

# Perdue introduces plan to benefit small businesses

Proposal includes tax reductions and incentives, offset by federal recovery funds

Pam Richter  
Editor-in-Chief

Jeff Mackenzie, the owner of the Fat Frogg Bar and Grill in Elon, opened his business in August 2009. Since Mackenzie's business has not been open for long, he has not yet seen the impacts the economy has had on his business as his peers have.

For the Fat Frogg and other small businesses within the state of North Carolina, Gov. Bev Perdue called on the state's General Assembly to approve a legislative package that would help small businesses through tax incentives and grants, according to the Charlotte Business Journal.

"Any type of benefit or tax credit would always be a help, whether it is given federally or by the state," Mackenzie said.

The plan totals to \$17 million, and \$10 million of the package includes tax relief for these businesses.

Jim Barbour, associate professor of economics at Elon University, said the plan is not done as a payment to small businesses but comes in the reduction of taxes.

"A fair portion of this is being off-set by federal recovery money," Barbour said.

On Feb. 17, 2009 President Obama signed the American Recovery and Reinvestment Act, which totaled to \$789.5 billion. According to NCRcovery.gov, \$225 billion of this total was awarded to states, with North Carolina receiving \$6.3 billion.

"Billions of dollars have come into North Carolina from the federal government," Barbour said. "\$17 million is only a small piece."

In addition, small businesses in the state, which are on equal playing field with those outside the state, would be given preferences, Barbour said. For example, if two businesses are the same, but from different states, the one in North Carolina would be given preference.

"If you are sitting in North Carolina there's no downside, but in Virginia (there's an) obvious downside," Barbour said. "Of course that assumes that businesses are equally competent. From the perspective of North Carolinians this is a win-win situation. The only real downside is as soon as you give tax relief to an organization, you have to make up revenue."

According to the Charlotte Business Journal, the plan would include a small-business health insurance credit of \$250 per employee for businesses that provide health insurance to employees making less than \$45,000. The credit applies to businesses with fewer than 25 employees.

Mackenzie said his company has 12 workers including part-time and full-time employees.

"I definitely think that if it makes sense," he said. "It's hard for any business now. Everyone knows the escalating cost of health care."

This bill will not only impact small business but also extends to the state's community colleges.

This plan includes restoring funding to the statewide Small Business Assistance Network in the state's 58 community colleges.

Milele Archibald, the director of the Small Business Center at Alamance Community College, said her program was hurt last year because of budget cuts within the government.

"We'll be able to do things we weren't able to this past year," Archibald said. "We were given certain money for experts, on workshops, and we had to cut back on workshops (because) we didn't have money."

Small Business Centers exist at every community college small business center in the state. Archibald said the mission is to help the growth of small businesses.

## BREAKING down the BILL

### If passed, the bill will include:

- Tax relief and tax incentives
- Small-business tax relief to encourage investment in innovative small companies
- A small-business health-insurance credit of \$250 per employee for businesses
- A business-venture tax credit that raises the cap to \$10 million from \$7.5 million
- A state tax break for equipment purchases by small businesses
- A proposal to restore funding to the statewide Small Business Assistance Network within the state's 58 community colleges.
- InSource NC, a program that helps state businesses find the goods and services they need from other N.C. companies through Web-based buyer-supplier networks.
- A plan to match state grants
- Expanded grants

Source: <http://www.bizjournals.com/charlotte/stories/2010/04/05/daily51.html>

SARAH COSTELLO | Graphics Editor



The Cook Road segment of University Drive will be the site of construction starting in the fall that will widen the road and add a bridge over the railroad tracks.

## University Drive construction project raises safety concerns in town

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piece of the project occurred in 2004 and 2005 when the state added the southern end of the road, which intersects Interstate 85.

On a road where just over a year ago an Elon professor, Eugene Gooch was killed, and in 2007, a major accident claimed the lives of five people, safety concerns are being raised about the section where construction is set to occur.

While both of these incidents were cases where vehicles ran off the road, Town of Elon Police Chief LaVell Lovette said she doesn't think pedestrian traffic or bicycles should be on the road.

"There's really no place for pedestrians and bicycles and that kind of stuff on University Drive and I constantly see people out there walking on the edge of the road, running, bicycles, in fact the other day there was a couple pushing a baby carriage," Lovette said.

University Drive, she said, may be a safer place to walk and bike on once there is a separate portion built specifically for pedestrians that goes along the entire road. Right now there is a section of the road on the southern end, according to Edwards.

The construction project raises other issues, though, in the town. The widening of Cook Road will bring it closer to Beth Schmidt Park, said Klepcyk.

"We've been very cognizant in the town for a long time (of that issue)," Klepcyk said, "because that's really the one piece of the bypass that goes through what are traditional neighborhoods."

He said that because the widening of the road will be happening on the side of the road closer to the university, it will be bringing the road closer to the park.

But for some, safety concerns are being raised about the widening project.

**"THERE'S REALLY NO PLACE FOR PEDESTRIANS AND BICYCLES AND THAT KIND OF STUFF ON UNIVERSITY DRIVE, AND I CONSTANTLY SEE PEOPLE OUT THERE WALKING ON THE EDGE OF THE ROAD, RUNNING, BICYCLES. IN FACT, THE OTHER DAY THERE WAS A COUPLE PUSHING A BABY CARRIAGE."**

- LAVELL LOVETTE  
TOWN OF ELON POLICE CHIEF

"We have a lot of concern about that," said Davis Montgomery, a member of the town's board of alderman. "People are out enjoying the park, and then you've got a high traffic area that will have tractor trailers and (cars) going 45 miles per hour."

He said the North Carolina Department of Transportation has allowed for the Town of Elon to have

control over what the speed limit will be, and Montgomery said he hopes it will be 35 miles per hour.

Lovette said she thinks lowering the speed limit along the Cook Road section of the University Drive bypass is a good idea. Klepcyk said the change in the speed limit hasn't been voted on yet, but he expects the speed limit to be lowered along that area.

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