



Date: May 2, 2016

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Grace Dzidzienyo, Interim Director - Office of Economic and Workforce Development

Subject: North Carolina Department of Commerce One North Carolina Fund Grant Project Ordinance FY 2015- FY 2018 for the WillowTree, Inc. Expansion

Executive Summary

This item is to seek Council approval for receiving \$73,500.00 from the North Carolina State Department of Commerce through its One North Carolina Fund to assist with incentivizing the expansion of WillowTree, Inc. (WillowTree) within the city limits of Durham.

Recommendation

Staff recommends that City Council:

1. Adopt the North Carolina Department of Commerce One North Carolina Fund Grant Project Ordinance FY 2015 - FY 2018 for the WillowTree, Inc. Expansion in the amount of \$73,500.00 and accept the North Carolina Department of Commerce One North Carolina Fund Grant by ratifying the executed grant documents; and,
2. Authorize the City Manager to execute any other grant related documents required by the One North Carolina Fund Grant for the WillowTree, Inc. Expansion Grant Project Ordinance.

Background

City Council approved funds in the amount of \$73,500.00 for the WillowTree expansion at the November 16, 2015 meeting. WillowTree had also requested an amount from the State to match the City award. The One North Carolina Fund program stipulated that the City was to apply for a 1:1 matching grant from the State on behalf of WillowTree. The Office of Economic and Workforce Development (OEWD) submitted a grant application and entered into an agreement with the State effective November 2015 to satisfy this requirement.

Issues and Analysis

The grant is “performance-based”; the City will serve as the pass-through entity for the grant and will monitor WillowTree’s performance to ensure that they have met the performance requirements stipulated by the State. The City will then disburse funds to WillowTree based upon their fulfillment of the One North Carolina Fund grant guidelines. No funds will be paid to the company until after the company has achieved its goals.

Funds awarded under the One North Carolina Fund for the WillowTree expansion are awarded solely for this project and cannot be used for any other project or use.

Alternatives

City Council could decide to not accept the state funds however; a refusal would negatively impact the relationship the City has with WillowTree and severely impact the ability of WillowTree to offset the costs for the company to expand in Durham as opposed to other regions.

Financial Impact

These funds are state dollars administered by OEWD. This item will have no impact on the City's general fund. Funds awarded under the One North Carolina Fund for the WillowTree expansion are awarded solely for this project and cannot be used for any other project or use.

SDBE Summary

An SDBE Summary is inapplicable because no project-specific goals have been set and no SDBE's are involved in this item.

Attachments

North Carolina Department of Commerce One North Carolina Fund Grant Project Ordinance FY 2015- FY 2018, 1 page.

Local Government Grant Agreement The One North Carolina Fund, 7 pages.

Company Performance Agreement The One North Carolina Fund, 18 pages.

One North Carolina Fund Grant Award Letter WillowTree, Inc., 1 page.