



ROY COOPER
Governor

ANTHONY M. COPELAND
Secretary

MEMORANDUM

To: N.C. General Assembly – Revenue Laws Study Committee, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Economic Development and Global Engagement Oversight Committee, the Senate Appropriations Committee on Natural and Economic Resources, the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, and the Fiscal Research Division of the Legislative Services Commission

From: N.C. Department of Commerce

Date: October 1, 2018

Re: Clawback Report

Pursuant to N.C. Gen. Stat. § 143B-435.1(d), the following report is submitted by the N.C. Department of Commerce for all state and federal programs it administers for economic development purposes. This report is for clawbacks received as of September 20, 2018.

PROGRAM	COMPANY OR LOCAL GOVERNMENT RECIPIENT	TOTAL AMT OWED	AMT REPAID	DATE RECOVERED	AMT LEFT TO BE REPAID	TRIGGERING EVENT
OneNC ¹	Philip Morris USA	\$750,000.00	\$750,000.00	7/5/2007	\$0.00	Facility closed
OneNC	Pulte Mortgage	\$55,000.00	\$55,000.00	10/6/2008	\$0.00	Facility closed
OneNC	Menlo Logistics	\$15,000.00	\$15,000.00	5/27/2010	\$0.00	Facility closed
OneNC	AmeriKart (NC) Corp	\$11,616.00	\$11,616.06	7/27/2010	\$0.00	Local match not completed
OneNC	IWCO	\$93,750.00	\$93,749.94	5/21/2011	\$0.00 (\$0.06 forgiven)	Facility closed
OneNC	Spirit AeroSystems North Carolina, Inc.	\$98,181.82	\$98,181.82	4/9/2015	\$0.00	Job creation goals not met
OneNC	Timco Aerosystems, LLC	\$12,090	\$12,090	9/22/2015	\$0.00	Job creation goals not met
OneNC	Chiquita Brands International, Inc.	\$1,021,275	\$1,021,275	1/5/2016	\$0.00	Facility closed

¹ In accordance with the One North Carolina Fund statute, grant agreements under the program include the ability to recapture funds for a grantee's failure to comply with specific requirements of the agreement. See N.C. Gen. Stat. § 143B-437.72(b)(7). In addition, Section 2.7 of The Guidelines for One North Carolina also requires that agreements contain recapture provisions for nonperformance.

OneNC	Celgard, LLC (1)	\$143,247	\$143,247	3/9/2016	\$0.00	Job creation goals not met
OneNC	Pro Refrigeration, Inc.	\$3,000	\$3,000	3/19/2016	\$0.00	Investment fell short
OneNC	Caterpillar Inc. (CAMO)	\$142,800	\$142,800	10/19/2016	\$0.00	Job creation goals not met
OneNC	Timco Aerosystems, LLC	\$26,598	\$26,598	2/28/2018	\$0.00	Job creation goals not met
OneNC	Linamar North Carolina, Inc.	\$6,456	\$6,456	2/28/2018	\$0.00	Job creation goals not met
OneNC	Siemens Energy, Inc.	\$137,865	\$137,865	12/12/2016	\$0.00	Job creation goals not met
OneNC	Celgard, LLC (1)	\$80,806	\$80,806	2/15/2017	\$0.00	Job creation goals not met
OneNC	Caterpillar Inc. (CAMO)	\$57,800	\$57,800	5/4/2017	\$0.00	Job creation goals not met
JDIG ²	Brunswick Corporation	\$83,524.00	\$83,524.00	4/23/2009	\$0.00	Facility closed
JDIG	Dell Products LP	\$1,512,000.00	\$1,512,000.00	11/16/2009	\$0.00	Termination of project activities
JDIG	Volvo Construction Equipment	\$69,247.00	\$69,247.00	1/4/2010	\$0.00	Termination of project activities
JDIG	General Electric Company II	\$411,692.00	\$411,692.00	5/30/2010	\$0.00	Termination of grant
JDIG	Novo Nordisk	\$129,750.00	\$129,750.00	8/12/2010	\$0.00	Reduced hiring need; repaid in order to commence other competitive project eligible for grant
JDIG	ITG Automotive Safety Textiles, LLC (Narricot Industries)	\$13,780.00	\$13,780.00	9/1/2010	\$0.00	Termination of project activities
JDIG	Headway Corporation	\$50,175.00	\$50,175.00	10/29/2010	\$0.00	Termination of project activities
JDIG	GE-Hitachi Nuclear Energy Americas LLC	\$199,993.00	\$199,993.00	1/27/2012	\$0.00	Termination of grant
JDIG	Chris-Craft Corporation	\$54,212.00	\$54,212.00	12/13/2012	\$0.00	Termination of project activities
JDIG	Chiquita Brands International, Inc.	\$543,368.00	\$543,368.00	1/5/2016	\$0.00	Termination of project activities
JDIG	Sequenom Center for Molecular Medicine, LLC	\$54,457.00	\$54,457.00	6/14/2016	\$0.00	Company failed to maintain operations at the Facility for the full Agreement Term
JDIG	Peds Legwear (USA) Inc.	\$274,657.00	\$274,657.00	9/10/2018	\$0.00	Termination of Project Activities

² In accordance with the JDIG statute, grant agreements under the program include the ability to recapture funds if a grantee fails to maintain operations at the project location for at least 150% of the grant term. See N.C. Gen. Stat. § 143B-437.57(a)(10). This requirement is also reflected in Section 11.3 of the Criteria for Operation and Implementation of the Job Development Investment Grant Program. There are other circumstances of reduced activity that have resulted in grantees voluntarily repaying grant amounts previously disbursed.

IDF ³	Town of China Grove	\$5,130.59	\$5,130.59	2/14/2013	\$0.00	Job creation goals not met
IDF	Elizabeth City	\$65,000.00	\$65,000.00	11/18/2013	\$0.00	Job creation goals not met
IDF	Wilson County	\$10,000	\$10,000	1/29/2016	\$0.00	Job creation goals not met
IDF	Halifax County	\$64,869	\$64,869	8/28/2015	\$0.00	Job creation goals not met
IDF	Town of Spindale	\$46,851.00	\$46,851.00	1/31/2018	\$0.00	Job creation goals not met
Green Business Fund ⁴	Evans Environmental Energies, Inc.	\$15,40.42	\$15,540.42	10/29/2009	\$0.00	Project terminated due to industrial accident and declining economy
Building Reuse ⁵	City of Mount Airy	\$22,180.53	\$22,180.53	2/12/2014	\$0.00	Job creation goals not met
Building Reuse	Town of Sawmills	\$9,738.00	\$9,738.00	4/9/2014	\$0.00	Job creation goals not met
Building Reuse	Pitt County	\$18,481.99	\$18,481.99	3/24/2014	\$0.00	Job creation goals not met
Building Reuse	Town of Benson	\$15,009.84	\$15,009.84	11/20/2013	\$0.00	Job creation goals not met
Building Reuse	City of Lenoir	\$54,509.00	\$54,509.00	1/28/2014	\$0.00	Job creation goals not met
Building Reuse	Town of Elkin	\$2,873.87	\$2,873.87	3/11/2015	\$0.00	Job creation goals not met
Building Reuse	Caldwell County	\$16,000.00	\$16,000.00	12/9/2015	\$0.00	Job creation goals not met
Building Reuse	Town of Franklinton	\$16,000.00	\$16,000.00	12/15/2015	\$0.00	Job creation goals not met
Building Reuse	Caldwell County	\$36,000.00	\$36,000.00	8/26/2016	\$0.00	Job creation goals not met
Building Reuse	Town of Granite Falls	\$36,000.00	\$36,000.00	7/14/2016	\$0.00	Job creation goals not met
Building Reuse	Town of Wadesboro	\$6,077.62	\$6,077.62	10/25/2016	\$0.00	Job creation goals not met
Building Reuse	Randolph County	\$128,682.50	\$128,682.50	6/30/2016	\$0.00	Job creation goals not met
Building Reuse	Town of Pilot Mountain	\$337,170.69	\$337,170.69	11/30/2016	\$0.00	Job creation goals not met
Building Reuse	City of Greenville	\$45,000.00	\$45,000.00	2/1/2017	\$0.00	Job creation goals not met
Building Reuse	Town of Aberdeen	\$65,000.00	\$65,000.00	3/16/2017	\$0.00	Job creation goals not met

³ In accordance with the Industrial Development Fund statute and administrative rules, if grant awards to units of local government are tied to job creation, the Department may recapture grant payments disbursed should a company fail to create the required number of jobs. See N.C. Gen. Stat. § 143B-437.01 and 4 N.C.A.C. 11 .0202(i).

⁴ In accordance with the N.C. Green Business Fund statute, grant agreements and program guidelines include the ability to recapture funds for performance failures. See N.C. Gen. Stat. § 143B-437.6(5).

⁵ These Building Reuse grants were originally transferred to the Department from the Rural Economic Development Center on October 31, 2013 and are administered by the Department's Rural Economic Development Division. REDD continues to make new Building Reuse grants with subsequent appropriations.

Building Reuse	Stokes County	\$16,344.00	\$16,344.00	6/5/2017	\$0.00	Job creation goals not met
Building Reuse	Cleveland County	\$95,000.00	\$95,000.00	2/7/2018	\$0.00	Job creation goals not met
Building Reuse	City of Cherryville	\$240,000.00	\$240,000.00	4/20/2018	\$0.00	Job creation goals not met
Building Reuse	Alexander County	\$20,000.00	\$20,000.00	6/5/2018	\$0.00	Job creation goals not met
Building Reuse	Alexander County	\$50,000.00	\$50,000.00	6/5/2018	\$0.00	Job creation goals not met
Building Reuse	Vance County	\$208,620.72	104,310.36	7/9/2018	\$104,310.36	Job creation goals not met
Economic Infrastructure ⁶	Moore County	\$180,000.00	\$180,000.00	9/2/2014	\$0.00	Job creation goals not met
Economic Infrastructure	City of Rocky Mount	\$29,532.30	\$29,532.30	04/28/15	\$0.00	Job creation goals not met
Economic Infrastructure	City of Mount Airy	\$100,000.00	\$100,000.00	04/06/15	\$0.00	Job creation goals not met
Economic Infrastructure	Town of Lillington	\$39,976.00	\$39,976.00	07/31/15	\$0.00	Job creation goals not met
Economic Infrastructure	City of Locust	\$5,000.00	\$5,000.00	12/21/2015	\$0.00	Job creation goals not met
Economic Infrastructure	Camden County	\$59,964.00	\$59,964.00	5/11/2016	\$0.00	Job creation goals not met
Economic Infrastructure	McDowell County	\$100,000.00	\$100,000.00	9/5/2017	\$0.00	Job creation goals not met
CDBG	City of Roanoke Rapids	\$538,155.12	\$538,155.12	7/1/2015	\$0.00	Job creation not met
CDBG	Town of Fairmont	\$251,093.06	\$188,319.79	7/1/2016	\$0.00	Job creation not met
CDBG	Cleveland County	\$200,000.00	\$200,000.00	7/1/2015	\$0.00	Job creation not met
CDBG	Town of Long View	\$367,002.00	\$244,668.00	7/1/2017	\$122,334.00	Job creation not met
CDBG	Vance County	\$750,000.00	\$440,000.00	9/1/2017	\$310,000.00	Job creation not met
CDBG	Jones County	\$24,000.00	\$8,000.00	7/1/2017	\$16,000.00	Job creation not met
CDBG	City of Shelby	\$46,717.00	\$46,717.00	9/17/18	\$0.00	Proposed business owner withdrew from project

⁶ These Economic Infrastructure grants were originally transferred to the Department from the Rural Economic Development Center on October 31, 2013, and are administered by the Department's Rural Economic Development Division. REDD makes new Economic Infrastructure grants with subsequent appropriations.