



**NORTH CAROLINA**  
**DEPARTMENT of**  
**COMMERCE**

# 2022 Resilience Progress Report

North Carolina Department of Commerce

*October 15, 2022*

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# Introduction

## About North Carolina Department of Commerce

The mission of the North Carolina Department of Commerce (NCDOC) is to improve the economic well-being and quality of life for all North Carolinians. To do that, the North Carolina Department of Commerce works closely with local, regional, national, and international organizations to propel economic, community and workforce development for the state.

The Department connects businesses with the site locations, workforce, and infrastructure they need to succeed in one of the nation's top states for business. We also connect local communities with the grants and funding they need to attract new business and ensure future prosperity.

Additionally, our executive branch agency administers the state's economic incentives program and publishes data, statistics, information, and reports for those interested in our state's economy.

Marketing North Carolina as a business and visitor destination is another function of the Department, and to handle this work we contract services from the Economic Development Partnership of North Carolina (EDPNC), a public-private organization established by the North Carolina General Assembly in 2014.

## North Carolina Department of Commerce's Vulnerabilities to Climate Change

NCDOC recognizes the importance of resiliency; a resilient state economy can "bounce back" more quickly from hazards and therefore have less business interruption.

The Department's resiliency initiatives will educate stakeholders about climate mitigation strategies, promote resilience, advance climate justice, and provide community assistance. The Department will continue and expand these activities in subsequent years.

The Department has focused on job development and creation to improve North Carolina's workforce and businesses in emerging resiliency fields.

## North Carolina Department of Commerce's Approach to Fulfilling the Strategies in the Climate Risk Assessment and Resilience Plan

NCDOC's Main Street and Rural Planning Center has initiated and developed the Community Economic Recovery and Resiliency program. Across the state, 28 communities have completed or are completing the program process. CERRI communities have identified ways to support local businesses so those businesses are able to bounce back from crises such as fire, flood, pandemic, hurricanes and the like. NCDOC has broadened its efforts to support and develop the clean energy sector that the state has recruited and invested in recently.

For example, with respect to company recruitment, in December 2021, Toyota announced plans to build its first North American battery manufacturing plant for a new generation of vehicles in North Carolina, creating at least 1,750 jobs. Toyota will invest \$1.29 billion at the Greensboro-Randolph Megasite, strengthening North Carolina's position as a leader in the nation's growing, clean energy economy. In August 2022, Toyota announced an additional investment of \$2.5 billion, bringing more capacity and another 350 jobs to the project. Toyota's project in North Carolina will be led by a new venture between Toyota and Toyota Tsusho Corporation, the trading arm of the Toyota Group. The new venture company will be known as Toyota Battery Manufacturing, North Carolina (TBMNC), based in Randolph County.

With respect to offshore wind, the 30-member North Carolina Taskforce for Offshore Wind Economic Resource Strategies (NC TOWERS), established by Executive Order 218 in June 2021, held its first meeting in February 2022 and has held two subsequent quarterly meetings this year. The Taskforce provides expert advice to Governor Cooper and state policymakers on ways to advance offshore wind energy projects in North Carolina, with a special focus on economic development and job creation. The Taskforce works to:

- Identify economic and workforce opportunities and challenges presented by the offshore wind industry
- Recommend policies and programs to capture strategic opportunities that foster a thriving offshore wind workforce and business community
- Provide advice for developing the state's offshore wind supply chain, workforce, and infrastructure
- Foster and support environmental justice and equitable access to opportunities for underserved communities
- Recommend policies and guidelines that prioritize offshore wind energy projects

## Reducing Energy Use

The Department does not own any buildings or offices.

## Addressing Environmental Injustices and Inequities

Pursuant to Section 7 of EO 246, NCDOC named the Assistant Secretary for Clean Energy Economic Development as Commerce's EJ Lead. Since EO 246 was signed, the Commerce Executive Leadership Team (ELT) has worked to identify and advance opportunities for equitable access, particularly in underserved communities, to the economic benefits that accompany the transition to a clean energy economy. To raise awareness about EJ agency-wide, the EJ Lead partnered with the Commerce Office of Diversity, Equity, and Inclusion to host and moderate an Agency *Lunch and Learn* with EJ movement leaders recognizing Earth Day in April 2022. Furthermore, NCDOC prepared and published, according to Section 8 of EO 246, the required [Public Access and Participation Plan](#). In addition, several members of the ELT have participated in conversations with stakeholders and advocates about how EJ is considered in economic development decisions.

NCDOC would also like to highlight the recent hiring of a new Business Relationship Manager serving as the agency's strategic business partner responsible for promoting active corporate responsibility in alignment with Commerce's First-In-Talent Plan. This new employee is a member of the ELT whose focus is to work with companies to promote three key areas: environmental sustainability, work-based learning and diversity, equity and inclusion, areas selected because of their importance both to the state and its employers.

## Public Participation Plan

NCDOC published its Public Access and Public Participation Plan in June 2022. NCDOC recognizes that all residents of North Carolina have the right to access government services, to meaningfully contribute to government decisions, and to share equitably in the benefits of a prosperous North Carolina. To that end, we are committed to conducting and communicating the business of North Carolina openly and transparently – and in an equitable and inclusive manner. We prioritize public awareness, two-way public engagement and communication, and value public involvement and input in developing policies and programs that best serve the people of North Carolina. We understand that the people's business should continuously expand to reflect and represent the collective diversity of the State's growing population and the evolving needs of each community. The formal establishment of this "Public Access and Participation Plan" will help support our ongoing efforts to serve all people of North Carolina and serve as a guide to ensure continued open communication, public participation, and engagement. The Plan is available here: <https://www.commerce.nc.gov/draft-criteria-or-guidelines-public-access-and-participation-plan/open>.

## Climate Council Updates

The Department has continued to increase workforce diversity within industries and occupations across the state. By addressing the new and emerging clean energy sector, the Department has contributed to the state's efforts to mitigate climate change.

The Department worked with NC A&T University to submit and win a federal grant from the U.S. Economic Development Administration (EDA). The \$23.7 million American Rescue Plan Good Jobs Challenge grant to North Carolina Agricultural and Technical State University enables the university and its partners to create STEPs4GROWTH, a clean energy workforce training program. STEPs4GROWTH will create quality, demand-driven training for the region's growing clean energy sector. With a focus on equity, the program will use mobile training units in 16 economically distressed North Carolina counties to remove barriers to access and deliver training where workers are. STEPs4GROWTH will serve as a national training model that will create a diverse talent pipeline to support the economy.

The workforce development boards throughout the state and NCWorks Commission are partnering to diversify the EV charging workforce as included in North Carolina's approved [National Electric Vehicle Infrastructure \(NEVI\) plan](#). Since this field is growing and evolving, the Department continues to adapt and meet those rising needs. DWS is looking at manufacturing credentials that are transferrable to clean energy and how to enhance existing credentials to include clean energy. DWS is working with US DOL and other states, specifically Kentucky and Tennessee, which both have had major automotive EV announcements, on best practices.

# 1.0. Reduce greenhouse gas emissions

1.1 Reduce energy consumption per square foot in state-owned buildings by at least 40% from fiscal year 2002-2003 levels

This section does not apply.

1.2 Support the use and expansion of energy efficient and clean energy resources

|  |                       |
|--|-----------------------|
| <p><b>1.2.1 Development of solar, wind, energy storage and other innovative technologies in public and private sectors.</b></p>  | <p><b>Ongoing</b></p> |
| <p>Expected Completion Date: N/A</p> <p>The Assistant Secretary for Clean Energy Economic Development and the Office of Science, Technology &amp; Innovation regularly meet and talk with companies, both inside and outside North Carolina, who are interested in developing clean energy technologies in the state. When appropriate, these companies are referred to the Economic Development Partnership of North Carolina (EDPNC) for more detailed discussions and assistance regarding their technology development needs.</p> <p>Company interest in the development of clean energy in North Carolina continues to increase rapidly. As a result, the Department will continue to enhance its procedures and information related to clean energy technologies, so that it can respond more effectively and efficiently to meet the increasing demand.</p> |                       |

1.3 Increase the number of registered Zero Emission Vehicles to at least 1,250,000 by 2030 so that 50% of in-state sales of new vehicles are zero-emission by 2030

This section does not apply.

1.4 Prioritize Zero Emission Vehicles (ZEVs) in the purchase or lease of new vehicles and for agency business travel

|  |                       |
|--|-----------------------|
| <p><b>1.4.1 Follow through with Motor Fleet ZEV Plan</b></p>   | <p><b>Ongoing</b></p> |
| <p>Expected Completion Date: N/A</p> <p>The Department has not had an opportunity to purchase or lease a new vehicle since the last report, but it plans to make progress on this front when opportunities present. A small but growing number of Department employees have ZEVs and prioritize them for agency business travel whenever possible.</p> |                       |

The Department will continue to prioritize ZEVs in the purchase or lease of new vehicles and for agency business travel.

## 1.5 Initiate other initiatives to decarbonize the transportation sector

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|--|----------------|
| <b>1.5.1 Reduced vehicle miles traveled</b>  | <b>Ongoing</b> |
| <p>Expected Completion Date: N/A</p> <p>The Department continues to use the MS Teams platform and other online platforms to conduct meetings, trainings and workshops for staff and the public. This has increased the range of services offered to a wider audience as well as reduce staff mileage. While there is online fatigue, this method of communication is effective in reducing the miles driven to provide services.</p> <p>LeverageNC is a partnership with NC Commerce, NC Commerce’s Main Street and Rural Planning, NC League of Municipalities, NC Downtown Development Association, and NC Department of Natural and Cultural Resources State Historic Preservation Office. This association provides educational offerings and expert resources for local governments. LeverageNC hosted 13 monthly webinars with almost 1200 participants from around the state and the country from October 2021 to June 2022. This allowed a wider audience to be reached with less vehicle miles.</p> <p>Members of the ELT are participating in an advisory role in NCDOT’s work to issue its Clean Transportation Plan. In addition, NCDOC staff explored opportunities to apply for Volkswagen Settlement funding to install public electric vehicle charging stations at locations around the state. This effort was limited by the ownership/long-term lease requirement. NCDOC will continue to pursue opportunities that support the transition to clean transportation.</p> |                |



## 2.0. Increase statewide resilience to the impacts of climate change

### 2.1 Evaluate the impacts of climate change on cabinet agencies’ programs and operations

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|---|----------------|
| 2.1.1 Commerce Disaster Recovery Programs   | <b>Ongoing</b> |
| <p>Expected Completion Date: N/A</p> <p>NCDOC’s Rural Economic Development Division (REDD) has several disaster recovery programs. While primarily active when hurricanes strike, the pandemic caused REDD to provide additional programs. Currently, the Division of Workforce Solutions (DWS) is coordinating the Dislocated Worker Grants awarded by the US Department of Labor. DWS is working with 14 Workforce Development Board that serve 59 counties.</p> <p>The Dislocated Worker Grants program is scheduled to end.</p> |                |

### 2.2 Integrate climate change adaptation practices and resiliency planning into cabinet agencies’ policies and operations

This section does not apply.

### 2.3 Assist the communities served by each cabinet agency to implement climate change adaptation practices and resiliency planning

|  |                 |
|--|-----------------|
| 2.3.1 Support communities and sectors of the economy vulnerable to climate change and protect human life and health, natural and built property, natural and built infrastructure, public and private assets.  | <b>Underway</b> |
| <p>Expected Completion Date: 2026</p> <p>Rural Economic Development Division is coordinating ARPA Funds as the Rural Transformation Grant Fund (RTGF). These funds assist communities to improve economic vitality and overcome the unique challenges many rural communities face. Categories are:</p> <ul style="list-style-type: none"> <li>• Downtown Revitalization- help local governments grow and leverage their Main Street and downtown districts as assets for economic growth, economic development, and prosperity</li> <li>• Resilient Neighborhoods -create resilient neighborhoods through community development, neighborhood revitalization, economic investments, and quality of life improvements.</li> </ul> |                 |

- Community Enhancements for Economic Growth – support acquisition of land and buildings, the preparation/development of neighborhood properties and business sites, and the removal of structural and physical barriers for the purpose of enhancing community growth and economic development opportunities.

The second cycle of RTGF will close November 1, 2022. The third round of funding will open in March of 2023 and close in May 2023. All funds must be spent by 2026.

## 3.0. Address the public health impacts of climate change

### 3.1 Increase understanding and awareness of the health impacts of climate change

This section does not apply.

### 3.2 Advance health equity

This section does not apply.

## 4.0. Invest in historically underserved communities

### 4.1 Increase affordability for low- and moderate-income households

|  |                        |
|--|------------------------|
| <p><b>4.1.1 Community Development Block Grant Neighborhood Revitalization - Federal</b></p>  | <p><b>Underway</b></p> |
| <p>Expected Completion Date: To be determined by program manager</p> <p>Approximately <b>\$20.8 million</b> will be made available for the 2022 CDBG Neighborhood Revitalization Program plus <b>\$5 million</b> for the Rural Community Development Fund (RCDF) projects. CDBG-NR will support equitable, affordable housing and benefit low/moderate income level people. The RCDF funds will not require a housing-focused activity and are available to the 40 most economically distressed counties (Tier 1) and its municipalities only.</p> <p>Grant applications are due September 30 and grants will be awarded by November 10, 2022.</p> |                        |

### 4.2 Create jobs and economic growth

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|--|------------------------------|
| <p><b>4.2.1 NCDOC Office of Science Technology Innovation Job Creation</b></p>   | <p><b>Ongoing</b></p>        |
| <p>Expected Completion Date: N/A</p> <p>OSTI develops and administers policies and programs that accelerate both the development of next-generation technology companies and the adoption of technology across existing industry. OSTI released its biennial innovation index report, <i>Tracking Innovation</i>, in April 2022. New in this year’s edition are additional data breakouts that summarize key measures at the North Carolina county level. These measures help inform Board programs to increase participation from early stage, small businesses, particularly in rural areas, by increasing the geographic reach and classes of entrepreneurs and industries that participate, such as new opportunities we see in defense innovation and energy innovation sectors.</p> <p>This year had the most geographically diverse cohort in the history of the One North Carolina Small Business Program (managed by OSTI), with companies in 22 counties—from Brunswick to Yadkin—receiving awards. The variety of projects funded was also the most diverse in the program’s history, with grantees receiving funding from 10 different federal agencies (out of 11 agencies that participate in the federal Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) programs). Additionally, the number of first-time applicants receiving awards was the highest since the One North Carolina Small Business Program was established in 2005.</p> |                              |
| <p><b>4.2.2 Co-applicant for National Science Foundation Type I Innovation Engine Grant</b></p>  | <p><b>Pending Review</b></p> |
| <p>Expected Completion Date: Application submitted Sept 29, 2022</p>   |                              |

Following several months of planning and preparation, NCDOC, in partnership with entities across North and South Carolina, submitted an application for a National Science Foundation Type I Innovation Engine grant to seed clean energy innovations in the economically distressed, systemically underserved eastern regions of both states. If awarded, the work will build upon the efforts of STEPs4GROWTH and lay pathway for a clean energy innovation leadership in the Southeast through focus on technology acceleration, R&D on disruptive technologies, workforce development, and diversity, equity, inclusiveness, and accessibility that recognizes community priorities for energy economic development and achieves upward economic mobility through clean energy transformation. The applicants expect to learn whether NSF approves our application by early 2023.

**4.2.3 HUB purchasing plan**

**Ongoing**

Expected Completion Date: N/A

In 2021, Secretary Sanders charged the Department with maximizing its use of Historically Underutilized Businesses. Her goal is to “. . . lead others by working together to ensure that North Carolina’s economy is equitable, inclusive, and diverse on all fronts.”

The Department developed a HUB purchasing plan that has been distributed throughout the agency. Divisions are encouraged to buy products through HUBs, and the initiative provides the guidelines and assistance to do so.

Between FY 2021 to 2022, the Department increased HUB purchases from 1.4% to 7.8% of its eligible purchases, a five-fold increase over FY 2021.

An analysis of spending among each division will help target expenditures with HUBs for specific categories in the next fiscal year, with the goal of continuing to increase HUB purchases further, to 10% or more. This analysis was shared with all divisions.

**4.3 Alert residents and businesses, particularly those in underserved communities, of state and federal grant opportunities**

**4.3.1 NCDOC Broadcast of Opportunities**

**Ongoing**

Expected Completion Date: N/A

NCDOC has a robust system to inform citizens and businesses of grant opportunities. The system includes press releases, social media accounts, distribution lists and website updates.

NCDOC will continue to expand its outreach to all communities for funding opportunities.