

*Discretionary Grant:*

# JOBS DEVELOPMENT INVESTMENT GRANT

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.

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 JDIG to encourage economic activity in the less prosperous areas of the state.

**For projects located in a Tier 1 county:**

100% of the annual grant is paid to the company.

**For projects located in a Tier 2 county:**

90% of the annual grant is paid to the company, and 10% is transferred to the Utility Account, a state program to fund infrastructure projects in Tier 1 and Tier 2 counties.

**For projects located in a Tier 3 county:**

75% of the annual grant is paid to the company, and 25% is transferred into the Utility Account.

JDIG has a High-Yield Project (HYP) provision for any company that creates 1,750 jobs and invests \$500 million, which can provide a grant worth up to 90% of personal income withholdings for up to 20 years.

JDIG also has a Transformative Project provision for any company that creates 3,000 jobs and invests \$1 billion, which can provide a grant worth up to 90% of personal income withholdings for up to 30 years.



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## Basic Requirements for Eligibility

In order for a project to be considered for JDIG, the following criteria must be met:

- **The project must be competitive with locations outside North Carolina and remain competitive until the grant is formally awarded.**
- The project results in a net increase in the company's employment in North Carolina. JDIG cannot be used to incent job retention.
- The project increases opportunities for employment and strengthens the state's economy.
- The project is consistent with the economic development goals of the state and of the area in which it is located.
- The project must meet the county average wage requirement.
- The grant must be necessary for the completion of the project in North Carolina.
- The benefits to the state outweigh the costs, rendering the grant appropriate for the project.
- The company must provide health insurance and pay at least 50% of the premiums for participating employees.
- The company must meet statutory occupational safety and environmental compliance requirements.
- For a project in a Tier 3 county, the local government(s) must provide incentives.

A five-member Economic Investment Committee (EIC) evaluates projects and makes decisions regarding JDIG awards. The North Carolina Department of Commerce administers the program on behalf of the EIC. Grant applicants are required to pay a \$10,000 nonrefundable fee with the submission of a completed application if the project is either a high-yield project, transformative or located in a Tier 3 area, \$5,000 if the project locates to a Tier 2 area, and \$1,000 if the project locates in a Tier 1 area. Grant recipients are also required to pay an annual fee with the submission of each annual report, when filed with the Department of Commerce. The annual fee amount is the greater of \$2,500 or .03% of the grant amount awarded to the company. The amount of a grant associated with any specific position may not exceed \$6,500 in any year. North Carolina statute requires that the company maintain operations at the project location, or at another approved site in North Carolina, for at least 150% of the term of the grant.

**NCEast Alliance does not award or administer this incentive. All economic development incentives are awarded and administered by the North Carolina Department of Commerce.**

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