



**North Carolina
Department of Commerce**

Pat McCrory, Governor

John E. Skvarla III, Secretary

MEMORANDUM

To: N.C. General Assembly – Revenue Laws Study Committee

From: A. John Hoomani, N.C. Department of Commerce

Date: April 1, 2015

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 March 10, 2015.

PROGRAM	COMPANY OR LOCAL GOVERNMENT RECIPIENT	TOTAL AMT OWED	AMT REPAID	DATE RECOVERED	AMT LEFT TO BE REPAID	TRIGGERING EVENT
One NC ¹	Philip Morris USA	\$750,000.00	\$750,000.00	7/5/2007	\$0.00	Facility closed
One NC	Pulte Mortgage	\$55,000.00	\$55,000.00	10/6/2008	\$0.00	Facility closed
One NC	Menlo Logistics	\$15,000.00	\$15,000.00	5/27/2010	\$0.00	Facility closed
One NC	AmeriKart (NC) Corp	\$11,616.00	\$11,616.06	7/27/2010	\$0.00	Local match not completed
One NC	IWCO	\$93,750.00	\$93,749.94	5/21/2011	\$0.00 (\$0.06 forgiven)	Facility closed
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

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.

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.

PROGRAM	COMPANY OR LOCAL GOVERNMENT RECIPIENT	TOTAL AMT OWED	AMT REPAID	DATE RECOVERED	AMT LEFT TO BE REPAID	TRIGGERING EVENT
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
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
Green Business Fund ⁴	Evans Environmental Energies, Inc.	\$15,540.42	\$15,540.42	10/29/2009	\$0.00	Project terminated due to industrial accident and declining economy
Building Reuse ⁵	City of Mount Airy	\$33,271.00	\$33,271.00	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	\$27,722.99	\$27,722.99	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

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. II .0202.

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 transferred to the Department from the Rural Economic Development Center on October 31, 2013, and are continuing to be administered by the Department's Rural Economic Development Division.

PROGRAM	COMPANY OR LOCAL GOVERNMENT RECIPIENT	TOTAL AMT OWED	AMT REPAID	DATE RECOVERED	AMT LEFT TO BE REPAID	TRIGGERING EVENT
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	\$0.00		\$25,532.30	Job creation goals not met
CDBG	City of Roanoke Rapids	\$538,155.12	\$430,524.10	7/1/2014	\$107,631.02	Job creation goals not met
CDBG	Town of Fairmont	\$251,093.06	\$125,546.52	7/1/2014	\$125,546.54	Job creation goals not met
CDBG	Cleveland County	\$200,000.00	\$133,333.34	7/1/2014	\$66,666.66	Job creation goals not met

⁶ These Economic Infrastructure grants were transferred to the Department from the Rural Economic Development Center on October 31, 2013, and are continuing to be administered by the Department's Rural Economic Development Division.