

Rural Division, Building Reuse Program

BUILDING REUSE

The Building Reuse Program is administered by the Rural Division of the North Carolina Department of Commerce; it provides grants to local governments for two purposes: the renovation of vacant buildings and the renovation or expansion of a building occupied by an existing North Carolina company wishing to expand in its current location.

The N.C. Department of Commerce annually ranks the state's 100 counties based on economic well-being and assigns each a tier designation. The 40 most distressed counties are designated as Tier 1, the next 40 as Tier 2 and the 20 least distressed as Tier 3. This tier system is incorporated into the Building Reuse Program to encourage economic activity in the less prosperous areas of the state.

Existing Building

Grants are available to support the renovation or expansion of buildings occupied by a company operating in North Carolina for at least 12 months.

Up to \$10,000 per full-time job, maximum award of \$500,000

- Project is located in a Tier 1 or Tier 2 county;
- Company type is represented in the program's Priority Industry Table;
- New jobs will meet the county wage standard, and
- The company will provide health insurance and pay at least 50% of the premiums for participating employees.

Eligible Use

Eligible expenses incurred after a grant has been awarded include: materials and labor to install HVAC, electrical, plumbing, fire alarm/suppression system, roofing, flooring, carpentry, drywall, paint and other renovation or upfitting costs.

Manufacturing

TAX EXEMPTIONS

Machinery and Equipment, Sales and Use Tax Exemption

Mill (generally manufacturing) machinery, including parts or accessories as well as specialized equipment for loading or processing, is exempt from sales and use tax, but is subject to a 1% privilege tax, capped at a maximum of \$80 per article. For a list of items that are classified as mill machinery, please see [Section 58 of the North Carolina Department of Revenue's Sales and Use Tax Technical Bulletin](#). North Carolina does not levy a sales and use tax on repairs to industrial machinery or service contracts for mill machinery.

Electricity, Fuel and Natural Gas, Sales and Use Tax Exemption

Retail sales, as well as the use, storage or consumption of electricity, fuel and piped natural gas sold to a manufacturer are exempt from sales and use tax for use in a manufacturing operation. This exemption does not apply to electricity used at a facility at which the primary activity is not manufacturing. For purposes of the exemption, a "facility" is (1) a single building or (2) a group of buildings that are located on a single parcel of land or on contiguous parcels of land under common ownership. "Facility" also refers to any other related real property contained on the parcel(s) where manufacturing activity occurs.

Raw Materials, Sales and Use Tax Exemption

Purchases of ingredients or component parts of a manufactured product that become an ingredient or component part of tangible personal property are exempt from sales and use tax. In addition, packaging items that constitute a part of the sale (retail or wholesale) and are delivered with the product to the customer are exempt from sales and use tax.

Inventory, Property Tax Exclusion

North Carolina and its local governments do not levy a property tax on inventories.

Inventories owned by contractors, manufacturers and merchants (retail and wholesale) are excluded from property tax. Inventories are defined as goods held for sale in the regular course of business by manufacturers, retail and wholesale merchants and construction contractors. For manufacturers, the term inventory includes raw materials, goods in process and finished goods, as well as other materials or supplies that are consumed in manufacturing or processing. Inventory also refers to any commodity or part thereof that accompanies and becomes part of the property being sold. For a full list of items that are exempt from the sales and use tax, please see [North Carolina General Statute 105-164.13](#).

One North Carolina Fund

DISCRETIONARY GRANTS

The One North Carolina Fund (OneNC) is a discretionary cash-grant program that allows the Governor to respond quickly to competitive job-creation projects. The North Carolina Department of Commerce administers OneNC on behalf of the Governor. Awards are based on the number of jobs created, level of investment, location of the project, economic impact of the project and the importance of the project to the state and region.

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For more information on county tier designations, visit our [County Development Tier Designations](#) page.

In order to qualify for funding through OneNC, the company must meet a minimum set of requirements, which varies depending on the tier designation of the county under consideration.

Target parameters for Tier 1 projects:

20 jobs at an average wage equal to the county average wage

As a rule of thumb, projects in a Tier 1 are typically funded at \$3,000 per job.

Job Development Investment Grant

DISCRETIONARY GRANTS

The Job Development Investment Grant (JDIG) is a performance-based, discretionary incentive program that provides cash grants directly to new and expanding companies to help offset the cost of locating or expanding a facility in the state. The amount of the grant is based on a percentage of the personal income tax withholdings associated with the new jobs.

The amount of a JDIG award is calculated by weighing a number of factors to determine its potential value, including the location of the project, the county tier designation, the number of net new jobs, the wages of the jobs compared to the county average wage, the level of investment and whether the industry is one of the state's targeted industry sectors. Grant funds are disbursed annually, for up to 12 years, to approved companies following the satisfaction of performance criteria set out in grant agreements.

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For projects located in a Tier 1 county:

100% of the annual grant is paid to the company

Eligible Use

There are no restrictions on the use of JDIG funds. The company can use JDIG funds for any purpose.

Workforce Development

WORKFORCE TRAINING & DEVELOPMENT

Among the most significant questions a company new to North Carolina or expanding in the state must address is how to attract and retain a qualified workforce. No state has greater long-term experience with successful workforce solutions than North Carolina. Its world-class educational system of colleges and universities ensures a robust pipeline of candidates in fields ranging from finance to nanotechnology. Its award-winning community college system provides state-of-the-art training customized to meet an employer's specific needs. North Carolina's workforce development system—one of the most comprehensive in the nation—brings employer and employees together by managing recruiting, screening and other necessary pre-employment assessments.

Talent acquisition and development in North Carolina is coordinated by a network of nationally recognized economic, education and workforce development organizations, including the state's Department of Commerce, public community college and university systems and a large cadre of private colleges and universities. On behalf of a company new to the state or expanding its existing footprint, this team can manage a customized plan for initial recruitment, personalized screening, pre-employment training and, ultimately, client-specific training.

Coordinating closely with the state's world-class research institutions and its 58-campus community colleges, North Carolina's workforce development program is well positioned to keep pace with new and advancing technologies. Its educational institutions produce a pipeline of graduates with a strong work ethic, high technical skills and knowledge and motivation guaranteed to ensure a company's success and ability to compete in a global economy.

Recruiting

At no charge, NCWorks Career Centers provide companies with an extensive network of recruiters and recruiting tools. These experienced specialists leverage resources to more efficiently and effectively identify qualified applicants.

Job Awareness and Outreach Strategy

Representatives work with a company to develop a coordinated communications and outreach strategy, crafting job opportunity public announcements and press releases and identifying target media outlets.

Online Job Postings

Company job openings can be posted online, making them available at over 100 NCWorks Career Centers across the state. These vacancy announcements are also automatically sent to community college and university career centers, ensuring the broadest possible qualified labor pool.

Recruitment Training Video

The North Carolina Community College System's Learning Solutions Center can produce an orientation and process overview video to be used during various recruitment activities. The video can also be uploaded to a company's website. The NCWorks website, which draws nearly 3 million visitors a month, can also feature the video.

Job Fairs and On-Campus Recruiting

Special events, including job fairs and on-campus recruiting, provide excellent access to targeted talent pools and offer the opportunity to preview the quality of that potential workforce.

Additional Services

Other talent acquisition services available include basic community orientation for those moving to the state and diversity and campus recruitment proposals.

Workforce Development Initiatives



- Promoting funding availability for *customized industry specific* training for both new and expanding industries
- Center for Applied Technology (CAT)

Machining / Metalworking

Electronics

Research Development

Short-Run Manufacturing

Lean & Other Process Management

Figure 17
SWC Workforce Skills
Degree of Specialization



Workers can be employed in occupations that score high in several skills, so they may be counted in several skill categories.

*Source: SYNEVA Economics, EMSI, Occupational Information Network (O*NET)*