

Site Infrastructure Development Fund:

Annual Report

Fiscal Year 2024-2025

Site Infrastructure Development Fund

This section of the report provides information related to the Site Infrastructure Development Fund (the “SIDF”), pursuant to N.C. Gen. Stat. § 143B-437.02(k).

Original SIDF Statute and Awards under Original Legislation

The SIDF’s purpose is to stimulate economic activity and to create new jobs in the State. To be eligible for a SIDF grant, a business must invest at least \$100,000,000 of private funds in site development for a project that will employ at least 100 new employees. The Economic Investment Committee (the “Committee”) is charged with making recommendations for assistance under the program, to the Secretary of Commerce, after evaluating an applicant’s eligibility and the desirability of a project, in accordance with the factors enumerated in the Criteria for Operation and Implementation of Site Infrastructure Development Fund (the “SIDF Criteria”), adopted on January 29, 2004, pursuant to N.C. Gen. Stat. § 143B-437.02(h)(i).

On April 6, 2004, after making the statutorily required findings, the Committee recommended that SIDF assistance be provided to Merck & Co, Inc.¹ for a project involving the development of a vaccine manufacturing plant on an approximately 256-acre site in Durham County, in the amount of \$24,000,000 (the amount that was appropriated for the SIDF by the General Assembly, for the 2003-2004 fiscal year). Merck has reached the end of its Agreement Term. The SIDF is closed out with no further payments due and its recapture period is completed.

Amendment to Original SIDF Statute and Additional Award

An Amendment to the SIDF Statute was approved, effective September 4, 2020 (Session Law 2020-96) (the “SIDF Amendment”), which increased the number of awards that could be awarded under the SIDF program to two, and the aggregate cost of all awards from \$24 million to \$42 million. Thus, an additional \$18 million could be awarded. Eligibility requirements were expanded to include a sports championship employer as defined in N.C. General Statute §43B-437.02(d)(2). The business must invest at least \$5 million by December 31, 2023, employ 35 new employees and at least 50 total employees with an average annual salary of not less than \$80,000, and hold championship events as described in §43B-437.02(d)(2)(d-e).

The United States Golf Association (the “USGA”) was awarded a SIDF on September 9, 2020 for up to \$18 million, for the relocation and retention of several USGA facilities and operations to North Carolina. A critical aspect of the project includes the construction of two buildings in the Village of Pinehurst, in Moore County. The buildings would be constructed in a campus-like setting, designed and built in a style consistent with the special aesthetic qualities of the Village of Pinehurst. The two buildings combined will be no less than thirty thousand (30,000) square feet, as required by §43B-437.02(d)(2)(a). The first building, which is planned to be at least 18,000 square feet, would house the relocation of the USGA’s world renowned golf equipment Research & Test Center. All golf equipment (clubs, balls, etc.) manufactured worldwide that is used in any USGA tournament events must first be tested for compliance and approved by the USGA’s Research & Test Center.

The second building would accommodate relocated offices for the USGA’s Foundation and its Green Section, as well as housing a visitor center/museum and the retained Championship Management group. The second building is planned to be at least 12,000 square feet.

In addition, USGA commits to bringing five (5) U.S. Men’s Open Championships to the Pinehurst area including the one already announced for 2024 with a subsequent one every five to seven years

after that; bringing the U.S. Women’s Open Championship at least once every ten years over the next 20 years; and bringing at least thirteen (13) additional championship events to venues throughout North Carolina within the next 25 years.

The total North Carolina GDP impact is estimated at \$846.4 million over a 25-year period. This estimate includes the impact of 35 new USGA Research & Development jobs, a capital investment of \$35,985,074, five Men’s major championship events and two Women’s major championship events. The estimated impact from the championship events is driven by expected USGA and Vendor expenditures and out-of-state visitor spending.

The General Assembly, through S.L. 2022-74, appropriated an additional Seven Million Dollars (\$7,000,000) to the SIDF. On October 25, 2022, the Economic Investment Committee approved a motion increasing the USGA SIDF grant amount to \$25,000,000.

A payment to the USGA was made in FY24-25 for the performance ending December 31, 2023, after Commerce’s analysis and confirmation of the company’s SIDF Grantee Annual Report. The USGA received a grant payment of \$18,098,827 based on its reporting of 15 retained jobs and 36 newly created jobs with an average annual wage of \$145,477, and \$30,899,171 in 2023 Eligible Site Improvement Expenses. The company is required to invest \$5 million by December 31, 2023. The company has documented that it has invested \$5.9 million by 2023. The first men’s and women’s events must be held by September 9, 2025.

Payments Made Through FY 2024-2025

Company	Total Grant Amount	Amount Received To-Date	Amount of Grant Remaining
United States Golf Association	\$25,000,000	\$25,000,000	\$0

The following Championship events were reported in the company’s 2023 Grantee Annual Report.

Championship Events						
	Event Type	Event Name	Date	Location	County	Hospitality Suite
1	Other Championship	US Junior Amateur-Stroke Play	19-20JUL21	Village of Pinehurst	Moore	NA
2	Other Championship	US Junior Amateur-Match Play	21-24JUL21	Village of Pinehurst	Moore	NA
3	Womens Major Professional Championship	US Women's Open	2-5JUN22	Pine Needles Lodge & Golf Club, Southern Pines	Moore	NA
4	Other Championship	US Adaptive Open	18-20JUL22	Village of Pinehurst	Moore	NA
5	Other Championship	US Adaptive Open	10-12JUL23	Village of Pinehurst	Moore	NA