

NORTH CAROLINA DEPARTMENT OF COMMERCE

Job Development Investment Grant:

2008 Annual Report

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I. Introduction

This report describes CY 2008 performance by grantees under the **Job Development Investment Grant** (“JDIG”) program, pursuant to North Carolina General Statute §143B-437.55(c). Information presented includes a listing of grants made and accepted; the results of the cost/benefit analysis conducted by the Economic Investment Committee (the “EIC” or the “Committee”) for each project; the term of each grant and the percentage of withholdings used to determine the amount of each grant, the job creation, investment and minimum average annual wage requirements and the State’s liability under the grants.

II. JDIG Program Summary

The JDIG program, adopted by the General Assembly in the 2001-2002 session, became effective January 2003 and is currently scheduled to sunset on January 1, 2010. It is a performance-based economic development incentive program that provides annual grant disbursements for a period of up to 12 years, to new and expanding businesses based on a percentage of withholding taxes paid by new employees during each calendar year of a grant. This percentage ranges from 10% to 75%. Grants are made to qualifying companies by the EIC, subject to caps set by the General Assembly on future grant year liability. The EIC is comprised of five members: the Secretary of Commerce, the Secretary of Revenue, the Director of the Office of State Budget and Management, and two private sector members appointed by the General Assembly.

In considering whether or not to award a grant, and the appropriate amount and term of a grant, the EIC considers both economic and fiscal impacts. It conducts an extensive review and analysis of applications submitted by proposed grantees, considering factors enumerated in the JDIG statute and the Criteria for Operation and Implementation of Job Development Investment Grant Program (the “Criteria”), adopted pursuant to N.C. Gen. Statutes §143B-437.52 and 54(d), which governs program administration. A determination is made as to how a proposed project benefits the State, and, in particular, whether the fiscal benefits of the project, as measured by tax revenues to the State, outweigh the grant costs to the State. The analysis of State revenue impacts is conducted using an economic model developed by Dr. Michael Walden of North Carolina State University.¹ The model generates estimates of income and employment impacts (direct, indirect and induced), calculates expected impacts on State expenditures and revenues, and the likely net increase in State revenue. The Walden model includes all state incentives known at the time of application in its calculation of net State fiscal cost.

By statute, the EIC is authorized to award up to 25 grants per year. The total amount paid out in any single grant year to all companies awarded a grant in the same calendar year cannot exceed \$15 million. Most companies do not receive a 12-year grant, and in many years the annual cap is not achieved by a company. The maximum State liability for grants awarded during CY 2003-

¹ Walden, Michael. A Model to Estimate the Economic Impacts of Business Location in North Carolina. Developed for the NC Department of Commerce. February 2003.

2008 will be far less than the maximum theoretically possible. Each grant agreement specifies the maximum amount for which a company is eligible in each of its grant years. The State's maximum annual liability under grants made in 2008 is set forth for each grant in Attachment A1, with the maximum liability to the grantee provided in Attachment A2, and the maximum liability to the Utility Account of the Industrial Development Fund set forth in Attachment A3.

III. JDIG Applicants and Grantees for CY 2008

During CY 2008, the EIC awarded 14 grants based on 14 applications received.² Of these 14 grants, 13 were accepted (Reliance Industries Ltd. withdrew its application after the grant offer). Table 1 lists the county and tier in which the project will locate, the first grant year and length of grant term for each company, the percent of withholdings that will be the basis for each company's grant payment, the grant (award) amount to the company (grantee), the amount of award to the Industrial Development Fund (IDF), and the total award amount.

Table 1. CY 2008 Grantee Terms and Award Amounts

Company Name	First Grant Year	County	Tier	Grant Term Years	Withholding Percent	Award to Company	Award to IDF	Total Grant Award
Becton Dickinson & Company	2009	Wilson & Durham	1,3	9	60%	\$3,384,205	\$781,647	\$4,165,852
Fountain Power Boats	2009	Beaufort	1	11	60%	\$2,501,000	\$0	\$2,501,000
GE Hitachi Nuclear Energy Americas LLC III	2008	New Hanover	3	12	75%	\$25,707,750	\$8,569,250	\$34,277,000
HCL America, Inc.	2009	Wake	3	10	65%	\$10,147,500	\$3,382,500	\$13,530,000
IBM LBPS	2008	Mecklenburg	3	10	70%	\$9,783,000	\$3,261,000	\$13,044,000
Mack Trucks	2009	Guilford	3	9	60%	\$8,528,500	\$2,845,500	\$11,374,000
Merchant Distributors, Inc	2010	Caldwell	1	10	65%	\$2,821,000	\$0	\$2,821,000
Siemens Medical Group	2009	Wake	3	10	65%	\$5,625,499	\$1,875,161	\$7,500,660
Spirit AeroSystems, Inc	2010	Lenoir	1	12	75%	\$20,230,000	\$0	\$20,230,000
Sutter Street Manufacturing, Inc.	2009	Catawba	2	10	70%	\$8,956,450	\$1,580,550	\$10,537,000
Sypris Technologies, Inc.	2010	Burke	1	10	65%	\$2,021,000	\$0	\$2,021,000
Tessera North America, Inc.	2008	Mecklenburg	3	9	65%	\$2,636,599	\$878,864	\$3,515,463
Time Warner Cable LP II	2009	Mecklenburg	3	9	60%	\$3,184,000	\$1,064,000	\$4,248,000
Total						\$105,526,503	\$24,238,472	\$129,764,975

Tier

Of the CY 2008 grants, one was awarded to a company locating in a Tier-2 county, seven grants went to companies locating in Tier-3 counties, and five grants went to companies locating in Tier-1 counties. One grant went to a company locating operations in both Tier-1 and Tier-3 counties. These companies will contribute a maximum amount of \$24.2 million to the Industrial Development Fund over the life of the grants.

Awards (Payments) to 2008 Grantees

In CY 2008, three of the 14 JDIG grantees' first grant year was 2008. Of the remaining grantees, seven will seek their first payment in 2009 and three in 2010. In addition, companies awarded

² More companies approached the Department of Commerce, inquiring about incentives, but it was determined that these projects did not warrant a JDIG award. The application fee is \$5000 and if staff can determine that a company would warrant JDIG consideration, a company can save this application fee and focus on other incentives for which they might be eligible.

grants in prior years submitted reports seeking payments for CY 2008 activity. In total, awards to CY 2008 grantees are estimated to be \$105.5 million, with an additional \$24.2 million scheduled to go to the Industrial Development Fund, for a total award amount of \$129.76 million.

Performance Minimums

Each grantee agrees to a set of performance requirements for job creation, investment, and average annual wages to be paid, for each year of the grant. Grantees with existing employees are typically required to retain those positions. A grantee's actual performance determines the grant payment it receives each year. The payment can never be more than the maximum annual State liability stated in each company's grant agreement.

CY 2008 grantees have committed to create 5,969 direct jobs and retain 7,959 jobs, with expected capital investment of more than \$1.61 billion. Table 2 outlines the jobs, wages and investment for each grantee.

Table 2. CY 2008 Grantee Jobs, Wages and Investment

Company Name	Jobs Created	Jobs Retained	Average Annual Wage	Investment Total
Sypris Technologies, Inc.	203	0	\$33,900	\$25,430,000
GE Hitachi Nuclear Energy Americas LLC III	900	2262	\$85,000	\$704,000,019
Spirit AeroSystems, Inc	1031	0	\$48,122	\$570,000,000
Tessera North America, Inc.	185	100	\$72,866	\$30,600,000
Becton Dickinson & Company	274	578	\$54,200	\$134,733,000
IBM LBPS	600	68	\$59,530	\$2,160,000
Siemens Medical Group	300	678	\$73,007	\$60,000,000
Sutter Street Manufacturing, Inc.	820	50	\$42,130	\$2,700,000
Merchant Distributors, Inc	200	1537	\$51,123	\$50,575,557
HCL America, Inc.	513	33	\$47,116	\$3,200,000
Fountain Power Boats	250	333	\$35,803	\$12,000,000
Time Warner Cable LP II	200	862	\$70,376	\$3,680,000
Mack Trucks	493	1458	\$70,000	\$17,725,556
Total	5,969	7,959	-	\$1,616,804,132

Attachment B provides historical and CY 2008 direct job creation requirements (the number of jobs to be created when the project is complete). The minimum required job creation in order to avoid default under most agreements is somewhat less than the target (typically 90% of the direct jobs), to account for inevitable fluctuations and attrition. Typically, there is a lag between the time an award is made and the actual commencement of new project operations and hiring of permanent staff on which the grant is based. Many projects invest substantial time and dollars on building, plant renovation, and equipment. As a result, many JDIG grantees do not create a substantial number of positions in the year in which they are awarded a grant.

Estimated Economic Impact

The 5,969 new direct jobs associated with CY 2008 projects affect other sectors by increasing demand for goods and services by businesses and households. These indirect effects are estimated to add 7,992 jobs, for a total estimated employment impact of 13,961 jobs. State Gross Domestic Product is expected to increase by over \$12.6 billion over the life of CY 2008 grants.



The projects are expected to provide a net fiscal benefit to the State of nearly \$204.2 million during their grant terms. A complete listing of estimated economic impacts for all JDIG projects is presented in Attachment B.

General Description of Calendar Year 2008 Grantees

A project's strategic importance to the state, region and locality is considered in the EIC's grant decision-making process. Many projects bring higher wages, high technology and knowledge-intensive businesses that offer steady employment, generous benefits, and long-term competitive potential, such as GE Hitachi Nuclear Energy America LLC, Tessera North America, Inc., and Siemens Medical Group. Other projects, such as Spirit AeroSystems, Inc., Becton Dickinson & Company, and Sutter Street Manufacturing, Inc., provide excellent opportunities for the re-hiring of manufacturing workers laid-off from jobs with similar skill sets.

The industrial sectors of the projects fit well into the strategic plans of the State and its regions. CY 2008 projects include sectors such as aircraft and components/parts manufacturing, headquarters, and medical instrument manufacturing. These projects require labor at a variety of skill levels -- lower-skilled assembly trades, high skilled manufacturing production, finance, management, engineering, and information technology. Many of the projects include integration of training at the State's community colleges to assure workers are prepared for their new opportunities.

JDIG is an effective program for both retention and expansion of existing North Carolina companies and recruitment of new companies to the State. For existing businesses, a JDIG award not only supports new job creation, but can help assure that existing jobs are protected. Of the 13 projects, 11 are expansions of businesses already doing business within the State, while 2 are new to North Carolina.

IV. JDIG Grantee Performance

This section examines actual results generated by JDIG grantees.

Companies are required to provide the EIC with detailed annual reports each year they are eligible for grant payments. The reports document a company's compliance with performance requirements of their individual grant agreements. The companies must provide the EIC with information on the number of eligible jobs created, existing positions retained, wages paid for eligible positions, investment made, certifications that they have provided employees with the required health insurance, and that environmental, tax and OSHA requirements were satisfied. Penalties are imposed for failure to achieve minimum requirements, and the company may lose its grant after a second year of non-compliance.

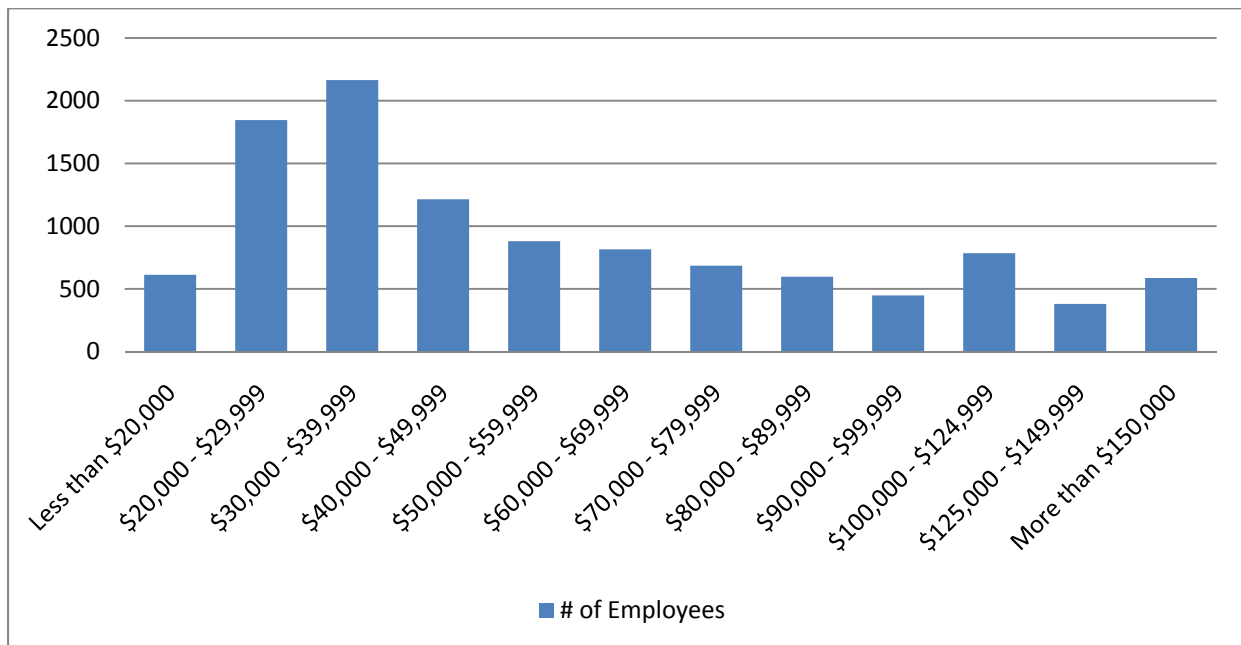
As of 12/31/08, annual reports were not available for all 2007 grantees because some projects must file revised reports and the N.C. Department of Revenue (the "DOR") has not yet certified tax information for many of the projects. Attachment C displays the available 2007 performance

results for the companies required to submit annual reports. Once annual reports are received and certified, grant disbursements are made. Attachment D displays disbursements made for grants awarded in CY 2003-2007.

Jobs by Wage Increment:

The EIC carefully considers the wage levels that prospective grantees will pay new employees as a determinant in its JDIG awards. The following graph shows the actual wage levels for the 41 companies filing annual reports in CY 2007. *Note: CY 2007 is the latest year actual wage data is available. Wages of eligible employees are not available for CY 2008 since company annual reports are not due until 2009.*

Chart 1. 2007 Wages of Eligible Employees for CY 2003-2007 Grantees



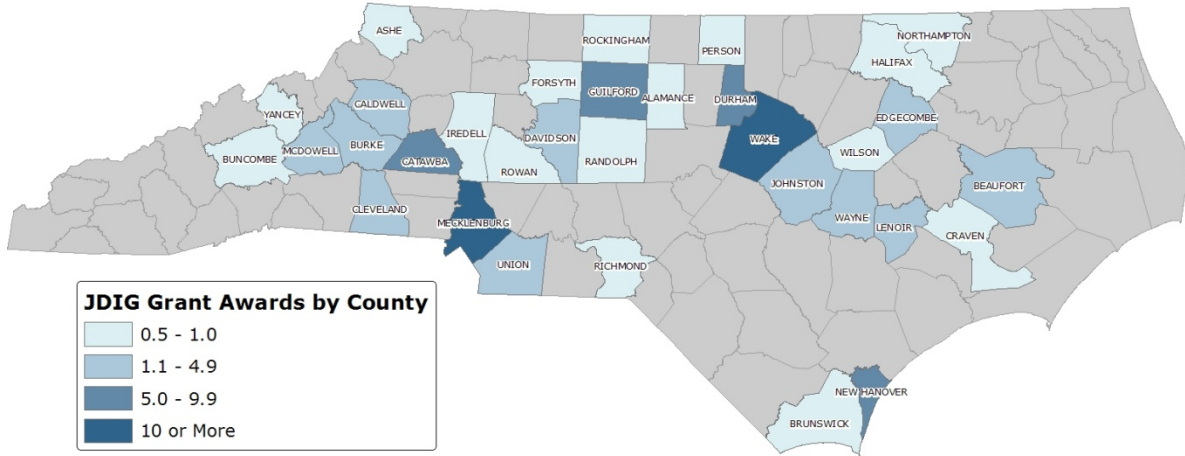
Distribution of Grants:

An important goal of JDIG and other state incentive packages is the broad distribution of benefits across the State. The JDIG program has two mechanisms to fulfill this goal. First, the Committee takes into account the economic characteristics of counties when awarding grants and deciding grant terms. Second, for grants awarded in Tier 3 or Tier 2 counties (less economically distressed counties), 25% (Tier 3) or 15% (Tier 2) of the amount of the grant payment for which a company would otherwise be eligible is deposited into the Utility Account of the Industrial Development Fund³. The annual deposits to the Utility Account will increase significantly as more projects come on-line. Figure 1 summarizes the distribution of JDIG grants awarded in CY 2003-2008 by county⁴.

Figure 1. Location of JDIG Awards, CY 2003-2008

³ Utility Account funds may be used for construction or improvements to water, sewer, gas, or electrical utility lines and for equipment for existing or proposed industrial buildings in economically distressed counties.

⁴ All JDIG awards including awards that were not accepted or were terminated





Environmental Impact:

All JDIG projects are screened for necessary environmental permits and reviewed for potential major environmental impacts. The Department of Commerce works closely with DENR staff during the JDIG review process. Upon receipt of an application, the Department of Commerce forwards a copy to a DENR staff member, who prepares a memo and a due diligence report for consideration by the EIC. There has been no indication that any existing grantee will experience difficulty obtaining needed permits, nor are there significant concerns regarding environmental impacts of existing projects. In addition, all recipients are required to certify that they have received all required environmental permits, when they file their annual report with the EIC.

V. Grantee Profiles for Calendar Year 2008

The following information was presented to the Economic Investment Committee at the time of evaluation of the grant.

Becton Dickinson & Company

Becton Dickinson & Company (“BD”) & TriPath Oncology, Inc. (“TriPath”), a wholly-owned subsidiary of BD. Together, BD and TriPath are referred to as “the company”.

The company will construct a new facility in Wilson and expand three additional facilities in Durham. The Wilson portion of the project involves formulation, filling, sterilization and packaging of pharmaceutical preparations. The Durham portion of the project involves expansion of 1) the company’s Treyburn plant, which manufactures Discovery Labware products (tissue culture, pipettes, and tubes); 2) the BD Technologies facility, which houses research and development activities with primary focus on drug delivery, cell biology, and diagnostic techniques; and 3) the TriPath Imaging/TriPath Oncology facility where the company develops, manufactures, markets, and sells innovative solutions to improve the clinical management of cancer.

The company has 578 existing employees that must be retained as a condition of the grant, and the project will create 274 new employees over 5 years. The company will invest \$134.73 million in real and personal property for the project.

With annual sales exceeding \$6.3 billion and nearly 27,000 employees worldwide, BD is a significant global medical technology company. They manufacture and sell medical supplies, laboratory equipment, antibodies, reagents, and diagnostic products. These products range from syringes, test tubes and analytical machines to software. They have manufacturing and research and development facilities in over 32 countries, and are headquartered in Franklin Lakes, New Jersey.

The project was highly competitive and involved an exhaustive site selection process performed by the company and a site selection consultant. Multiple states were considered for the Wilson project, with the finalist locations being Indianapolis, Indiana and Wilson. The competition for the Durham expansions was other company locations in New Jersey, Maryland and Connecticut. Incentives were offered by the competing locations, including approximately \$30 million to locate the new manufacturing facility in Indianapolis.

Fountain Power Boats

Fountain Powerboats, Inc. (“FPB”) designs, manufactures and sells offshore sport boats, sport fishing boats and express cruisers that target the segment of the recreational power boat market where speed, performance, safety, quality and fuel efficiency are the main criteria for purchase. These recreational boats are based upon an award-winning design enabling world class performance while using standard reliable power.

Since its inception in 1979, FPB has operated a single site along the Pamlico River in Beaufort County. FPB currently has 12 buildings located on 65 acres totaling over 237,000 square feet accommodating 40 to 45 boats in various stages of construction at any one time. The present plant site can also accommodate up to 300,000 square feet of additional manufacturing space.

Early this year, Brunswick Corporation, which owns 18 boat manufacturing companies, sold Baja Marine (producer of the high performance boat line, Baja) to the Fountain group. The assets of Baja Marine, which was located in Bucyrus, Ohio, were placed by Fountain in a newly created subsidiary of FPB, Baja by Fountain. At that time, Brunswick ceased production of Baja boats and terminated or transferred all of its 285 employees. The assets that were transferred to Baja Marine included the molds and tooling for 10 boat models, intellectual property, and certain equipment and parts inventory. At the time of application, FPB was in the process of deciding whether to produce the Baja line in Ohio or at FBP's existing Beaufort County facility.

The project will result in a net increase in the grantee's employment in NC, with proposed net new job creation of 250. The minimum average annual wage FPB expects to pay during the grant term is \$35,803. At the time of application, FPB had 333 employees in North Carolina. FPB will be required to retain the 333 existing positions before being permitted to count any new positions eligible for grant payments. The company will invest \$12 million in real and personal property.

GE Hitachi Nuclear Energy Americas LLC

With over 300,000 employees in more than 100 countries, General Electric Company ("GE") is one of the world's largest and most diversified companies. The company produces aircraft engines, locomotives and other transportation equipment, kitchen and laundry appliances, lighting, electric distribution and control equipment, generators and turbines, and medical imaging equipment. GE has six divisions: Infrastructure; Industrial; Healthcare; Consumer Finance; Commercial Finance; and NBC Universal. The Infrastructure division is comprised of several businesses, including Aviation, Transportation, Oil & Gas, and Energy. The Energy business includes GE Nuclear Energy ("GENE"), a division of GE. In 2007, GENE formed a new partnership with Hitachi, GE-Hitachi Nuclear Energy Americas LLC ("GEH"). GEH is a global business providing engineering products and services to nuclear utilities.

The project will be located at GE's campus in Wilmington, which also includes GENE's corporate headquarters. The project involves the expansion of GEH's Laser Enrichment business, its New Units business, and its Services business. These expansions will include new manufacturing, training centers, simulation buildings and test facilities. The Company will invest \$704 million in real property construction and improvements and create 900 new jobs at an average minimum average wage of \$85,000. The company will be required to retain all existing positions at GE's Wilmington campus before being permitted to count any new positions as eligible under the grant.

Competing with North Carolina as possible locations for the project were South Carolina and Illinois, where GE has existing nuclear facilities.

HCL America, Inc.

HCL America, Inc. (“HCL America”), a provider of customized computer programming services, was established in 1988 and is currently headquartered in Sunnyvale, California. Its parent company, HCL Technologies Ltd. (“HCL”), is a global corporation with over 53,000 employees in 18 countries and revenues growing to \$5 billion. HCL America’s revenue accounted for \$460 million of HCL’s total worldwide consulting and IT services revenues and grew 39% during the year ended June 2007.

HCL America has approximately 3,000 consultants working on-site at various customer locations across the US, including 40-50 in North Carolina. The company works with numerous Fortune 500 companies in managing their IT operations by way of research, design and development, maintenance and upgrade of software applications. HCL America also provides remote IT infrastructure management for global customers, serving a wide range of industries like hitech, financial services, media & entertainment, retail, life sciences, telecom, aero and automotive.

HCL currently has delivery centers in India, China, Poland and Ireland. For a number of reasons, they looked to establish their first delivery center in North America, where highly skilled computer professionals will be connected off-site to its various global customer facilities through web/internet. In the first phase of the project, HCL America plans to employ a staff of 300 to remotely perform research, design and development, maintenance and upgrade of software applications in addition to providing IT infrastructure management. Following that, the company will consolidate its North American corporate functions at the project site. In addition, the company hopes to leverage the location’s potential to expand its business volumes in and around the State.

After considering 20 potential locations within United States, HCL narrowed its search for a site to North Carolina (Wake or Durham County), Texas (Dallas), and Arizona. While these sites were comparable in terms of the qualitative factors the company was assessing, the company indicated that the key factor that influenced the location decision was the type and amount of financial/cash incentives it obtained to establish a viable operations center in the US.

The project will result in a net increase in the grantee’s employment in North Carolina, with proposed net new job creation of 513. The minimum average annual wage HCL expects to pay during the grant term is \$47,116. At the time of application, HCL had 33 employees working at various client sites in North Carolina. HCL will be required to retain the 33 existing positions before being permitted to count any new positions eligible for grant payments. The company will invest \$3.2 million in real and personal property.

IBM Lender Business Process Services

IBM Lender Business Process Services (“LPBS”) is a wholly owned subsidiary of International Business Machines, Corp. (IBM). Incorporated in the State of New York in 1911, IBM is a globally integrated innovation company, serving the needs of enterprises and institutions worldwide. IBM develops and manufactures information technologies, offers IT infrastructure and business process services, professional services and application outsourcing services, computing and storage solutions, middleware and operating systems software, information management software, and commercial financing. Founded in 2006, LBPS provides turnkey private label mortgage loan origination processing services, including application enablement, underwriting, vendor order and transaction management, loan processing, document preparation, loan closing coordination and settlement, and post-closing review and investor delivery.

The project involves the location and expansion of LPBS’s mortgage processing/fulfillment operations. LBPS intends to operate a high quality fulfillment center at its current headquarters location in Charlotte. In addition to mortgage processing, the project includes the establishment of a “Mortgage Academy” that will train staff at its fulfillment centers. The Company expects to invest \$2.4 million in personal property for the project. The project will result in the creation of 600 net new jobs at a minimum average annual wage of \$59,530. LBPS currently has 63 employees in North Carolina, located at the Charlotte site. The company will be required to retain these positions and 5 additional positions it has committed to the project site before being permitted to count any new positions as eligible under the grant.

In addition to Charlotte, the company considered locating this project at existing IBM sites in Greenville, SC and Tulsa, OK. The company received incentive offers from Oklahoma and South Carolina, totaling \$17.5 million and \$20 million, respectively.

Mack Trucks

Founded in 1900, Mack Trucks, Inc. (“Mack”), is one of North America's largest producers of heavy-duty trucks. MACK® trucks are sold and serviced in more than 45 countries through a worldwide network of more than 670 sales, parts and service centers. In 2001, Mack was purchased by AB Volvo, Sweden (The Volvo Group). With 2007 sales of approximately \$44 billion, Volvo Group business areas include heavy trucks, buses, construction equipment, marine and industrial drive systems, aerospace, and financial services. Mack is part of the business area that includes other truck companies owned by AB Volvo, including Renault and Volvo truck.

The project involves the relocation of Mack’s corporate headquarters from Allentown, PA, to Volvo’s Greensboro campus. Since being acquired by The Volvo Group in 2001, certain support functions that are common to both Mack and sister brand Volvo Trucks, have been provided by Volvo Business Units at the Greensboro campus. These functions include engineering, parts distribution, information technology support, public relations and communications, among others.

As part of a strategic program to increase efficiency and effectiveness, the Volvo Group determined that the Mack executive team should be closer to these support functions. Consequently Mack considered two options for its headquarters location; 1) leave the Allentown headquarters and move support functions from Greensboro to Allentown or 2) move the entire Mack headquarters to Greensboro, to join existing support functions in Greensboro.

The project will result in a net increase in the grantee's employment in NC, with proposed net new job creation of 493. The minimum average annual wage TWC expects to pay during the grant term is \$70,000. At the time of application, Volvo had 1,454 employees at its Greensboro Campus. Those 862 existing positions will be required to be retained before TWC will be permitted to count any new positions eligible for grant payments. The company will invest \$17.725 million in real and personal property.

Merchant Distributors, Inc.

Founded in Hickory in 1931, Merchant Distributors, Inc. ("MDI") is a private food distribution company that supplies grocery store items to over 800 customers in 10 states from Ohio to Florida. It also provides retail support services, such as retail automation services, advertising planning and placement, and retail price hosting. MDI is a wholly-owned subsidiary of Alex Lee, Inc., which also owns Lowes Food Stores, Inc. and several other grocery related companies that supply retail grocers and restaurants.

The project involves the expansion of both the perishable and frozen areas of MDI's Hickory warehouse, necessary for the company to increase the number and variety of products it offers and to accommodate its projected growth. The company expects to invest \$50.5 million in real and personal property for the project. The project will result in the creation of 200 net new jobs at a minimum average annual wage of \$51,123. At the time of the grant award, MDI had 1,537 employees in North Carolina, all located at its Hickory headquarters and warehouse/distribution facility. The company will be required to retain these positions before being permitted to count any new positions eligible for grant payments.

In addition to Hickory, the company considered locating the project in Georgia, Tennessee and Alabama – with Hickory and Alabama being the finalist locations. According to the JDIG application, the incentives available for this project in Alabama were: 1) industrial access funds from the Alabama Department of Transportation, which exceeded the offer from North Carolina; 2) corporate income tax credit equal to 5% of total project investment with an estimated value of approximately \$1.6 million; 3) site preparation grants of up to \$2.4 million (for this project) to be used for site preparation from the Alabama State Industrial Development Authority; and 4) enterprise zone tax benefits of \$2500 per new job created.

Siemens Medical Solutions USA, Inc.

Siemens Medical Solutions USA, Inc. (“SMS” or the “the company”) will expand its Cary operations, which involves creating a training and service headquarters at its campus on Gregson Drive for the training of SMS clients and employees in the use of its high tech and cutting edge medical equipment. As the training headquarters for SMS, instruction at the proposed facility would include training in the use of SMS’ angiography, tomography magnetic resonance, and molecular imaging equipment for clients and employees across the nation.

SMS has 678 existing employees in Cary, which the company must retain as a condition of the grant. The project will create 300 new employees over 5 years. SMS will invest \$60 million in real and personal property for the project.

SMS, a subsidiary of German electronics giant Siemens AG, makes and markets a wide range of medical equipment, including magnetic resonance imaging (MRI) systems, radiation therapy equipment, and patient monitoring systems. Its Ultrasound unit produces imaging equipment for use in cardiology, gynecology, and radiology. The company also offers information technology to doctors, hospitals, and clinics through its Health Services division. The company's Audiology group is a leading maker of hearing aids. SMS invests \$3 million in Research & Development and averages more than one invention every business day.

The project was at risk of locating at existing SMS facilities in Malvern, Pennsylvania. Advantages to the Malvern site included a more consolidated campus, lower real estate costs, no personal property tax, and a 10-year abatement of real property taxes.

Spirit AeroSystems, Inc.

Spirit AeroSystems, Inc. (“Spirit”) is the world’s largest supplier of commercial airplane assemblies and components, and the largest independent supplier of aerostructures to both Boeing and Airbus. Headquartered in Wichita, Kansas, Spirit was established in 2005 when Onex Corporation acquired it from Boeing Commercial Airplanes. In April 2006, Spirit diversified its customer base by acquiring the aerostructures division of BAE Systems, which builds structural components for Airbus, Boeing and Hawker Beechcraft Corporation (formerly Raytheon Aircraft Company).

Spirit will establish an aerospace fabrication and assembly manufacturing plant at the Global TransPark in Kinston. Development of this NC facility will provide Spirit with added capacity, access to labor needed for growth, and a lower cost platform. Development will be accomplished using a multi-phase project which over time will establish full design/build capabilities. The company will invest \$570 million in real and personal property for the project by 2014. In addition, the Global TransPark Authority is expected to invest \$100 million in the facility through a grant from the Golden Leaf Foundation.

The project will be located in Lenoir County, a Tier 1 county. The company will create 1,031 net new jobs. The minimum average annual wage the company will be required to pay during the grant term is \$48,122. The average annual wage at full ramp-up will be \$48,584.

Over an 18 month period, the company and its consultant performed an exhaustive analysis of potential project sites off shore and onshore (Alabama, Florida, Georgia, Kansas, North Carolina, and Texas). In February 2007, the project team selected two U.S. location candidate finalists to be considered in greater detail – the Kinson location and a location in Florida. The company indicated in its JDIG application that if Florida was selected it expected to receive incentives totaling \$249.5 million.

Sutter Street Manufacturing, Inc.

Sutter Street Manufacturing, Inc. (“Sutter Street”) is a subsidiary of Williams-Sonoma, Inc. Williams-Sonoma, with 38,800 employees throughout North America, is a national specialty home furnishings retailer operating approximately 600 stores through five retail store concepts throughout the United States and Canada (Williams-Sonoma, Pottery Barn, Williams Sonoma Home, West Elm, Pottery Barn Teen and Pottery Barn Kids).

The project involves a new facility to manufacture and upholster furniture to be sold by Williams-Sonoma and its affiliates. Prior to this grant, this manufacturing was being performed by third parties, with some of the work being done overseas. The company will initially lease a 150,000 square foot facility in Hickory for the project and invest \$2.7 million in real and personal property. The project will result in a net increase in the grantee’s employment in NC, with proposed net new job creation of 820. The minimum average annual wage Sutter Street expects to pay during the grant term is \$42,130. Sutter Street currently has 50 employees in North Carolina, located in Hickory. Sutter Street will be required to retain the 50 existing positions before being permitted to count any new positions eligible for grant payments.

In addition to Hickory, Williams Sonoma and Sutter Street considered locating the project in Tupelo, Mississippi. Because of the lower cost of labor and real estate, Mississippi offered a very attractive option for the company. The State of Mississippi and the local government in Tupelo made preliminary incentives offers worth up to \$15 million to the company.

Sypris Technologies, Inc.

Sypris Technologies, Inc. (“Sypris”) is a wholly-owned subsidiary of Sypris Solutions, Inc., a public company listed on NASDAQ. Sypris Solutions is a diversified provider of technology-based outsourced services and specialty products. Sypris Technologies manufactures a variety of forged, machined and welded components that are used in the assembly of axles for light, medium and heavy-duty trucks. At the time of the grant award, Sypris manufactured these components at its plants located in Louisville, Kentucky; Marion, Ohio; Morganton, North Carolina; and Toluca, Mexico. Sypris

Technologies also manufactures trailer axle beams, which are used in the final axle assemblies for commercial highway trailers. At the time of the grant award, Sypris manufactured these components at its plant located in Kenton, Ohio.

The project involves the expansion of Sypris' Morganton facility. As a result, the Morganton facility will become a strategic operation within Sypris, increasing its ability to sustain growth over a prolonged period of time. The company expects to invest \$25.4 million in real and personal property for the project. The project will result in the creation of 203 net new jobs at a minimum average annual wage of \$33,900. The company will be required to retain 217 positions, the number of positions at the Morganton plant on January 1, 2008, before being permitted to count any new positions eligible for grant payments.

In order to better serve its customers, lower its fixed costs and become more competitive, Sypris evaluated several alternatives for consolidating certain operations that were being performed in Ohio, including: (i) retaining certain operations in Ohio in return for material concessions in the collective bargaining agreements; (ii) relocating certain operations to Louisville; and (iii) relocating certain operations to Morganton. The company indicated in its application that if Louisville was selected it expected to receive incentives totaling \$2.5 million.

Tessera NA, Inc.

Tessera NA, Inc. ("Tessera") will expand its existing Charlotte operations in University Research Park, for development and manufacture of microptic technology for use in products such as camera phones. Tessera has a competitive advantage in this industry niche in its focus on miniaturization of optical modules. The company develops this technology for in-house manufacturing and sale, as well as for licensing to other companies. The project will produce optical modules and will conduct R&D for future products.

Tessera has 100 existing employees, and the project will create 185 new employees over 5 years. The company will invest \$30.6 million in real and personal property for the project.

Tessera NA, Inc. is a wholly-owned subsidiary of the publicly-traded Tessera Technologies, Inc., which will guaranty the company's obligations under the grant. Tessera Technologies develops miniaturization technologies used in electronic products, including digital audio players, digital cameras, personal computers, personal digital assistants, video game consoles, and mobile phones, It engages in licensing of technologies for chip-scale, multi-chip, and wafer-level packaging.

Competing with North Carolina as a possible location for the project was the option of expanding the company's existing operations in San Jose, California, Israel, or Yokohama, Japan, as well as South Carolina site options, where incentives were also offered.

Time Warner Cable LP

Time Warner Cable LP (“TWC”) is the second-largest cable operator in the U.S., with clustered systems located mainly in five geographic areas—New York state (including New York City), the Carolinas, Ohio, southern California (including Los Angeles) and Texas. As of December 31, 2007, TWC served approximately 14.7 million customers who subscribed to one or more of its video, high-speed data and voice services, representing approximately 32.1 million revenue-generating units, which reflects the total of all TWC basic video, digital video, high-speed data and voice service subscribers.

The project involves the relocation of additional corporate functions to the company’s Charlotte campus.

TWC’s Charlotte Corporate Campus currently consists of two buildings, which currently house Corporate Divisions of Accounting, Shared Services, Tax, Real Estate, Strategic Procurement, Travel and Facilities, Human Resources, Technology Services Group, Advanced Engineering Group and the Carolina Regional Office. In addition, TWC is in the process of constructing a third building, which is slated to be completed in May 2009. This building will house Human Resources, Corporate Services, and Audit. As a result of this project, employees from the Legal, Marketing, Customer Care, Information Technology, and additional Accounting groups will be relocated to Charlotte and housed in this new building.

The company also considered locating the project in Herndon, VA, or New York, NY. In addition to the fact that TWC has corporate offices located in both of these cities, the company cited strong business environment, highly educated workforce, major airport access, and strong corporate, communications and media clusters in these locations.

The project will result in a net increase in the grantee’s employment in NC, with proposed net new job creation of 200. The minimum average annual wage TWC expects to pay during the grant term is \$70,375. At the time of application, TWC had 862 employees at its Charlotte Campus. TWC will be required to retain the 862 existing positions before being permitted to count any new positions eligible for grant payments. The company will invest \$3.68 million in real and personal property.

**Attachment A1 Total Annual Grant Caps (\$ Millions) per Project
All Projects Awarded in 2008**

Company Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total By Project
Becton Dickinson & Company	\$0.000	\$0.305	\$0.396	\$0.448	\$0.503	\$0.503	\$0.503	\$0.503	\$0.503	\$0.503	\$0.000	\$0.000	\$0.000	\$0.000	\$4.166
Fountain Power Boats	\$0.000	\$0.090	\$0.144	\$0.203	\$0.258	\$0.258	\$0.258	\$0.258	\$0.258	\$0.258	\$0.258	\$0.258	\$0.000	\$0.000	\$2.501
GE Hitachi Nuclear Energy Americas LLC III	\$0.574	\$1.339	\$2.066	\$2.754	\$3.443	\$3.443	\$3.443	\$3.443	\$3.443	\$3.443	\$3.443	\$3.443	\$0.000	\$0.000	\$34.277
HCL America, Inc.	\$0.000	\$0.272	\$0.494	\$0.683	\$0.872	\$0.872	\$0.872	\$0.872	\$0.872	\$0.872	\$0.084	\$0.000	\$0.000	\$0.000	\$6.765
IBM LBPS	\$0.350	\$0.757	\$1.164	\$1.539	\$1.539	\$1.539	\$1.539	\$1.539	\$1.539	\$1.539	\$0.000	\$0.000	\$0.000	\$0.000	\$13.044
Mack Trucks	\$0.000	\$0.950	\$1.303	\$1.303	\$1.303	\$1.303	\$1.303	\$1.303	\$1.303	\$1.303	\$0.000	\$0.000	\$0.000	\$0.000	\$11.374
Merchant Distributors, Inc	\$0.000	\$0.000	\$0.056	\$0.121	\$0.193	\$0.273	\$0.363	\$0.363	\$0.363	\$0.363	\$0.363	\$0.363	\$0.363	\$0.000	\$2.821
Siemens Medical Group	\$0.000	\$0.258	\$0.470	\$0.688	\$0.869	\$0.869	\$0.869	\$0.869	\$0.869	\$0.869	\$0.869	\$0.869	\$0.000	\$0.000	\$7.501
Spirit AeroSystems, Inc	\$0.000	\$0.000	\$0.512	\$0.554	\$1.149	\$1.687	\$2.041	\$2.041	\$2.041	\$2.041	\$2.041	\$2.041	\$2.041	\$2.041	\$20.230
Sutter Street Manufacturing, Inc.	\$0.000	\$0.402	\$0.617	\$0.915	\$1.229	\$1.229	\$1.229	\$1.229	\$1.229	\$1.229	\$1.229	\$1.229	\$0.000	\$0.000	\$10.537
Sypris Technologies, Inc.	\$0.000	\$0.000	\$0.143	\$0.182	\$0.198	\$0.214	\$0.214	\$0.214	\$0.214	\$0.214	\$0.214	\$0.214	\$0.214	\$0.000	\$2.021
Tessera North America, Inc.	\$0.000	\$0.384	\$0.311	\$0.402	\$0.635	\$0.780	\$0.875	\$0.875	\$0.875	\$0.875	\$0.000	\$0.000	\$0.000	\$0.000	\$6.011
Time Warner Cable LP II	\$0.000	\$0.366	\$0.263	\$0.342	\$0.581	\$0.739	\$0.844	\$0.844	\$0.844	\$0.844	\$0.863	\$0.716	\$0.000	\$0.000	\$7.245
Total Awarded for 2008	\$0.924	\$5.122	\$7.939	\$10.134	\$12.772	\$13.709	\$14.353	\$14.353	\$14.353	\$14.353	\$9.364	\$7.035	\$2.041	\$2.041	\$128.493

**Attachment A2 Total Annual Grant Caps (\$ Millions) on Company Portion only
All Projects Awarded in 2008**

Company Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total By Project
Becton Dickinson & Company	\$0.000	\$0.239	\$0.320	\$0.363	\$0.410	\$0.410	\$0.410	\$0.410	\$0.410	\$0.410	\$0.000	\$0.000	\$0.000	\$0.000	\$3.384
Fountain Power Boats	\$0.000	\$0.090	\$0.144	\$0.203	\$0.258	\$0.258	\$0.258	\$0.258	\$0.258	\$0.258	\$0.258	\$0.258	\$0.000	\$0.000	\$2.501
GE Hitachi Nuclear Energy Americas LLC III	\$0.431	\$1.004	\$1.550	\$2.066	\$2.582	\$2.582	\$2.582	\$2.582	\$2.582	\$2.582	\$2.582	\$2.582	\$0.000	\$0.000	\$25.708
HCL America, Inc.	\$0.000	\$0.204	\$0.371	\$0.512	\$0.654	\$0.654	\$0.654	\$0.654	\$0.654	\$0.654	\$0.063	\$0.000	\$0.000	\$0.000	\$5.074
IBM LBPS	\$0.263	\$0.568	\$0.873	\$1.154	\$1.154	\$1.154	\$1.154	\$1.154	\$1.154	\$1.154	\$0.000	\$0.000	\$0.000	\$0.000	\$9.783
Mack Trucks	\$0.000	\$0.713	\$0.977	\$0.977	\$0.977	\$0.977	\$0.977	\$0.977	\$0.977	\$0.977	\$0.000	\$0.000	\$0.000	\$0.000	\$8.529
Merchant Distributors, Inc	\$0.000	\$0.000	\$0.056	\$0.121	\$0.193	\$0.273	\$0.363	\$0.363	\$0.363	\$0.363	\$0.363	\$0.363	\$0.363	\$0.000	\$2.821
Siemens Medical Group	\$0.000	\$0.193	\$0.353	\$0.516	\$0.652	\$0.652	\$0.652	\$0.652	\$0.652	\$0.652	\$0.652	\$0.000	\$0.000	\$0.000	\$5.625
Spirit AeroSystems, Inc	\$0.000	\$0.000	\$0.512	\$0.554	\$1.149	\$1.687	\$2.041	\$2.041	\$2.041	\$2.041	\$2.041	\$2.041	\$2.041	\$2.041	\$20.230
Sutter Street Manufacturing, Inc.	\$0.000	\$0.342	\$0.524	\$0.778	\$1.045	\$1.045	\$1.045	\$1.045	\$1.045	\$1.045	\$1.045	\$1.045	\$0.000	\$0.000	\$8.956
Sypris Technologies, Inc.	\$0.000	\$0.000	\$0.143	\$0.182	\$0.198	\$0.214	\$0.214	\$0.214	\$0.214	\$0.214	\$0.214	\$0.214	\$0.214	\$0.000	\$2.021
Tessera North America, Inc.	\$0.055	\$0.140	\$0.219	\$0.305	\$0.384	\$0.384	\$0.384	\$0.384	\$0.384	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$2.637
Time Warner Cable LP II	\$0.000	\$0.191	\$0.333	\$0.380	\$0.380	\$0.380	\$0.380	\$0.380	\$0.380	\$0.380	\$0.000	\$0.000	\$0.000	\$0.000	\$3.184
Total Awarded for 2008	\$0.748	\$3.684	\$6.374	\$8.111	\$10.036	\$10.670	\$11.114	\$11.114	\$11.114	\$10.730	\$7.218	\$5.458	\$2.041	\$2.041	\$100.453

**Attachment A3 Total Annual Grant Caps (\$ Millions) on IDF Utility Account Portion
Only Projects Awarded in 2008**

Company Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total By Project
Becton Dickinson & Company	\$0.000	\$0.066	\$0.076	\$0.085	\$0.093	\$0.093	\$0.093	\$0.093	\$0.093	\$0.093	\$0.000	\$0.000	\$0.000	\$0.000	\$0.782
Fountain Power Boats	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
GE Hitachi Nuclear Energy Americas LLC III	\$0.144	\$0.335	\$0.517	\$0.689	\$0.861	\$0.861	\$0.861	\$0.861	\$0.861	\$0.861	\$0.861	\$0.861	\$0.000	\$0.000	\$8.569
HCL America, Inc.	\$0.000	\$0.068	\$0.124	\$0.171	\$0.218	\$0.218	\$0.218	\$0.218	\$0.218	\$0.218	\$0.021	\$0.000	\$0.000	\$0.000	\$1.691
IBM LBPS	\$0.088	\$0.189	\$0.291	\$0.385	\$0.385	\$0.385	\$0.385	\$0.385	\$0.385	\$0.385	\$0.000	\$0.000	\$0.000	\$0.000	\$3.261
Mack Trucks	\$0.000	\$0.238	\$0.326	\$0.326	\$0.326	\$0.326	\$0.326	\$0.326	\$0.326	\$0.326	\$0.000	\$0.000	\$0.000	\$0.000	\$2.846
Merchant Distributors, Inc	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Siemens Medical Group	\$0.000	\$0.064	\$0.118	\$0.172	\$0.217	\$0.217	\$0.217	\$0.217	\$0.217	\$0.217	\$0.217	\$0.000	\$0.000	\$0.000	\$1.875
Spirit AeroSystems, Inc	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Sutter Street Manufacturing, Inc.	\$0.000	\$0.060	\$0.093	\$0.137	\$0.184	\$0.184	\$0.184	\$0.184	\$0.184	\$0.184	\$0.184	\$0.000	\$0.000	\$0.000	\$1.581
Sypris Technologies, Inc.	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Tessera North America, Inc.	\$0.018	\$0.047	\$0.073	\$0.102	\$0.128	\$0.128	\$0.128	\$0.128	\$0.128	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.879
Time Warner Cable LP II	\$0.000	\$0.064	\$0.111	\$0.127	\$0.127	\$0.127	\$0.127	\$0.127	\$0.127	\$0.127	\$0.000	\$0.000	\$0.000	\$0.000	\$1.064
Total Awarded for 2008	\$0.249	\$1.131	\$1.727	\$2.193	\$2.539	\$2.539	\$2.539	\$2.539	\$2.539	\$2.411	\$1.283	\$0.861	\$0.000	\$0.000	\$22.547

Attachment B. Estimated Lifetime Fiscal and Economic Impacts (\$ Millions) for Grants awarded in CY 2003-2008

Grant Year	Project (Grantee)	Grant Years	Direct Jobs	Indirect & induced Jobs	Total Jobs	Total NC GSP impact (\$millions)	Cumulative Net State Revenue (\$millions)
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2003	AFG Wipes	10	200	416	616	\$194.40	\$0.80
2003	General Dynamics	10	405	701	1,106	\$616.80	\$9.70
2003	General Electric	10	200	174	374	\$359.10	\$4.80
2003	Goodrich	10	300	560	860	\$326.00	\$4.40
2003	Infineon (Quimonda)	11	400	268	668	\$620.30	\$10.30
2003	R H Donnelley	10	275	240	515	\$325.30	\$6.40
2003	Total		1,780	2,359	4,139	\$2,441.90	\$36.40

2004	Altec Industries	11	350	302	652	\$240.40	\$2.90
2004	Cellco Ptshp/Verizon	10	1,211	1,938	3,149	\$1,206.60	\$20.70
2004	Citicorp Credit Svcs.	10	900	1,621	2,521	\$833.00	\$12.50
2004	CS First Boston	10	400	344	744	\$2,469.90	\$88.40
2004	Cree Inc.	11	300	731	1,031	\$902.90	\$16.90
2004	Dell Inc.	12	2,000	7,803	9,803	\$20,123.40	\$610.00
2004	Getrag Corporation	11	302	467	769	\$981.50	\$34.60
2004	Harris Corp.	10	258	271	529	\$3,738.00	\$165.00
2004	Hospira	10	152	380	532	\$316.80	\$8.20
2004	Merck	12	200	360	560	\$1,429.60	\$20.20
2004	Network Appliances	10	361	410	771	\$2,520.40	\$98.90
2004	Novo Nordisk Pharma. Ind.	10	187	524	711	\$413.80	\$4.80
2004	PCB Piezotronics, Inc.	10	250	146	396	\$171.20	\$2.10
2004	Prairie	10	242	140	564	\$444.10	\$14.00
2004	Sysco	10	442	731	1,173	\$1,576.50	\$59.10
2004	Time Warner Entertainment	10	350	305	655	\$371.50	\$7.30
2004	Unilin	10	330	261	591	\$260.60	\$4.40
2004	Z F Lemforder	9	200	247	447	\$564.30	\$20.00
2004	Total		8,435	16,981	25,598	\$38,564.50	\$1,190.00

Grant Year	Project (Grantee)	Grant Years	Direct Jobs	Indirect & induced Jobs	Total Jobs	Total NC GSP impact (\$millions)	Cumulative Net State Revenue (\$millions)
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2005	AAR	11	500	660	1,160	\$837.00	\$21.90
2005	AICPA	12	360	179	539	\$606.10	\$11.30
2005	Cobia Boat Company (Maverick)	10	292	216	508	\$302.20	\$7.40
2005	General Electric II	10	200	194	394	\$555.00	\$16.50
2005	GlaxoSmithKline	12	200	593	793	\$3,976.90	\$171.10
2005	Headway	10	188	642	830	\$604.90	\$18.10
2005	Hewitt Associates	10	900	645	1,545	\$650.80	\$9.40
2005	Target	10	580	270	850	\$362.60	\$5.50
2005	Total		3,220	3,399	6,619	\$7,895.50	\$261.20

2006	BSH	10	225	434	659	\$404.40	\$10.70
2006	Carolina Classifieds	9	287	192	479	\$221.80	\$5.40
2006	Chris-Craft	10	640	472	1,112	\$394.30	\$3.20
2006	Credit Suisse Securities	10	400	282	682	\$1,021.90	\$28.60
2006	Fidelity Global Brokerage	12	2,000	772	2,772	\$4,300.30	\$93.80
2006	Indian Motorcycle	10	167	153	320	\$172.10	\$2.60
2006	Lotus	10	108	173	281	\$108.50	\$4.90
2006	Maersk	11	254	136	390	\$1,134.40	\$27.50
2006	Malt-O-Meal	10	164	247	411	\$351.00	\$9.90
2006	MeadWestvaco Corp	10	200	136	336	\$578.90	\$16.40
2006	Newell Rubbermaid	9	320	800	1,120	\$1,036.30	\$32.30
2006	Novartis Vaccines & Diagnostics	12	350	1,038	1,388	\$1,463.00	\$41.20
2006	PGT Industries	10	712	602	1,314	\$896.10	\$24.20
2006	Quintiles	12	1,000	830	1,830	\$962.50	\$4.70
2006	Ralph Lauren Media	10	200	43	243	\$1,745.90	\$77.70
2006	RF Micro Devices	11	300	633	933	\$1,324.30	\$41.30
2006	Stiefel Research Institute	9	200	136	336	\$200.20	\$3.60
2006	Volvo	12	264	1,674	1,938	\$1,098.40	\$25.30
2006	Total		7,791	8,753	16,544	\$17,414.30	\$453.30

Grant Year	Project (Grantee)	Grant Years	Direct Jobs	Indirect & induced Jobs	Total Jobs	Total NC GSP impact (\$millions)	Cumulative Net State Revenue (\$millions)
2007	Arneg S.P.A.	9	181	259	440	\$167.44	\$2.71
2007	Brunswick Corporation	10	858	705	1563	\$909.42	\$24.18
2007	Force Protection	11	270	356	626	\$275.37	\$1.84
2007	Honda Aerospace	12	70	116	186	\$338.74	\$11.46
2007	Honda Aircraft Company	12	283	672	955	\$753.88	\$12.33
2007	INC Research	9	1,093	927	2,020	\$723.81	\$4.72
2007	Narricot Industries	9	200	107	307	\$276.56	\$8.37
2007	Network Appliance, Inc.	10	646	418	1064	\$1,079.65	\$24.35
2007	PRA International	9	494	419	913	\$421.89	\$5.01
2007	PRC Industries, Inc.	9	288	405	693	\$237.91	\$1.21
2007	RF Micro Devices II	11	350	929	1279	\$639.79	\$9.49
2007	Stone & Webster Services (Shaw)	10	556	496	1,052	\$611.44	\$7.03
2007	Trans Tech/PharmaCore, Inc.	12	205	1550	1735	\$682.23	\$5.31
2007	Turbomeca	12	180	297	477	\$251.05	\$1.99
2007	Total		5,674	7,656	13,310	\$7,369.18	\$119.96

Grant Year	Project (Grantee)	Grant Years	Direct Jobs	Indirect & induced Jobs	Total Jobs	Total NC GSP impact (\$millions)	Cumulative Net State Revenue (\$millions)
2008	Sypris Technologies, Inc.	10	203	171	374	\$364.594	\$6.369
2008	GE Hitachi Nuclear Energy Americas LLC III	12	900	2,493	3,393	\$3,757.289	\$62.258
2008	Spirit AeroSystems, Inc	12	1,031	1,437	2,468	\$2,944.204	\$39.211
2008	Tessera North America, Inc.	9	185	242	427	\$237.617	\$3.168
2008	Becton Dickinson & Company	9	274	654	928	\$446.111	\$1.320
2008	IBM LBPS	10	600	749	1,349	\$911.920	\$16.696
2008	Siemens Medical Group	10	300	168	468	\$594.143	\$16.778
2008	Sutter Street Manufacturing, Inc.	10	820	623	1,443	\$757.199	\$6.563
2008	Merchant Distributors, Inc	10	200	170	370	\$830.597	\$28.676
2008	HCL America, Inc.	10	513	341	854	\$407.067	\$0.845
2008	Fountain Power Boats	11	250	210	460	\$245.356	\$0.329
2008	Time Warner Cable LP II	9	200	136	336	\$440.142	\$12.615
2008	Mack Trucks	9	493	597	1,090	\$738.063	\$9.349
2008	Total		5,969	7,992	13,961	\$12,674.301	\$204.176

2003-2008	Program Total		32,849	47,140	80,171	\$86,359.681	\$2,265.036
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Caveats

The economic impact analysis results are based on a methodology developed by Dr. Mike Walden of North Carolina State University. The Walden methodology uses accepted economic impact techniques and data from the following sources: the IMPLAN and REMI economic impact models (e.g., income and employment multipliers, migration estimates, and local purchase ratios), the project application, the NC Dept. of Commerce Finance Center (for estimates of eligible grants and credits), and other secondary sources.

The model is designed to generate conventional estimates of gross economic impact in terms of income and employment. However, the model also yields a fiscal net benefit figure or an estimate of projected state revenues over costs attributable to a given project. The cost-benefit element of the methodology is designed to prevent a scenario in which total credits and grants provided to the company exceed total state revenues yielded by the additional economic activity represented by the project.

No economic impact analysis is infallible. The results depend heavily on the assumptions underlying each case, most of which are subject to some level of uncertainty. Best practice in impact analysis therefore dictates the adoption of the most conservative assumptions possible in order to avoid over-estimation of any positive benefits attributed to a given project. This application of the model to the project follows that principle.

Attachment C. JDIG Grantee Report Findings on 2007 Performance

Note: 2007 is the latest year company results have been certified

Term Year	Company Name	New Jobs	Job Retention	Avg. Wage	Investment	Disbursement Company	Disbursement IDF	Withholdings
2007	General Dynamics Armament and Technical Products, Inc.	332	0	\$95,854		\$685,755	\$228,585	\$2,009,928
2007	General Electric Company I	200	1034	\$117,688		\$650,000	\$219,999	\$1,436,636
2007	Goodrich Corporation	187	263	\$49,168		\$243,842	\$81,281	\$522,083
2007	Altec Industries	238	378	\$32,250		\$77,000	\$0	\$333,388
2007	Cellco Partnership d/b/a Verizon Wireless	1219	1	\$41,582		\$800,000	\$266,666	\$2,830,675
2007	Credit Suisse Securities (USA) LLC I	620	0	\$71,935	\$88,565,514	\$855,000	\$285,000	\$1,954,697
2007	Cree, Inc.	280	1019	\$76,208		\$439,628	\$146,542	\$1,243,745
2007	Dell Products LP	1386	0	\$38,494	\$39,868,088	\$945,000	\$315,000	\$2,657,954
2007	Getrag Corporation	256	383	\$33,767		\$153,813	\$51,271	\$389,524
2007	Merck & Co., Inc	95	520	\$88,024	\$314,156,557	\$140,999	\$47,000	\$446,268
2007	Network Appliance, Inc. I	440	193	\$103,539		\$648,750	\$216,250	\$2,647,719
2007	PCB Piezotronics of North Carolina, Inc.	130	0	\$25,867		\$97,621	\$0	\$158,091
2007	Prairie Packaging, Inc.	168	0	\$38,303		\$86,999	\$29,000	\$285,650
2007	Sysco Food Services of Raleigh, LLC	286	995	\$57,860	\$46,593,477	\$339,750	\$113,250	\$902,794
2007	Time Warner Cable, L.P. I	423	400	\$101,050		\$460,000	\$153,333	\$2,555,545
2007	Unilin Flooring NC, LLC	177	56	\$44,851		\$149,000	\$49,666	\$393,003
2007	AAR Manufacturing, Inc.	91	30	\$38,331	\$21,356,301	\$110,000	\$0	\$181,960
2007	American Institute of Certified Accountants, Inc.	401	0	\$62,751		\$604,000	\$201,000	\$1,280,642
2007	General Electric Company II	200	2062	\$86,360		\$221,120	\$77,040	\$575,488
2007	Maverick Boat Company, Inc (Cobia Boat)	90	0	\$27,164	\$126,941	\$82,512	\$0	\$126,941

Term Year	Company Name	New Jobs	Job Retention	Avg. Wage	Investment	Disbursement Company	Disbursement IDF	Withholdings
2007	Fidelity Global Brokerage Group, Inc.I	1498	1007	\$79,301		\$2,527,057	\$842,352	\$4,731,639
2007	Indian Motorcycles	26	0	\$74,176		\$62,870	\$0	\$102,455
2007	Newell Rubbermaid, Inc.	156	378	\$115,236		\$299,908	\$99,969	\$758,890
2007	Stiefel Laboratories, Inc.	99	0	\$110,180	\$27,000,000	\$248,000	\$82,000	\$62,160
2007	Volvo Construction Equipment	73	424	\$41,255		\$69,247	\$23,082	\$125,972
2007	Brunswick Corporation	261	0	\$30,850	\$30,000,000	\$83,524	\$27,841	\$185,609
2007	ITG Automotive Safety Textiles, LLC (Narricot Industries)	13	344	\$37,860		\$13,890	\$0	\$23,743

Attachment D. Disbursements for Grants Awarded in CY 2003-2007

Note: Not all disbursements have been made for CY 2007.

Grant Year	Company Name	Disbursement Company	Disbursement Utility Fund
2007	AAR Manufacturing, Inc.	\$110,000	\$0
2007	Altec Industries	\$77,000	\$0
2007	American Institute of Certified Accountants, Inc.	\$604,000	\$201,000
2007	Brunswick Corporation	\$83,524	\$27,841
2007	Cellco Partnership d/b/a Verizon Wireless	\$800,000	\$266,666
2007	Chris-Craft Corporation	\$54,212	\$0
2007	Credit Suisse Securities (USA) LLC I	\$855,000	\$285,000
2007	Cree, Inc.	\$439,628	\$146,542
2007	Dell Products LP	\$945,000	\$315,000
2007	Fidelity Global Brokerage Group, Inc.I	\$2,527,057	\$842,352
2007	General Dynamics Armament and Technical Products, Inc.	\$685,755	\$228,585
2006	General Dynamics Armament and Technical Products, Inc.	\$620,000	\$207,000
2007	General Electric Company I	\$650,000	\$219,999
2006	General Electric Company I	\$710,000	\$236,666
2007	General Electric Company II	\$221,120	\$77,040
2006	General Electric Company II	\$167,000	\$56,000
2007	Getrag Corporation	\$153,813	\$51,271
2007	Goodrich Corporation	\$243,842	\$81,281
2006	Hospira, Inc.	\$56,500	\$18,834
2007	Indian Motorcycles	\$62,870	\$0
2007	ITG Automotive Safety Textiles, LLC (Narricot Industries)	\$13,890	\$0
2007	Maverick Boat Company, Inc (Cobia Boat)	\$82,512	\$0
2007	Merck & Co., Inc	\$140,999	\$47,000
2007	Network Appliance, Inc. I	\$648,750	\$216,250
2007	Newell Rubbermaid, Inc.	\$299,908	\$99,969
2007	PCB Piezotronics of North Carolina, Inc.	\$97,621	\$0
2007	Prairie Packaging, Inc.	\$86,999	\$29,000
2007	Stiefel Laboratories, Inc.	\$248,000	\$82,000
2007	Sysco Food Services of Raleigh, LLC	\$339,750	\$113,250
2006	Sysco Food Services of Raleigh, LLC	\$141,463	\$47,155
2007	Time Warner Cable, L.P. I	\$460,000	\$153,333
2007	Volvo Construction Equipment	\$69,247	\$23,082