



ALABAMA DEPARTMENT OF COMMERCE

Additional Non-Tax Incentives

Revised 03/11/2013 – Alabama Department of Commerce/Alabama Department of Revenue

WORKFORCE:

- **“Right-to-Work” State**
- **AIDT (Workforce Recruitment and Training)**
 - Among the top workforce training programs in the US (Expansion Management)
 - ISO 9001:2008 certified
 - State-of-the-art training and support services for new and expanding businesses.
 - An experienced staff, mobile training units, and in-house design and production facilities at no cost to the client.
 - Recruitment, customized pre-employment training, production of training materials and videos for employee development at all levels.
- **Alabama Technology Network (ATN)**
 - Regional centers tailor services to meet local needs, providing innovative and cost-effective solutions to enable Alabama's existing industry to be globally competitive.
 - The network is Alabama's affiliate of the National Institute of Standards and Technology's Manufacturing Extension Partnership, which provides hands-on assistance and training to smaller manufacturers.
- **Alabama E3 (Economy, Energy, Environment)**
 - Coordinate technical assistance programs offered at the federal, state and local levels that help companies maximize their energy efficiency, reduce pollution and greenhouse gas emissions
 - Train employees in using "green" manufacturing practices.
- **Alabama Career Center**
 - Assists the employers in the local, intrastate or interstate recruitment of applicants.
 - Prescreens applicants to meet employer qualifications.

- Provides interview facilities for the employers.
 - Conducts any desired testing of potential employees to measure aptitudes for specified job skills using validated tests.
 - Performs any related service that might be needed.
- **Workforce Investment Areas**
 - Customer-focused system to help Alabamians access the tools they need to manage their careers through information and high quality services and to help U.S. Companies find skilled workers.
 - The Jefferson County Commission, the Mobile County Commission, and the Alabama Workforce Investment Area (remaining 65 counties) administer the majority of Workforce Investment Act federally funded activities conducted within Alabama.

GRANTS AND OTHER ASSISTANCE

- **AlabamaSAVES (Sustainable and Verifiable Energy Savings) Loan Program**
 - Provides 2% interest-rate loans of \$250,000 to \$4,000,000 to help existing industries finance energy-saving improvements to their facilities.
 - Loans may cover up to 90% of total project costs and may allow the borrower up to 10 years to repay.
- **Industrial Development Grant Program (Site Preparation)**
 - Grants to counties, municipalities, local industrial development boards or authorities or economic development councils or authorities, airport authorities, port authorities or public corporations for these purposes:
 - Site preparation for land owned or possessed by lease by these entities.
 - Reasonable rehabilitation of an existing building or structure, determined by the Grantee as being necessary to solicit or attract a Qualifying Project.
 - The size of the grant depends upon the amount of capital investment:

<i>Capital Costs</i>	<i>Percentage of Capital Cost</i>
Less than \$200,000	5.0%
\$200,000 to \$499,999	3.5% (minimum \$10,000)
\$500,000 to \$999,999	2.5% (minimum \$20,000)
\$1,000,000 to \$1,999,999	1.5% (minimum \$28,000)
\$2,000,000 to \$9,999,999	1.0% (minimum \$32,000)
\$10,000,000 to \$24,999,999	0.75% (minimum \$100,000; maximum \$150,000)
\$ 25,000,000 or greater	Maximum \$150,000

- **Industrial Access Road and Bridge**
 - Provide adequate public access to new or expanding distribution, manufacturing and industrial firms.
 - Limited to construction, construction engineering and inspection costs.
 - Must be on public right of way for public use (state, city or county) and the project sponsor (city or county) must maintain the completed facility unless

the facility consists of turn lanes, crossovers, etc., that are located on state highways.

- **One-Stop Environmental Permitting**
 - The Alabama Department of Environmental Management (ADEM) has authority to issue the permits required by all the major federal environmental laws.
 - Permit Coordination and Development Center (PCDC) facilitates the permitting process by coordinating communications, conferences and other administrative functions between an applicant and ADEM.

- **Industrial Revenue Bonds (IRBs)**
 - May be used as long-term financing of up to 100 percent of a project
 - Acquisition of land, buildings, site preparation and improvements.
 - Construction of buildings.
 - Acquisition and installation of furnishings, fixtures and equipment.
 - Capitalizable soft costs (e.g., architectural and engineering, interest incurred during construction, cost associated with bond issuance, etc.).
 - Political subdivision issuing the IRB retains ownership of the bond-financed facility and leases it back to the company at a rate sufficient to pay the principal and interest on the bonds.
 - Tax-exempt IRBs issued at rates lower than conventional sources because the interest paid on the bonds is exempt from both federal and state income tax.

- **Economic Development Revolving Loan Funds**
 - Fixed rate financing, at below market rates, directly available through twelve Alabama Regional Councils.

- **Alabama Improvement Districts**
 - Formed by counties and municipalities – public corporations authorized to issue bonds backed by assessments on the real estate located within the district.
 - Ability to issue bonds and confer exemption from certain state and local taxes.
 - Financing vehicle to issue tax-exempt bonds to provide funds for the construction of infrastructure.

- **Alabama New Market Tax Credit (NMTC) Program**
 - Provides state income tax, financial institution excise, or premium tax credits [State-level New Market Tax Credit] for investments and businesses in impoverished and low income communities.
 - Qualifying location criteria follow Federal guidelines.
 - The Community Development Entity providing the funds must have an active allocation agreement executed by the Community Development Financial Institutions Fund.

- **Alabama Innovation Fund**

- As part of the implementation of Accelerate Alabama, this fund was created to maximize the use of the State’s economic development resources by leveraging annual research and development expenditures by Public Universities within the State to generate resources which can be used to support economic development initiatives. The Alabama Innovation Fund supports and operates two (2) distinct programs. They are:
 - (1) The Renewal Program. Sixty percent (60%) of the annual funding, net of expenses, shall be distributed through grants to Public Universities which submit an Application under this chapter. The allocation to each Public University which makes application shall be based on each Public University’s federally financed research and development expenditures as reported by the National Science Foundation.
 - (2) The Research Program. Forty percent (40%) of the annual funding available to the Alabama Innovation Fund, net of expenses, shall be used to fund the Research Program. These funds shall be distributed, in keeping with the State’s goals to stimulate economic development as set out in Accelerate Alabama, to Public Colleges and Universities who submit an Application through a competitive process.

- **TVA Economic Development Loan Fund**
 - A multimillion-dollar revolving loan program designed to stimulate investment and job creation in the TVA region. Loans must be co-sponsored by a power distributor, local government, or economic development agency and are made available to new and expanding industrial companies for fixed assets such as buildings, machinery, and equipment.

- **Community Development Block Grant/Loan Program**
 - Provide a flexible source of annual grant funds for local governments—funds that they, with the participation of local citizens, can devote to the activities that best serve their own particular development priorities, provided that these projects either (1) benefit low- and moderate-income persons; (2) prevent or eliminate slums or blight; or (3) meet other urgent community development needs.

- **Appalachian Regional Commission and Delta Regional Authority Grants**
 - Federal-state partnerships that work with the people of 37 Appalachian counties in Alabama and the Mississippi Delta region’s twenty Alabama counties to create opportunities for self-sustaining economic development and improved quality of life.
 - Programs create thousands of new jobs, increase school readiness, improve local water and sewer systems, expand access to health care, assist local communities with strategic planning, and provide technical, managerial, and marketing assistance to emerging new businesses.

- **USDA Rural Development in Alabama**
 - A variety of loan, grant, and loan guarantee programs, plus technical assistance in the areas of business and industry, cooperative development,

rural housing, community facilities, water and waste disposal, and telecommunications, including distance learning and telemedicine.