local Programs

One survey found that local governments in North Carolina rely primarily on infrastructure investments, zoning, and permitting as economic development incentives.^{19,12} However, 42 percent of cities and counties responding to the survey stated that they also provide cash grants directly to firms in lieu of abating local property taxes, which is prohibited under North Carolina law. City and county incentive programs vary widely, but cash grants are increasingly offered along with other types of inducements. In another survey, 95 percent of North Carolina counties reported using incentive grants.^{20,13} Cash grants should be tied to the performance of the company undertaking the project in the jurisdiction and are usually calculated based on a formula of anticipated local tax revenue and job increases over a designated period of time.

Local Incentive Examples

Robeson County maintains a three-tiered industrial development incentive grant program, eligibility for which is based upon capital investment, job, and wage levels. Land grants and other types of assistance are negotiated on a case-by-case basis.

Another example is Forsyth County, which has established incentive guidelines based on new capital investment (building and equipment) and on the number and value of new jobs created by the given project. The county requires a minimum investment of \$3 million and the creation of at least twenty-five new jobs. Incentives must be approved by vote of the board of commissioners. Using a formula that calculates the annual tax return from the investment and the sales tax increase from the new jobs, the county will provide financial assistance to companies based on a three-to-five-year payback. The money can be used for site, facility, and infrastructure improvements; land acquisition; site analysis; employee training; and lease reductions. Jobs must meet specified wage thresholds.

Scotland County, a third example, awards incentives that include free land, extension of water and sewer lines, relocation assistance, waiver of building permit fees, and cash grants equivalent to 50 to 85 percent of county property taxes. These inducements are extended based upon the amount of capital investment in the project and the number of jobs anticipated within a period of three years.

A fourth example of innovative incentive programming to support equity-related goals is the Wake County 5-tiered system. Wake County has various tiers based on the level of investment and recently added a provision for corporate headquarters. In addition, Wake County offers Business Development grants to companies when locating or expanding in a designated Targeted Growth Area/Vulnerable Community. Additionally, after qualifying for a Business Development Grant, companies can receive an “upward mobility bonus” by meeting conditions related to employee benefits and pay, parental leave, second chance hiring practices, etc.²¹

Industrial Revenue Bonds (IRBs)

Subject to approval by the N.C. Department of Commerce and the N.C. Local Government Commission, counties may establish authorities

to issue Industrial Revenue Bonds (IRBs), which provide tax-exempt financing for eligible new or expanded manufacturing facilities and certain solid waste disposal facilities in North Carolina. IRBs offer businesses a convenient, long-term, flexible financing vehicle.

IRBs can be used to finance an entire project, including the cost of land; construction of new or expanded facilities; acquisition and installation of depreciable property, such as equipment; and construction period interest. Typically, IRBs are issued as floating-rate debt supported by a letter of credit issued by a bank and have an interest rate that is approximately 60 to 70 percent of the prevailing prime rate. Terms of the bond issue are negotiable, and the costs of issuing bonds can be spread out over the term of the bond issue.

The maximum bond amount is \$10 million. Qualifying projects must include

- a written commitment of local support (called an “inducement letter”),
- a commitment either to pay wages above the county manufacturing average or 10 percent above the state average or to locate in an area of severe unemployment,
- the procurement of required environmental permits,
- the creation of a sufficient number of jobs to impact the local economy (a minimum of six jobs per \$1 million in bonds), and
- an assurance that the new financing will not result in the company closing another facility in North Carolina.

Project Development Financing

North Carolina was one of the last states in the nation to adopt this type of financing mechanism. In November 2004, voters approved an amendment to the state constitution that authorizes local governments to issue “project development financing” bonds without voter approval to pay for certain public investments needed to attract private development. More commonly known as tax increment financing, or “TIF,” this type of bond relies on the incremental tax revenues that result from increases in assessed property values. The bonds are considered self-financing because, if successful, the public improvements they finance

will stimulate new private investment and generate tax revenues that are used to pay off the bond debt.

The City of Raleigh offers a “Tax Increment Grant” (TIG). This program is provided on a reimbursement basis and is based on the percentage of new incremental property taxes generated from a particular project.²² The city receives enhanced infrastructure and community benefits, the developer sees a direct financial benefit, and the public may benefit from jobs and additional infrastructure. Public infrastructure development can occur at the same time as project construction and ultimately will result in additional tax revenue after the TIG payment period ends.

The Future of Economic Development in North Carolina

The field of economic development is constantly evolving and is influenced by new ideas and innovative thinking about how best to expand economic opportunity. The latest trends in the field respond to the historically tight labor market, significant economic disruption, and emerging technologies. They also integrate social responsibility practices important to businesses such as sustainability and diversity, equity, and inclusion. The role of the economic development organization has grown from “industry-hunting” to leading the community strategies for economic wellbeing. The following five areas of emphasis are shaping the future of economic development.

1. Emerging technologies have announced billions of dollars of investment in North Carolina. The supply chain impacts from Toyota, Vinfast, Wolf Speed, Duke Energy, TotalEnergies, and other companies will be felt across the state. These multi-billion-dollar announcements also cement North Carolina’s reputation as a leader in technology.

2. Eliminating workforce barriers is not new, but the amount of resources being devoted by EDOs to find solutions is. From sponsoring housing summits to studying the childcare gap to targeting opportunity youth for training programs, EDOs are taking a leadership role in convening community leaders to find crowd source solutions to workforce barriers. Housing issues, in terms of both availability and affordability, are a growing challenge statewide that more economic developers are seeking to address due to their inextricable link to talent and workforce attraction.

3. Entrepreneurship surged during the pandemic. The economic disruption created opportunities for record new business starts across the state. Economic developers are fostering a culture of innovation and entrepreneurship through new space and facilities, programs, and financial resources.

4. Expanding opportunity through equitable and inclusive development approaches is a growing trend among many EDOs.²³ Board representation, community engagement, addressing disparities, broadening talent pipelines, and program accessibility are some of the ways EDOs are being more proactive and intentional about creating economic prosperity that is shared by all.

5. Sustainability has many interpretations, and is, therefore, approached in many ways in economic development. A sustainability plan could include developing green jobs, industries, and businesses. It could address disparities in economic prosperity. A product development strategy could integrate infill and adaptive reuse. Finally, more EDOs are working with companies to mitigate environmental impacts. Defining sustainability, creating a plan or approach, and implementing that plan is gaining attention in North Carolina.

Notes

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12. For additional examples and case studies of how communities support entrepreneurship see: <https://homegrowntools.unc.edu>.
13. Jay Garner and Ross Patten, *Economic Development Is Not for Amateurs!: A Must-Read for Community Leaders on How to Achieve Economic Development Success*, 2nd ed. (2022), 9.
14. Mark L. Williams, *Corporate Site Selection and Economic Development: A 30-Year Perspective* (Self-published, 2021), 55.
15. Tyler Mulligan, “When May NC Local Governments Pay an Economic Development Incentive?,” *Community and Economic Development in North Carolina and Beyond* (blog) (UNC School of Government, December 17, 2013), <https://ced.sog.unc.edu/2013/12/when-may-nc-local-governments-pay-an-economic-development-incentive/>.
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Resources

The following organizations offer information, education, and support on an array of economic development topics.

The **North Carolina Economic Development Association** (NCEDA) is the statewide association of professional economic developers and their allies. NCEDA serves as the voice for North Carolina's economic development community, providing professional development, networking opportunities, and advocacy to secure the state's economic future. Members work collaboratively to promote the state for new economic activity and advocate for public policies that support economic development. NCEDA has recently formed a Foundation to advance the economic development profession, enhance the knowledge and skills of economic developers, and strengthen the broad, statewide economic development community in North Carolina through funding professional development activities, research, and education programs, especially to underserved, distressed, and rural counties.

North Carolina Economic Development Association
P.O. Box 30934
Raleigh, NC 27622
888-246-2332
www.nceda.org

The **North Carolina Department of Commerce** is North Carolina's leading public agency for economic, community, and workforce development. The department's mission is to improve the economic well-being and quality of life for all North Carolinians. The Commerce Department contracts with the Economic Development Partnership of North Carolina (EDPNC) to provide business development services and to carry out international trade, tourism, and film activities. The department

administers programs in employment security, labor and economic analysis, rural economic development, science and technology, and workforce solutions.

North Carolina Department of Commerce
301 N. Wilmington Street
Raleigh, NC 27601
919-814-4600
www.nccommerce.com

The **Economic Development Partnership of North Carolina** (EDPNC) is a public-private, nonprofit corporation focused on recruiting new businesses to the state, supporting the needs of existing businesses, connecting exporters to global customers, helping small business owners get their start, and attracting tourists and visitors from all over the world.

Economic Development Partnership of North Carolina
150 Fayetteville Street, Suite 1200
Raleigh, NC 27601
919-447-7777
www.edpnc.com

The **Basic Economic Development Course at UNC-Chapel Hill** provides intensive instruction on the fundamentals of economic development practice. It is an introductory training course designed for economic development professionals employed by public, nonprofit, or private development agencies. The course is accredited by the International Economic Development Council and counts toward the Certified Economic Developer (CEcD) certification for professional economic developers. It serves as the first step in a structured professional development program. The course provides economic development professionals with the foundational knowledge and skills necessary for organizing, planning, and operating economic development activities and programs.

Basic Economic Development Course
University of North Carolina at Chapel Hill
School of Government
919-843-0972
www.sog.unc.edu/courses/basic-economic-development

The North Carolina Certified Economic Developer Program is offered in partnership with the [North Carolina Economic Development Association](#) (NCEDA). The certification program provides practical knowledge about the practice of economic development in North Carolina to economic development staff, elected officials, business leaders and others interested in the field.

North Carolina Certified Economic Developer Program
East Carolina University
252-328-9198
cpe.ecu.edu/ncced/

The **North Carolina Community College System** opens doors to high-quality, accessible educational opportunities that minimize barriers to post-secondary education, maximize student success, develop a globally and multi-culturally competent workforce, and improve the lives and well-being of individuals. With 248 curriculum and 45 continuing education courses, more than 35,000 faculty and staff, and 700,000+ students, the System's 58 institutions offer the following:

- Education, training and retraining for the workforce including basic skills and literacy education, occupational and pre-baccalaureate programs.
- Support for economic development through services to and in partnership with business and industry and in collaboration with the University of North Carolina System and private colleges and universities.
- Services to communities and individuals which improve the quality of life.

North Carolina Community College System
200 West Jones Street
Raleigh, NC 27603
919-807-7100
www.nccommunitycolleges.edu

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

foundation. The Foundation was established in 1999 to administer a portion of the tobacco settlement agreement monies back into North Carolina's rural and economically distressed communities. The non-profit has partnered with state and local governments and other foundations to build economic opportunity across North Carolina through leadership in grantmaking, collaboration, innovation, and stewardship as an independent and perpetual foundation. Golden LEAF's grant programs focus on three priorities: job creation and economic investment, workforce preparedness, agriculture, and economic competitiveness.

Golden LEAF Foundation
301 N. Winstead Avenue
Rocky Mount, NC 27804
252-442-7474
888-684-8404
www.goldenleaf.org

The **Rural Center** serves the state's seventy-eight rural counties by developing, promoting, and implementing sound economic strategies to improve the quality of life of rural North Carolinians. The Rural Center places a special focus on individuals with low to moderate incomes and communities with limited resources. It focuses its activities in four areas: public policy, research and innovation, community capacity-building, and leadership development.

The Rural Center
4021 Carya Drive
Raleigh, NC 27610
919-250-4314
www.ncruralcenter.org

The **United States Economic Development Administration** (EDA) is a bureau within the United States Department of Commerce. EDA is the only federal agency that has as its sole mission economic development: "to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy." The agency provides grant funding for economic development on a competitive basis focused on sustainable job growth and the building of durable regional economies.

U.S. Economic Development Administration
EDA North Carolina Representative: Hillary Sherman
401 West Peachtree Street NW, Suite 1820
Atlanta, GA 30308-3510
828-707-2748
hsherman@eda.gov
www.eda.gov

The **Southern Economic Development Council** (SEDC), serving seventeen southern states, traces its roots to the fall of 1946, making it the oldest and largest regional economic development association in North America. Its membership is diverse, including leaders from across business and industry; chambers of commerce; utilities; transportation; finance; education; and local, regional, and state development agencies. SEDC's mission is to provide useful information and dynamic leadership to economic development practitioners throughout the American South.

Southern Economic Development Council
311 Nelson Street
Atlanta, GA 30313
404-523-3030
www.sedc.org

The **International Economic Development Council** (IEDC) is a non-profit, non-partisan professional membership organization with 4,000+ members. IEDC's members are engaged in the full range of economic development experiences. Given the breadth of economic development, members are employed in a wide variety of settings including local, state, provincial, and federal governments, public-private partnerships, chambers of commerce, universities, and a variety of other institutions. Its services include professional development and certification, conferences and events, advisory services, resources and research, legislative tracking, an information clearinghouse, and publications.

International Economic Development Council
1275 K Street, Suite 300
Washington, DC 20005-4083
202-223-7800
www.iedconline.org

CoreNet Global is a worldwide professional development and networking association that advances the practice of corporate real estate through professional development opportunities, publications, research, conferences, designations, and networking. Its nearly 10,000 members are based in 50 countries and network through 46 local chapters and global groups.

CoreNet Global
133 Peachtree Street NE, Suite 3000
Atlanta, GA 30303
404-589-3200
www.corenetglobal.org

The **Industrial Asset Management Council** (IAMC) is the leading industrial and manufacturing real estate trade association, offering dynamic professional development, networking opportunities and endless resources for its members in the United States and abroad. IAMC offers professional development, networking, training, and industry resources.

Industrial Asset Management Council
6625 The Corners Parkway, Suite 200
Peachtree Corners, GA 30092
770-325-3461
www.iamc.org

The following North Carolina resources also focus on economic development.

- The **Development Finance Initiative (DFI)** at the **UNC School of Government** assists local governments in attracting private investment for transformative projects by providing specialized finance and development expertise. DFI partners with communities on projects involving building reuse, community development, downtown revitalization, and economic development. dfi.sog.unc.edu/
- **Industry Expansion Solutions (IES)** is the engineering-based, solutions-driven, client-focused unit of North Carolina State University. IES focuses on helping existing industry grow, innovate, and prosper. www.ies.ncsu.edu

- **Institute for Emerging Issues at North Carolina State University** connects North Carolinians across sectors, regions, and perspectives for collaborative work on key emerging issues affecting our state’s future economic competitiveness including education, health, tax and finance, energy and the environment, and economic development. www.ncsu.edu/iei
- **MCNC** promotes technology-based economic development statewide through partnerships with universities, industries, and governments. www.mcnc.org
- **The North Carolina Biotechnology Center** (NCBiotech) creates North Carolina’s competitive advantage in the life sciences, engaging partners, maximizing opportunities, and delivering solutions to accelerate innovation, investment, and job creation. NCBiotech has six regional offices across the state. www.ncbiotech.org
- **NCGrowth at the UNC Kenan Institute of Private Enterprise** helps businesses and communities create good jobs and equitable opportunities through applied research and technical assistance. NCGrowth assists communities especially in Eastern North Carolina with economic development strategic planning and research on important topics such as alternative energy, economic development, and entrepreneurship. www.ncgrowth.unc.edu
- **NC IDEA** helps North Carolinians achieve their entrepreneurial ambition to start and grow high potential companies by offering competitive grants and programs for entrepreneurs and funding to strengthen the entrepreneurial ecosystem. ncidea.org/about/
- **The North Carolina Military Business Center** is a collaborative effort between North Carolina businesses and the North Carolina Community College System. Its mission is to leverage military and other federal business opportunities to expand the economy, grow jobs and improve quality of life in North Carolina. www.ncmbc.us

- **Small Business and Technology Development Centers**, housed at sixteen UNC campuses, provide management counseling and market development services to growing small businesses statewide. www.sbtdc.org
- **The National Institute of Minority Economic Development (The Institute)** assists historically underutilized businesses through accessing affordable capital, expanding market opportunities, supporting equitable economic ecosystems, and providing research. www.theinstitutenc.org