

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 220

Short Title: Main Street Fund.

(Public)

Sponsors: Representatives James, R. Thompson; Flaherty, Bowman, Buchanan, Church, Fitch, Fletcher, Gardner, Holt, Judy Hunt, and Robinson.

Referred to: Government.

February 15, 1989

A BILL TO BE ENTITLED

AN ACT TO CREATE THE MAIN STREET FUND.

The General Assembly of North Carolina enacts:

Section 1. A fund to be known as the Main Street Fund is established. Moneys appropriated to, credited to, or paid to this fund shall be deposited with the Department of Natural Resources and Community Development. This fund shall be administered by the Department of Natural Resources and Community Development. The Department of Natural Resources and Community Development shall be responsible for receipt and disbursement of all moneys as provided in this act. Interest earnings shall be credited to the General Fund.

Sec. 2. Moneys in the Main Street Fund shall be available to the following North Carolina Main Street Cities affiliated with the National Main Street Center Program: New Bern, Salisbury, Shelby, Tarboro, Washington, Clinton, Morganton, Rocky Mount, Statesville, Wilson, Goldsboro, Kinston, Reidsville, Sanford, Wadesboro, Henderson, Hendersonville, Lenoir, Smithfield, Waynesville, Elizabeth City, Lumberton, Mooresville, Mt. Airy, and Burlington. Moneys in the Main Street Fund shall be used for the following eligible activities:

- (1) The acquisition or rehabilitation of properties in connection with private investment in a designated downtown area;
- (2) The establishment of revolving loan programs for private investment in a designated downtown area;
- (3) The subsidization of interest rates for these revolving loan programs;

- 1 (4) The establishment of facade incentive grants in connection with
2 private investment in a designated downtown area;
- 3 (5) Market studies, design studies, design assistance, or strategic planning
4 efforts, provided the activity can be shown to lead directly to private
5 investment in a designated downtown area;
- 6 (6) Any approved project that provides construction or rehabilitation in a
7 designated downtown area and can be shown to lead directly to private
8 investment in the designated downtown area; and
- 9 (7) Public improvements and public infrastructure within a designated
10 downtown area, provided these improvements are necessary to create
11 or stimulate private investment in the designated downtown area.

12 Sec. 3. (a) A North Carolina Main Street City may apply for a conditional
13 grant from the Main Street Fund by submitting an application to the Main Street Center
14 in the Division of Community Assistance, Department of Natural Resources and
15 Community Development. The application shall list:

- 16 (1) The proposed activities for which the moneys are to be used;
- 17 (2) The amount of conditional grant moneys requested for these activities;
- 18 (3) Projections of the dollar amount of private investment that is expected
19 to occur in the designated downtown area as a direct result of the
20 City's proposed activities;
- 21 (4) Whether local public dollars are required to match any grant moneys
22 according to the provisions of Section 5(b) of this act, and if so, the
23 amount of local public dollars required;
- 24 (5) Projections of the time needed to get private investors to make a
25 written commitment regarding their investment;
- 26 (6) An explanation of the nature of the private investment in the
27 designated downtown area that will result from the City's proposed
28 activities;
- 29 (7) Projections of the time needed to complete the City's proposed
30 activities; and
- 31 (8) Projections of the time needed to realize the private investment that is
32 expected to result from the City's proposed activities.

33 The applicant shall furnish additional or supplemental information upon written request.

34 (b) A committee, comprised of representatives of: the Division of Community
35 Assistance of the Department of Natural Resources and Community Development, the
36 North Carolina Main Street Program, the Local Government Commission, and the
37 League of Municipalities shall:

- 38 (1) Review a Main Street City's application,
- 39 (2) Determine whether the activities listed in the application are activities
40 that are eligible for a conditional grant, and
- 41 (3) Determine which applicants are selected to receive a grant from the
42 Main Street Fund.

43 (c) A Main Street City whose application is denied may file a new or amended
44 application.

1 Sec. 4. (a) No Main Street City may receive grants pursuant to this act
2 totaling more than three hundred thousand dollars (\$300,000).

3 (b) The Department of Natural Resources and Community Development shall
4 establish an account in the amount of the conditional grant for each Main Street City
5 that is selected to receive a grant. These moneys shall be disbursed as expended
6 through warrants drawn on the Department of Natural Resources and Community
7 Development.

8 Sec. 5. (a) A Main Street City that has been selected to receive a grant shall:

9 (1) Receive written commitment from private investors of the dollar
10 amount of private investment in the designated downtown area that the
11 private investors will make as a result of that City's activities. The
12 amount of committed private funds shall match the amount of the
13 conditional grant from the Main Street Fund on the basis of at least
14 five private dollars (\$5.00) for every one dollar (\$1.00) from the Main
15 Street Fund.

16 (2) Use the full amount of the grant for the activities that were approved
17 pursuant to Section 3 of this act. Grant money is deemed used if the
18 Main Street City is legally committed to spend the moneys on the
19 approved activities.

20 (b) If a Main Street City has received approval to use grant moneys for public
21 improvements or public infrastructure, that City shall be required to raise, before grant
22 moneys for these public improvements may be drawn from the City's account, local
23 public funds to match the amount of the conditional grant from the Main Street Fund on
24 the basis of at least one local public dollar (\$1.00) for every one dollar (\$1.00) from the
25 Main Street Fund. This match requirement applies only to those grant moneys received
26 for public improvements or public infrastructure and is in addition to the requirement
27 that the City receive written commitment for private investment in accordance with
28 subdivision (1) of subsection (a) of this section.

29 (c) A Main Street City that fails, within three years of being selected or by May
30 1, 1993, whichever occurs first, to actually raise the level of private investment for
31 which the City received written commitment shall be required to pay within 45 days to
32 the Main Street Fund an amount equal to that portion of the grant that was not matched
33 as required. The Department of Natural Resources and Community Development shall
34 determine whether this condition has been satisfied, and if it has not been satisfied,
35 determine the amount the Main Street City shall be required to pay to the Main Street
36 Fund.

37 (d) A Main Street City that fails to satisfy the condition set forth in subsection
38 (a)(2) of this section shall lose any grant moneys that have not been used within three
39 years of being selected or June 29, 1993, whichever occurs first. These unused grant
40 moneys shall be credited to the Main Street Fund.

41 (e) Any moneys paid or credited to the Main Street Fund pursuant to
42 subsections (c) or (d) of this section shall be available to other applicants as long as the
43 Main Street Fund is in effect. The Main Street City that fails to satisfy the conditions of
44 its grant may file a new application.

1 Sec. 6. Inspection of a project for which a grant has been awarded may be
2 performed by personnel of the Department of Natural Resources and Community
3 Development. No person may be approved to perform inspections who is an officer or
4 employee of the unit of local government to which the grant was made or who is an
5 owner, officer, employee, or agent of a contractor or subcontractor engaged in the
6 construction of any project for which the grant was made.

7 Sec. 7. The Department of Natural Resources and Community Development
8 may adopt, modify, and repeal rules establishing the procedures to be followed in the
9 administration of this act and regulations interpreting and applying the provisions of this
10 act, as provided in the Administrative Procedure Act.

11 Sec. 8. The Department of Natural Resources and Community Development
12 and Main Street Cities that have been selected to receive a grant from the Main Street
13 Fund shall prepare and file on or before July 31 of each year the Main Street Fund is in
14 effect with the Joint Legislative Commission on Governmental Operations a
15 consolidated report for the preceding fiscal year concerning the allocation of grants
16 authorized by this act.

17 (b) The portion of the annual report prepared by the Department of Natural
18 Resources and Community Development shall set forth for the preceding fiscal year
19 itemized and total allocations from the Main Street Fund for grants. The Department of
20 Natural Resources and Community Development shall also prepare a summary report of
21 all allocations made from the fund for each fiscal year; the total funds received and
22 allocations made; and the total unallocated funds in the Fund.

23 (c) The portion of the report prepared by the Main Street City shall include:

- 24 (1) The total amount of private funds that were committed and the amount
25 that were invested in the designated downtown area during the
26 preceding fiscal year;
- 27 (2) The total amount of local public matching funds that were raised, if
28 required by Section 5 of this act;
- 29 (3) The total amount of the grant received from the Main Street Fund
30 during the preceding fiscal year;
- 31 (4) A description of how the grant moneys and funds from private
32 investors were used during the preceding fiscal year;
- 33 (5) Details regarding the types of private investment created or stimulated,
34 the dates of this activity, the amount of public money involved, and
35 any other pertinent information, including any jobs created, businesses
36 started, and number of jobs retained due to the approved activities.

37 Sec. 9. There is appropriated from the General Fund to the Main Street Fund
38 created in Section 1 of this act the sum of three million five hundred thousand dollars
39 (\$3,500,000) for the fiscal year 1989-90 and three million five hundred thousand dollars
40 (\$3,500,000) for the fiscal year 1990-91 for the purposes set forth in this act. Any
41 moneys remaining in the Main Street Fund on June 30, 1993, shall revert to the General
42 Fund.

43 Sec. 10. This act is effective upon ratification.