

# Economic Development Grant Report

## 2009

March 1, 2010

### Introduction

This report provides information required by North Carolina General Statute §143B- 437.07, on the following programs administered by the Department of Commerce (the “Department”) that provide grants to businesses for economic development:

- The Job Development Investment Grant (“JDIG”) Program
- The One North Carolina Fund (“One NC”)
- The Site Infrastructure Development Fund (“SIDF”)
- The Job Maintenance and Capital Development Fund (“JMAC”)

This report also includes information on grants made under the Industrial Development Fund (“IDF”), although these grants are not made to “businesses”.

#### **§143B 437.07. Economic development grant reporting.**

The Department of Commerce must publish on or before March 1 of each year the following information, itemized by business entity, for all grant programs administered by the Department that disbursed or awarded grant monies to businesses during the previous calendar year:

- (1) The amount of grant monies awarded during the previous year.
- (2) The amount of grant monies disbursed during the previous year.
- (3) The amount of grant monies that were disbursed in earlier years to business entities that received grant monies during the previous year.
- (4) The amount of potential future liability under the grant program.
- (5) The number, type, and wage level of jobs created or retained during the previous year as a result of a grant.
- (6) A description of any other financial assistance received during the previous year from all economic development incentive programs administered by the Department.
- (7) Any amount recaptured from the business entity during the previous year for failure to comply with the grant agreement or applicable law.

## Job Development Investment Grant Program

The JDIG Program 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 the grant. The percentage of withholdings ranges from 10% to 75%.

Grants are made to qualifying companies by a 5-member Economic Investment Committee (the “EIC”), subject to overall caps set by the General Assembly on future grant year liability, for the aggregate of grants made in a particular calendar year. Grants awarded under the JDIG Program can result in payments to as many as 25 businesses annually. Unless increased by the General Assembly in a given year, the statutory annual liability cap for the total amount that may be paid out in any single grant year to all companies awarded a grant in that year, is \$15 million. This was the cap in 2009, which resulted in an actual annual maximum liability of \$9,724,117, and a potential twelve-year maximum liability of 119,897,700, for all grants awarded in 2009. The actual liability is likely to be less, as not all grantees achieve the annual cap specified in their grant agreements.

Given the gradual “ramp up” of new jobs by each company, the fact that most companies do not receive a full 12-year grant term, and the fact that in most years a grantee’s annual cap is never reached, the maximum State liability is likely to be far less.

With the exception of disbursements associated with projects located in a tier one county, beginning in 2007, a portion of every grant disbursement is required to be transferred into the IDF’s Utility Account (25% for projects located in tier two counties and 15% for projects located in tier three counties), to help fund rural infrastructure. For grants awarded prior to 2007, the JDIG program utilized the five-tier structure of the William S. Lee tax credit program, and required that 25% of the total annual grant payment for projects located in tier four and five counties, be transferred to the IDF Utility Account.

This report provides information on total program liability, broken down by amounts to be paid to companies and amounts to be transferred to the Utility Account.

JDIG payments are made annually, following each calendar year that is a grant year for a company. On March 1 of each year, grantees submit reports demonstrating the performance on which grant payments will be based (in particular: job creation, job retention, and investment). Payments are typically made in the second quarter of the calendar year following the end of a grant year, so, at the time of this report, no payments have been made for 2009 grant year performance. Thus, this report provides information on payments made in 2009, for 2008 performance.

**Table 1**  
**2009 Job Development Investment Grant Awards**

This table lists companies that received JDIG awards during the current reporting year and the maximum value of each grant over its full term, broken down by the company's portion and the IDF Utility Account portion. The maximum amount is rarely achieved (as illustrated in Table 3), as this would require maximum performance by each company in every year of its grant. Table 1 also provides the county in which each project will be located, its first grant year and the length of its grant term. The tier in which each project is located is specified in Table 3. "New jobs" represents the number of jobs expected to be created in the first few years of each grant. "Job retention" represents the number of jobs that the company had in North Carolina prior to the award of the grant that must be retained over the grant term.

Company	First Grant Year	Grant Term Years	County	Amount Awarded Maximum	Liability to Company Maximum	Liability to Utility Account Maximum	New Jobs	Job Retention	Annual Avg Wage
Asco Power Technologies	2009	9	Davidson	\$2,990,000	\$2,540,000	\$450,000	328	190	\$43,924
Bayer CropScience LP	2009	9	Wake	\$3,095,000	\$2,321,250	\$773,750	128	0	\$101,018
Continental Automotive Systems	2011	9	Henderson	\$2,874,000	\$2,155,500	\$718,500	338	288	\$36,179
DB Global Technologies	2010	11	Wake	\$12,553,000	\$9,414,750	\$3,138,250	319	0	\$88,213
DRS Technical Services, Inc.	2009	9	Pasquotank	\$1,390,000	\$1,181,500	\$208,500	100	203	\$48,779
Electrolux Home Products, Inc.	2011	12	Mecklenburg	\$33,107,000	\$24,830,250	\$8,276,750	738	22	\$94,264
EMC Corporation	2011	9	Wake, Durham	\$9,912,000	\$7,434,000	\$2,478,000	397	914	\$73,326
GMAC	2009	9	Mecklenburg	\$5,987,000	\$4,490,250	\$1,496,750	200	265	\$96,124
Innovative Emergency Managem	2011	12	Durham	\$12,017,000	\$9,012,750	\$3,004,250	430	7	\$62,778
Loparex LLC	2010	9	Rockingham, Wake	\$2,786,000	\$2,358,500	\$427,500	128	92	\$72,194
LS Tractors USA, LLC	2009	9	Nash	\$1,170,000	\$994,500	\$175,500	134	0	\$41,500
Premier, Inc.	2010	9	Mecklenburg	\$5,452,000	\$4,089,000	\$1,363,000	300	748	\$69,400
Siemens Energy, Inc.	2009	9	Mecklenburg	\$3,660,000	\$2,745,000	\$915,000	226	740	\$60,003
Talecris Biotherapeutics, Inc.	2012	12	Johnston	\$4,881,000	\$3,660,750	\$1,220,250	259	2298	\$51,066
Toshiba Nuclear Energy Corpora	2009	9	Mecklenburg	\$6,541,700	\$4,886,250	\$1,655,450	194	0	\$122,037
Zenta Mortgage Services, LLC	2010	9	Mecklenburg	\$11,482,000	\$8,611,500	\$2,870,500	1002	263	\$47,980
Total				\$119,897,700	\$90,725,750	\$29,171,950	5,221	6,030	

**Table 2**  
**2009 JDIG Grant Disbursements, and Previous Amounts Disbursed**

This table shows the amount actually disbursed for each JDIG grant during the current reporting year, broken down by the company's portion and the IDF Utility Account portion. The total amount disbursed in previous years under each of these grants is also provided, broken down by company and IDF Utility Account amount.

Company	Total Grant Disbursed in 2009	Grant Disbursed to Company 2009	Grant Disbursed to Utility Acct 2009	Total JDIG Amount Previously Disbursed (2003-2008)	Total Amount Previously Disbursed to Company (2003-2008)	Total Amount Previously Disbursed to Utility Acct (2003-2008)
AAR Manufacturing, Inc.	\$200,000	\$200,000	\$0	\$110,000	\$110,000	\$0
Altec Industries	\$126,000	\$126,000	\$0	\$125,000	\$125,000	\$0
American Institute of Certified Account	\$805,000	\$604,000	\$201,000	\$1,051,374	\$788,781	\$262,593
Credit Suisse Securities USA LLC (I)	\$1,140,000	\$855,000	\$285,000	\$1,793,066	\$1,344,800	\$448,266
Credit Suisse Securities USA LLC (II)	\$1,065,062	\$798,797	\$266,265			
Cree, Inc.	\$718,185	\$538,639	\$179,546	\$1,378,131	\$1,033,599	\$344,532
Dell Products LP	\$1,428,505	\$1,071,379	\$357,126	\$2,016,000	\$1,512,000	\$504,000

table 2, continued

Goodrich Corporation	\$321,752	\$241,314	\$80,438	\$1,102,971	\$827,228	\$275,743
Honda Aircraft Company	\$102,000	\$77,000	\$25,000			
Hospira, Inc.	\$216,000	\$162,000	\$54,000	\$106,334	\$79,750	\$26,584
Merck & Co., Inc	\$246,666	\$185,000	\$61,666	\$187,999	\$140,999	\$47,000
Novartis Vaccines & Diagnostics, Inc.	\$256,000	\$192,000	\$64,000			
PCB Piezotronics of North Carolina, In	\$93,436	\$93,436	\$0	\$169,621	\$169,621	\$0
Prairie Packaging, Inc.	\$154,666	\$116,000	\$38,666	\$182,665	\$136,999	\$45,666
R.H. Donnelley, Inc.	\$600,000	\$450,000	\$150,000	\$1,500,000	\$1,125,000	\$375,000
Ralph Lauren Media, LLC	\$186,000	\$140,000	\$46,000			
RF Micro Devices, Inc. I	\$426,000	\$319,000	\$107,000	\$144,190	\$108,143	\$36,047
Tessera North America, Inc.	\$31,776	\$23,832	\$7,944			
Turbomeca	\$103,452	\$77,589	\$25,863			
Total	\$8,220,500	\$7,501,920	\$1,949,514	\$9,867,351	\$7,501,920	\$2,365,431

**Table 3**  
**Disbursement and Liability Amounts for JDIG Awards Since Inception (2003-2009)**

This table includes all JDIG awards made under the program, from inception through the end of the current reporting year. Table 3 shows, for each grant, the maximum State liability over the full grant term, the total amount disbursed through the end of the current reporting year, and the reduction, thus far, in the State's liability resulting from companies' eligibility for less than the maximum amount available to them over the years in which they received disbursements. Table 3 also shows the maximum remaining liability under each grant (as illustrated in column 5, the maximum potential annual disbursement to each company and the Utility Account is rarely achieved).

<b>Company</b>	<b>Tier</b>	<b>Maximum State Liability</b>	<b>Total Disbursements through 2009</b>	<b>Total Recaptured Funds through 2009</b>	<b>Amount of Reduction in State Liability through 2009</b>	<b>Max Potential Remaining Liability</b>
A.F.G. Wipes, Inc.	2	\$1,600,000	\$89,930	\$0	\$138,070	\$1,372,000
AAR Manufacturing, Inc.	3	\$4,232,000	\$310,000	\$0	\$0	\$3,922,000
Altec Industries	1	\$1,948,000	\$251,000	\$0	\$0	\$1,697,000
American Institute of Certified A	5	\$9,300,000	\$1,856,374	\$0	\$198,626	\$7,245,000
Andrew Corporation	3	\$1,408,000	\$0	\$0	\$0	\$0
Arneg S.P.A.	2	\$1,099,000	\$0	\$0	\$0	\$0
Asco Power Technologies	2	\$2,990,000	\$0	\$0	\$0	\$0
Bayer CropScience LP	3	\$3,095,000	\$0	\$0	\$0	\$0
Becton Dickinson & Company	1&3	\$4,165,852	\$0	\$0	\$0	\$0
Brunswick Corporation	3	\$5,812,000	\$111,365	\$83,524	\$0	\$0
BSH Home Appliances Corporat	4	\$2,082,000	\$0	\$0	\$0	\$0
Carolina Classifieds.Com LLC	5	\$2,503,000	\$0	\$0	\$0	\$0
Cellco Partnership d/b/a Verizon	5	\$9,653,327	\$3,253,331	\$0	\$0	\$6,399,996
Chris-Craft Corporation	2	\$5,226,000	\$54,212	\$0	\$0	\$0
Citicorp Credit Services, Inc.	5	\$6,946,658	\$761,313	\$0	\$105,353	\$6,079,992
Continental Automotive Systems	3	\$2,874,000	\$0	\$0	\$0	\$0
Credit Suisse Securities (USA) L	5	\$11,863,731	\$2,933,066	\$0	\$0	\$8,930,665
Credit Suisse Securities (USA) L	5	\$16,777,000	\$1,065,062	\$0	\$231,938	\$15,480,000

table 3, continued

Cree, Inc.	5	\$6,810,570	\$2,096,316	\$0	\$24,894	\$4,689,360
DB Global Technologies	3	\$12,553,000	\$0	\$0	\$0	\$0
Dell Products LP	5	\$18,774,000	\$3,444,505	\$2,584,059	\$0	\$0
DRS Technical Services, Inc.	2	\$1,390,000	\$0	\$0	\$0	\$0
Electrolux Home Products, Inc.	3	\$33,107,000	\$0	\$0	\$0	\$0
EMC Corporation	3	\$9,912,000	\$0	\$0	\$0	\$0
Fidelity Global Brokerage Group	5	\$72,803,000	\$3,369,409	\$0	\$550,591	\$68,883,000
Force Protection, Inc	2	\$2,439,000	\$0	\$0	\$0	\$0
Fountain Power Boats	1	\$2,501,000	\$0	\$0	\$0	\$0
GE Hitachi Nuclear Energy Ame	3	\$34,277,000	\$0	\$0	\$0	\$0
General Dynamics Armament an	5	\$7,798,000	\$3,088,436	\$0	\$44,564	\$4,665,000
General Electric Company I	5	\$7,533,327	\$2,908,099	\$0	\$291,898	\$4,333,330
General Electric Company II	5	\$4,124,000	\$552,589	\$0	\$69,411	\$3,502,000
Getrag Corporation	4	\$3,321,500	\$293,129	\$0	\$392,371	\$0
GlaxoSmithKline Beecham Corp	5	\$1,859,000	\$0	\$0	\$0	\$0
GMAC	3	\$5,987,000	\$0	\$0	\$0	\$0
Goodrich Corporation	5	\$4,062,668	\$1,424,723	\$0	\$264,610	\$2,373,335
Google, Inc.(formerly Madras Int	1	\$4,764,000	\$0	\$0	\$0	\$0
Harris Stratex Networks Operati	5	\$5,359,324	\$589,791	\$0	\$0	\$0
HCL America, Inc.	3	\$6,765,000	\$0	\$0	\$0	\$0
Headway Corporate Resources, I	5&1	\$2,944,000	\$63,550	\$0	\$82,450	\$2,798,000
Hewitt Associates, LLC	5	\$10,682,000	\$0	\$0	\$0	\$0
Honda Aerospace	2	\$2,073,000	\$0	\$0	\$0	\$0
Honda Aircraft Company	3	\$8,911,000	\$102,000	\$0	\$0	\$8,809,000
Hospira, Inc.	5	\$1,812,000	\$322,334	\$0	\$1,666	\$1,488,000
IBM LBPS	3	\$13,044,000	\$0	\$0	\$0	\$0
INC Research	3	\$19,793,000	\$0	\$0	\$0	\$0
Indian Motorcycles	2	\$2,333,000	\$62,870	\$0	\$30,130	\$2,240,000
Innovative Emergency Managem	3	\$12,017,000	\$0	\$0	\$0	\$0
ITG Automotive Safety Textiles,	1	\$1,366,000	\$13,890	\$0	\$28,110	\$1,324,000
Lenovo, Inc. I	5	\$11,035,000	\$0	\$0	\$0	\$0
Loparex LLC	1&3	\$2,786,000	\$0	\$0	\$0	\$0
Lotus Engineering, Inc.	1	\$1,491,000	\$0	\$0	\$0	\$0
LS Tractors USA, LLC	2	\$1,044,500	\$0	\$0	\$0	\$0
Mack Trucks	3	\$11,374,000	\$0	\$0	\$0	\$0
Maersk, Inc.	5	\$4,730,000	\$0	\$0	\$0	\$0
Malt-O-Meal Company	4	\$1,446,000	\$0	\$0	\$0	\$0
Maverick Boat Company, Inc (C	2	\$2,362,000	\$130,716	\$0	\$57,284	\$2,174,000
Mead Westvaco Corporation	5	\$6,910,000	\$0	\$0	\$0	\$0
Merchant Distributors, Inc	1	\$2,821,000	\$0	\$0	\$0	\$0
Merck & Co., Inc	5	\$5,514,655	\$434,665	\$0	\$0	\$5,079,990
Network Appliance, Inc. I	5	\$11,835,000	\$1,750,000	\$0	\$0	\$10,085,000
Network Appliance, Inc. II	3	\$20,405,000	\$0	\$0	\$0	\$0
Newell Rubbermaid, Inc.	5	\$8,857,000	\$399,877	\$0	\$175,123	\$8,282,000

table 3, continued

Novartis Vaccines & Diagnostics			5	\$8,015,000	\$256,000	\$0	\$0	\$7,759,000
Novo Nordisk Pharmaceutical In			5	\$3,032,000	\$173,000	\$0	\$0	\$2,859,000
PCB Piezotronics of North Carol			1	\$1,602,000	\$263,057	\$0	\$64,943	\$1,274,000
PGT Industries, Inc.			3	\$5,354,000	\$35,689	\$0	\$71,311	\$5,247,000
PRA International			3	\$10,086,000	\$0	\$0	\$0	\$0
Prairie Packaging, Inc.			5	\$1,937,326	\$337,331	\$0	\$0	\$1,599,995
PRC Industries, Inc.			1	\$1,700,000	\$0	\$0	\$0	\$0
Premier, Inc.			3	\$5,452,000	\$0	\$0	\$0	\$0
Qimonda North America Corp (I			5	\$12,666,663	\$1,265,713	\$0	\$867,619	\$0
Quintiles Transnational Corporat			5	\$28,554,000	\$0	\$0	\$0	\$0
R.H. Donnelley, Inc.			5	\$5,700,000	\$2,100,000	\$0	\$0	\$3,600,000
Ralph Lauren Media, LLC			4	\$1,889,000	\$186,000	\$0	\$0	\$1,703,000
Reliance Industries Ltd			1	\$2,223,000	\$0	\$0	\$0	\$0
RF Micro Devices, Inc. I			4	\$6,560,000	\$570,190	\$0	\$58,810	\$5,931,000
RF Micro Devices, Inc. II			3	\$5,661,000	\$0	\$0	\$0	\$0
Siemens Energy, Inc.			3	\$3,660,000	\$0	\$0	\$0	\$0
Siemens Medical Group			3	\$7,500,660	\$0	\$0	\$0	\$0
Skybus Airlines, Inc.			3	\$5,292,000	\$0	\$0	\$0	\$0
Smiths Aerospace			3	\$2,384,000	\$0	\$0	\$0	\$0
Spirit AeroSystems, Inc			1	\$20,230,000	\$0	\$0	\$0	\$0
Stiefel Laboratories, Inc.			5	\$3,796,000	\$392,000	\$0	\$0	\$3,404,000
Stone & Webster Services (Shaw			3	\$16,900,000	\$0	\$0	\$0	\$0
Superior Essex, Inc.			1	\$930,000	\$0	\$0	\$0	\$0
Sutter Street Manufacturing, Inc.			2	\$10,537,000	\$0	\$0	\$0	\$0
Sypris Technologies, Inc.			1	\$2,021,000	\$0	\$0	\$0	\$0
Sysco Food Services of Raleigh,			5	\$6,945,000	\$641,618	\$0	\$135,382	\$6,168,000
Talecris Biotherapeutics, Inc.			3	\$4,881,000	\$0	\$0	\$0	\$0
Target Corporation			3	\$4,427,000	\$0	\$0	\$0	\$0
Tessera North America, Inc.			3	\$3,515,463	\$31,776	\$0	\$41,018	\$3,442,669
Time Warner Cable LP II			3	\$4,248,000	\$0	\$0	\$0	\$0
Time Warner Cable, L.P. I			5	\$5,606,663	\$1,812,000	\$0	\$114,665	\$3,679,998
Toshiba Nuclear Energy Corpora			3	\$6,541,700	\$0	\$0	\$0	\$0
TransTech Pharma Inc.			3	\$8,762,000	\$0	\$0	\$0	\$0
Turbomeca			3	\$3,342,000	\$103,452	\$0	\$98,548	\$3,140,000
Unilin Flooring NC, LLC			4	\$2,617,329	\$398,665	\$0	\$0	\$2,218,664
Volvo Construction Equipment			5	\$4,006,000	\$92,329	\$0	\$43,671	\$0
Zenta Mortgage Services, LLC			3	\$11,482,000	\$0	\$0	\$0	\$0
ZF Lemforder Corporation			4	\$1,997,330	\$4,914	\$0	\$61,752	\$1,930,664
Total	100	Companies		\$749,356,246	\$40,396,286	\$2,667,583	\$4,244,808	\$235,809,658

**Table 4**  
**JDIG Job Creation and Retention, and Wages for 2009 Payments (2008 Performance)**

This table shows job creation, job retention and average wage performance. Minimum requirements and actual performance are shown. In assessing minimum performance compliance, a weighted average is applied to the company's performance in the area of job creation, average wage, and investment. As a result of this calculation, a "compliance rating" is given to each company (shown here in the last column). If a company's compliance rating is 80% or above, the company will receive a reduced payment. If the company's compliance rating is below 80%, no payment will be made for that grant year. If the company is below 100% for two years in a row, the same payment structure will be applied. If the company defaults for a third year, no payment will be made, regardless of the level of default. At a certain point of non-compliance, specified in the grant agreement, the grant will be terminated entirely.

Company	2008 Minimum Job Creation Requirement	Actual Jobs Created as of Dec. 31, 2008	Total Target Number of Jobs to be Created Over the Life of Grant	Min Avg Annual Wage Required for New Jobs	Actual 2008 Avg Wage for New Jobs	2008 Job Retention Requirement	2008 Actual Job Retention	2008 Job Creation Shortfall	2008 Min. Avg Wage Shortfall	2008 Job Retention Shortfall	Compliance Rating
A.F.G. Wipes, Inc.	180	129	200	\$23,000	\$26,067	0	0	51			80.17%
AAR Manufacturing, Inc.	180	236	500	\$26,310	\$33,129	9	30				100.00%
Altec Industries	170	200	350	\$21,729	\$33,454	150	363				100.00%
American Institute of Cert	324	411	360	\$48,163	\$63,872	0	0				100.00%
Arneg S.P.A.	54	19	181	\$28,074	\$34,841	0	9	35			48.15%
Carolina Classifieds.Com	129	37	287	\$30,265	\$38,627	29	29	92			42.95%
Credit Suisse Securities	320	400	400	\$57,589	\$80,526	0	0				100.00%
Credit Suisse Securities	340	427	400	\$64,112	\$72,732	400	400				100.00%
Cree, Inc.	220	463	300	\$48,750	\$72,452	1,019	1,020				100.00%
Dell Products LP	1,463	1,311	2,000	\$25,200	\$37,605	0	0	152			91.69%
Goodrich Corporation	270	208	300	\$40,400	\$56,697	154	185	62			83.93%
Honda Aircraft Company	24	206	283	\$63,488	\$137,233	50	50				100.00%
Hospira, Inc.	137	192	152	\$37,305	\$44,977	2,043	2,143				100.00%
ITG Automotive Safety Te	117	1	200	\$26,082	\$53,999	344	344	116			20.68%
Merck & Co., Inc	64	147	200	\$51,750	\$79,667	472	506				100.00%
Novartis Vaccines & Diag	66	72	350	\$44,837	\$112,563	0	5				100.00%
PCB Piezotronics of Nort	170	125	250	\$23,400	\$27,229	0	0	45			81.47%
Prairie Packaging, Inc.	135	273	242	\$28,673	\$34,260	0	0				100.00%
Ralph Lauren Media, LLC	149	213	200	\$30,326	\$32,323	860	898				100.00%
RF Micro Devices, Inc. I	270	0	300	\$47,061	\$0	1,650	1,568	270		82	10.00%
RF Micro Devices, Inc. II	180	0	350	\$37,883	\$0	2,048	1,568	180		480	0.00%
Tessera North America, In	23	24	185	\$65,579	\$78,643	100	101				100.00%
Turbomeca	99	78	180	\$37,555	\$51,603	0	0	21			83.03%
Total	5,084	5,172	8,170	\$56,721	\$75,156	9,328	9,219			109	

*Note: Column 4 of Table 4 provides the "target" job creation requirements, which is the number of jobs expected 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 target), to account for inevitable fluctuations and attrition.*

*Note: Forty-six compliance reviews, principally for grant year 2008 performance, were not complete at the time of this report due to largely to complicated reporting issues.*

## One North Carolina Fund

The **One North Carolina Fund** (including its predecessor, the Governor's Industrial Recruitment Competitiveness Fund) was created in 1993 to help North Carolina achieve economic growth through uniform regional prosperity. It provides grants to local governments to help recruit new and expanding businesses to create quality jobs in high value-added, knowledge-driven industries. Beginning in 2007,

“Article 3J” wage standards using the new three tier system are used. For grants awarded prior to 2007, companies are required to meet the wage test required for William S. Lee Act tax credits. Although projects located in distressed counties are not statutorily required to comply with a particular wage test, a wage requirement may be required in a particular case as a condition of the One NC grant. Local government recipients of One NC funds are required to match the value of the One NC Fund grant awarded by the State.



**Table 5**  
**2009 One North Carolina Fund Awards**

Table 5 lists the One North Carolina Fund grants awarded during the year, the amount awarded, and the jobs to be created and retained. Grants are made to local government applicants, which typically disburse funds to the company that creates the required jobs. Typically, payments are made in four equal installments over three years, based on creation of 25% of the required number of jobs and satisfaction of other performance criteria specified in grant agreements. Table 5 also shows the county and tier in which these projects is located or will locate and the required average wage that must be paid to new employees. Projects in Tier 1 do not require payment of a specified minimum wage, although this may be imposed as a condition of the grant.

<b>Company Name</b>	<b>County</b>	<b>Grantee</b>	<b>Tier</b>	<b>Required Wage</b>	<b>New Jobs</b>	<b>Retained Jobs</b>	<b>Award Amount</b>
Able Rebuilders	McDowell	McDowell	T2	\$487	138	3	\$310,000
Adhezion Bio-Medical LLC	Caldwell	Caldwell County	T1	\$736	20	7	\$40,000
Alpla Inc	Hoke	City of Raeford	T2	\$562	40	0	\$120,000
Baldor - Buncombe	Buncombe	Buncombe County	T3	\$730	32	128	\$64,000
Baldor - Cleveland County	Cleveland	Cleveland County	T1	\$663	114	483	\$157,000
Baldor-McDowell County	McDowell	McDowell County	T2	\$593	25	95	\$75,000
Caye Home Furnishings, LLC	Alexander	Alexander County	T2	\$522	128	52	\$250,000
Central States Manufacturing	Surry	City of Mt Airy	T1	\$704	45	0	\$135,000
DuPont Polymer Exp	Bladen	Bladen	T1	\$627	10	471	\$50,000
Electrolux Home Products, Inc.	Mecklenburg	City of Charlotte	T3	\$1,632	668	0	\$1,200,000
Ethan Allen	Catawba	Town of Maiden	T2	\$691	159	683	\$109,000
FASTA of North Carolina Inc	Halifax	Halifax County	T1	\$497	105	0	\$300,000
Fiserv	Catawba	City of Hickory	T2	\$439	419	0	\$800,000
HC Composites	Edgecombe	Edgecombe County	T1	\$512	120	60	\$130,000
Henkel Corporation	Rowan	City of Salsibury	T2	\$948	103	94	\$206,000
IEM, Inc	Durham	Durham	T3	\$1,087	230	7	\$150,000
Knit-Rite	Richmond	Richmond County	T1	\$389	24	44	\$24,000
Maple Springs Laundry	Burke	Burke County	T1	\$399	68	190	\$136,000
Marves Industries LLC	Burke	Burke County	T1	\$546	66	0	\$200,000
Mitek Industries	Chowan	Town of Edenton	T2	\$452	29	75	\$28,000
Morganton Pressure Vessels LLC	McDowell	McDowell	T2	\$486	43	23	\$129,000
Nature's Earth Products, Inc.	Scotland	Scotland County	T1	\$552	98	0	\$196,000
Neighborhood Assitance Corporation of Americ	Mecklenburg	City of Charlotte	T3	\$624	1014	102	\$1,000,000
North American Aerodynamics	Person	Person County	T2	\$414	375	100	\$300,000
Palziv North America, Inc.	Franklin	Franklin County	T2	\$591	72	0	\$250,000
Piedmont Aviation Component Services	Forsyth	Forsyth County	T3	\$780	120	126	\$44,000
Premiere Fibers	Anson	Anson County	T1	\$419	20	132	\$50,200
Richmond Specialty Yarns	Richmond	Richmond County	T1	\$449	275		\$150,000
SANS Technical Fibers	Rockingham	Rockingham County	T1	\$445	25	96	\$60,000
SCR-Tech	Mecklenburg	City of Charlotte	T3	\$855	61	47	\$90,000
Shalag US Inc.	Granville	Granville County	T2	\$692	42	0	\$110,000
Sioux Tools w/Snap-On Incorporated as Guarant	Cherokee	Cherokee County	T2	\$532	40	163	\$120,000
Stonewall Packaging	Jackson	Jackson County	T2	\$680	61	119	\$200,000
Sustainable Textile Group, LLC (Rowan)	Rowan	Rowan County	T2	\$560	223	0	\$300,000
Talecris	Johnston	Johnston County	T3	\$884	142	2674	\$250,000

table 5, continued

Talon Systems Inc	Iredell	Iredell County	T3	\$493	90	0	\$46,590
ThermoFisher Scientific Corp	Buncombe	Buncombe County	T3	\$706	104	573	\$208,000
Townsend's	Davie	Town of Mocksville	T2	\$372	103	1600	\$250,000
TurboCare, Inc.	Forsyth	Forsyth County	T3	\$794	110	176	\$220,000
Yale Industrial Products, Inc (Coffing Hoists)	Anson	Anson County	T1	\$641	49	152	\$116,300
Total					5,610	8,475	\$8,574,090

**Table 6**  
**2009 One NC Grant Disbursements and Performance**

Table 6 lists One North Carolina Fund grant disbursements made during the year (by company), and the amounts disbursed in prior years for performance by those companies. Also shown are the job retention and target job creation requirements over the life of each grant. Finally, actual job creation and average wage performance for companies that were required to pay a specified average wage, is provided. Companies do not receive credit for jobs created unless their job retention requirement is met. The tier of each project location is also indicated.

Company Name	County	Grantee	DZ	Tier	Total Disbursement 2009	Total Job Retention Requirement	Target Job Creation Requirement Over Grant Term	Actual Job Creation 2009	Required Weekly Wage	Actual Weekly Wage at Last 2009 Disbursement Request	Total Disbursement in Prior Years
AAR Manufacturing, Inc.	Wayne	Wayne	✓	T3	\$375,000		300	303	\$529	\$661	\$125,000
Bridgestone Aircraft Tire USA, I	Rockingham	Rockingham		T2	\$200,000		95	93	\$612	\$726	
Carolina Precision Plastics	Guilford	Guilford		T4	\$57,000	131	150	86	\$725	\$747	
Challenge Printing	Lee	Lee		T4	\$50,000	40	25	45	\$694	\$928	
CK Technologies	Surry	City Mt Airy		T3	\$87,115		50	36	\$510	\$592	
Credit Suisse First Boston (CSFB	Wake	Wake		T5	\$2,621,639		400	664	\$1,107	\$1,373	
E.I.duPontdeNemours & Compa	Lenoir	Lenoir	✓	T3	\$31,818	33	66	27	\$680	\$1,322	\$50,000
Eisai, Inc.	Durham	Durham		T3	\$150,000	258	59	58	\$695	\$1,709	
Excelsior Pkg Group	Transylvania	Transylvania		T3	\$42,298		110	91	\$514	\$536	\$187,500
Global Textile Alliance	Rockingham	Rockingham		T2	\$75,000	52	48	85		\$596	
Kidde Technologies	Wilson	Wilson		T1	\$150,000	385	131	249	\$740	\$1,108	
McMullen Architectural Systems	Wilson	Wilson	✓	T2	\$15,000		32	43	\$570	\$615	\$45,000
Menlo Logistics	Duplin	Duplin County		T1	\$15,000	47	30	17		\$1,304	
Metrics, Inc	Pitt	Pitt	✓	T4	\$37,500	173	77	69	\$968	\$1,094	\$112,500
Novartis Vaccines & Diagnostics	Wake	Town of Holly Springs		T5	\$750,000		245	69	\$862	\$2,652	
Ply Gem Industries	Wake	Town of Cary		T3	\$25,000		100	28	\$1,117	\$2,324	
Poppelmann Plastics USA, Inc.	Catawba	City of Claremont		T5	\$186,000		50	28	\$596	\$645	
Quintiles Transnational Corporat	Durham	Durham		T5	\$500,000	1,123	517	342	\$1,209	\$2,758	\$500,000
SABO USA Inc.	Lincoln	Lincoln		T4	\$25,000		81	23	\$573	\$1,332	
Spatial Integrated Systems	Lenoir	Lenoir	✓	T3	\$25,000		37	13	\$865	\$1,270	
Stanley Furniture Co.	Graham	Graham County		T1	\$168,000	315	205	168	\$511	\$709	
Turbomeca Manufacturing, Inc.	Union	Union		T3	\$250,000		180	53	\$722	\$1,093	
Valdese Weavers	Burke	Burke		T1	\$65,000	594	61	57	\$500	\$693	
Vantage Foods	Caldwell	Caldwell		T1	\$360,000		183	171		\$382	
West Pharmaceutical Services, I	Lenoir	Lenoir		T1	\$75,000	211	154	40	\$585	\$890	
					\$6,336,370	3,362	3,386	303			\$1,020,000

**Table 7**  
**Disbursement and Remaining Liability Amounts for One NC Awards**  
**(2001-2009)**

This table includes all One North Carolina Fund awards that were open during the year, with funds still to be disbursed. Table 7 shows, for each grant, the initial award amount, the amount disbursed, the amount unencumbered (for non-performance or failure to make timely disbursement requests), the amount recovered as a result of default, and the remaining State liability.

<b>Company Name</b>	<b>Grant Amt</b>	<b>Disbursed</b>	<b>Unencumbered</b>	<b>Recovered</b>	<b>Remaining State Liability</b>
AAR Manufacturing, Inc.	\$500,000	\$500,000	\$0	\$0	\$0
Able Rebuilders	\$310,000	\$0	\$0	\$0	\$310,000
Absolute Plastics	\$300,000	\$0	\$300,000	\$0	\$0
ACW International	\$50,000	\$0	\$0	\$0	\$50,000
Adhezion Bio-Medical LLC	\$40,000	\$0	\$0	\$0	\$40,000
AFA Products, Inc.	\$120,000	\$0	\$0	\$0	\$120,000
AG Machining, Inc.	\$60,000	\$0	\$0	\$0	\$60,000
Alpla Inc	\$120,000	\$0	\$0	\$0	\$120,000
Aludisc	\$100,000	\$0	\$0	\$0	\$100,000
Amarr Company	\$75,000	\$0	\$75,000	\$0	\$0
American Food	\$50,000	\$0	\$0	\$0	\$50,000
American Growler, Inc.	\$25,000	\$25,000	\$0	\$0	\$0
Ann's House of Nuts	\$65,000	\$0	\$0	\$0	\$65,000
APG Meridian, Inc.	\$60,000	\$0	\$60,000	\$0	\$0
ATI Allvac	\$300,000	\$0	\$0	\$0	\$300,000
Baker Knapp & Tubbs, Inc	\$76,000	\$0	\$76,000	\$0	\$0
Balance Systyems	\$50,000	\$0	\$50,000	\$0	\$0
Baldor - Buncombe	\$64,000	\$0	\$0	\$0	\$64,000
Baldor - Cleveland County	\$157,000	\$0	\$0	\$0	\$157,000
Baldor-McDowell County	\$75,000	\$0	\$0	\$0	\$75,000
Blackwater	\$120,000	\$0	\$0	\$0	\$120,000
Blue Hawaiian Products	\$45,000	\$0	\$45,000	\$0	\$0
Bozco	\$250,000	\$0	\$250,000	\$0	\$0
Bridgestone Aircraft Tire USA, Inc.	\$200,000	\$200,000	\$0	\$0	\$0
Brooks Boatworks	\$45,000	\$11,250	\$0	\$0	\$33,750
Broyhill	\$2,000,000	\$0	\$0	\$0	\$2,000,000
Campbell Soup - Project Henhouse	\$150,000	\$0	\$0	\$0	\$150,000
Carolina Precision Plastics	\$150,000	\$57,000	\$93,000	\$0	\$0
Carolina Technical Plastics	\$75,000	\$0	\$0	\$0	\$75,000
Carolinas Cement Company (Titan A	\$300,000	\$0	\$0	\$0	\$300,000
Carver Machine Works	\$75,000	\$0	\$0	\$0	\$75,000
Caye Home Furnishings, LLC	\$250,000	\$0	\$0	\$0	\$250,000
Celgard, LLC	\$955,000	\$0	\$0	\$0	\$955,000
Central States Manufacturing	\$135,000	\$0	\$0	\$0	\$135,000
Challenge Printing	\$50,000	\$50,000	\$0	\$0	\$0

table 7, continued

Chicago Tube & Iron	\$84,000	\$0	\$0	\$0	\$84,000
Chris-Craft Corporation	\$250,000	\$0	\$250,000	\$0	\$0
CK Technologies	\$150,000	\$87,115	\$62,885	\$0	\$0
CMI Plastics	\$300,000	\$75,000	\$0	\$0	\$225,000
Commerce Overseas Corporation	\$75,000	\$0	\$0	\$0	\$75,000
Commonwealth Brands	\$100,000	\$0	\$0	\$0	\$100,000
Continental Components	\$35,000	\$0	\$35,000	\$0	\$0
Continental Teves, Inc.	\$250,000	\$0	\$250,000	\$0	\$0
Converpro	\$80,000	\$0	\$80,000	\$0	\$0
Darnel, Inc.	\$100,000	\$0	\$0	\$0	\$100,000
Defense Holdings	\$100,000	\$0	\$100,000	\$0	\$0
DIRT Motorsports	\$20,000	\$0	\$20,000	\$0	\$0
Dopaco	\$150,000	\$0	\$0	\$0	\$150,000
DuPont Fayetteville Works(Tedlar)	\$50,000	\$0	\$50,000	\$0	\$0
DuPont Polymer Exp	\$50,000	\$0	\$0	\$0	\$50,000
Dynapar	\$150,000	\$0	\$0	\$0	\$150,000
EcoResin, LLC	\$150,000	\$75,000	\$75,000	\$0	\$0
Eisai, Inc.	\$150,000	\$150,000	\$0	\$0	\$0
Electrolux Home Products, Inc.	\$1,200,000	\$0	\$0	\$0	\$1,200,000
Elkamet, Inc.	\$125,000	\$125,000	\$0	\$0	\$0
Enbasa USA Inc.	\$50,000	\$0	\$50,000	\$0	\$0
Environ OPW	\$37,000	\$0	\$37,000	\$0	\$0
Ethan Allen	\$109,000	\$0	\$0	\$0	\$109,000
Exhibit Works	\$66,000	\$0	\$0	\$0	\$66,000
FASTA of North Carolina Inc	\$300,000	\$0	\$0	\$0	\$300,000
Fidelity	\$2,000,000	\$0	\$0	\$0	\$2,000,000
Field Controls, LLC	\$35,000	\$17,500	\$0	\$0	\$17,500
Fiserv	\$800,000	\$0	\$0	\$0	\$800,000
Florida Tanks	\$50,000	\$0	\$50,000	\$0	\$0
Force Protection Industries	\$500,000	\$0	\$0	\$0	\$500,000
Frontier Spinning Mills, Inc.	\$40,000	\$20,000	\$0	\$0	\$20,000
Galexe Pharma Sciences, LLC	\$250,000	\$0	\$0	\$0	\$250,000
GE - Hitachi Nuclear Energy Americ	\$900,000	\$0	\$0	\$0	\$900,000
Gerard's Bakery LLC	\$100,000	\$0	\$100,000	\$0	\$0
Global Textile Alliance	\$100,000	\$75,000	\$25,000	\$0	\$0
Halifax Linen	\$81,000	\$40,500	\$0	\$0	\$40,500
Harger Lightning & Grounding	\$64,500	\$0	\$0	\$0	\$64,500
Hart & Cooley, Inc.	\$180,000	\$45,000	\$135,000	\$0	\$0
HC Composites	\$130,000	\$0	\$0	\$0	\$130,000
Henkel Corporation	\$206,000	\$0	\$0	\$0	\$206,000
IAC Albemarle, LLC	\$280,000	\$0	\$0	\$0	\$280,000
Ice River Springs Water Co.	\$100,000	\$100,000	\$0	\$0	\$0
IEM, Inc	\$150,000	\$0	\$0	\$0	\$150,000
Impressions Marketing Group - Gran	\$240,000	\$0	\$0	\$0	\$240,000
Indian Motorcycles	\$100,000	\$25,000	\$75,000	\$0	\$0
Ingles Markets	\$160,000	\$0	\$0	\$0	\$160,000

table 7, continued

Innofa USA	\$170,000	\$0	\$0	\$0	\$170,000
International Textile Group	\$100,000	\$0	\$100,000	\$0	\$0
IWCO	\$375,000	\$187,500	\$187,500	\$5,208	\$0
Kellex	\$30,000	\$0	\$0	\$0	\$30,000
Ken Garner Manufacturing Company	\$25,000	\$0	\$0	\$0	\$25,000
Kennametal	\$250,000	\$0	\$0	\$0	\$250,000
Kidde Technologies	\$150,000	\$150,000	\$0	\$0	\$0
Kitchen Ventilation Systems	\$68,000	\$51,000	\$17,000	\$0	\$0
Knit-Rite	\$24,000	\$0	\$0	\$0	\$24,000
KobeWieland Copper	\$130,000	\$0	\$0	\$0	\$130,000
Legacy PaddleSports	\$100,000	\$0	\$100,000	\$0	\$0
LKN Communications	\$300,000	\$0	\$0	\$0	\$300,000
Lodging By Liberty	\$135,000	\$0	\$135,000	\$0	\$0
Maple Springs Laundry	\$136,000	\$0	\$0	\$0	\$136,000
Marves Industries LLC	\$200,000	\$0	\$0	\$0	\$200,000
Menlo Logistics	\$30,000	\$15,000	\$0	\$0	\$15,000
Meritor Heavy Vehicle Systems (Ar	\$167,000	\$0	\$0	\$0	\$167,000
Metrics, Inc	\$150,000	\$150,000	\$0	\$0	\$0
Microban	\$45,000	\$0	\$0	\$0	\$45,000
Millennium Marine	\$75,000	\$0	\$0	\$0	\$75,000
Mitek Industries	\$28,000	\$0	\$0	\$0	\$28,000
Morganton Pressure Vessels LLC	\$129,000	\$0	\$0	\$0	\$129,000
Motor Racing Network	\$50,000	\$37,500	\$0	\$0	\$12,500
Nature's Earth Products, Inc.	\$196,000	\$0	\$0	\$0	\$196,000
Neighborhood Assitance Corporation	\$1,000,000	\$0	\$0	\$0	\$1,000,000
New Buck Corporation	\$70,000	\$0	\$0	\$0	\$70,000
Nonni's Foods	\$300,000	\$0	\$0	\$0	\$300,000
North American Aerodynamics	\$300,000	\$0	\$0	\$0	\$300,000
Novartis Vaccines & Diagnostics	\$3,000,000	\$750,000	\$0	\$0	\$2,250,000
Nypro	\$150,000	\$0	\$0	\$0	\$150,000
Optimal Technologies	\$325,000	\$0	\$0	\$0	\$325,000
P & A Industrial Fabrication	\$70,000	\$52,500	\$17,500	\$0	\$0
Palziv North America, Inc.	\$250,000	\$0	\$0	\$0	\$250,000
PaperPak Products, Inc.	\$200,000	\$0	\$200,000	\$0	\$0
Parata Systems	\$100,000	\$100,000	\$0	\$0	\$0
Pennsylvania Tranformer Tech	\$45,000	\$0	\$0	\$0	\$45,000
Ply Gem Industries	\$100,000	\$25,000	\$0	\$0	\$75,000
PPG Industries	\$300,000	\$0	\$0	\$0	\$300,000
Precor	\$142,000	\$0	\$0	\$0	\$142,000
Premier Trailer, Inc	\$25,000	\$0	\$0	\$0	\$25,000
Premiere Fibers	\$50,200	\$0	\$0	\$0	\$50,200
Providencia	\$56,000	\$0	\$0	\$0	\$56,000
Quintiles	\$120,000	\$42,000	\$78,000	\$0	\$0
Quintiles Transnational Corporation	\$2,000,000	\$1,000,000	\$0	\$0	\$1,000,000
R.W.and Able,Inc.	\$25,000	\$0	\$25,000	\$0	\$0
Reser's Fine Food	\$1,000,000	\$0	\$0	\$0	\$1,000,000

table 7, continued

Reuel	\$100,000	\$0	\$0	\$0	\$100,000
Richmond Specialty Yarns	\$150,000	\$0	\$0	\$0	\$150,000
Sandoz (Eon)	\$150,000	\$150,000	\$0	\$0	\$0
Sandvik	\$150,000	\$0	\$0	\$0	\$150,000
SANS Technical Fibers	\$60,000	\$0	\$0	\$0	\$60,000
SCR-Tech	\$90,000	\$0	\$0	\$0	\$90,000
Sencera	\$62,000	\$0	\$0	\$0	\$62,000
Shalag US Inc.	\$110,000	\$0	\$0	\$0	\$110,000
Shutterfly	\$250,000	\$0	\$250,000	\$0	\$0
Simeus Foods Internat. Inc.	\$100,000	\$0	\$100,000	\$0	\$0
Solaris Industries	\$50,000	\$0	\$0	\$0	\$50,000
Spatial Integrated Systems	\$100,000	\$25,000	\$0	\$0	\$75,000
Speed Channel	\$34,000	\$0	\$0	\$0	\$34,000
Spirit AeroSystems	\$5,000,000	\$0	\$0	\$0	\$5,000,000
Stanley Furniture Co.	\$250,000	\$168,000	\$0	\$0	\$82,000
Stonewall Packaging	\$200,000	\$0	\$0	\$0	\$200,000
Superior Machine Company of SC, I	\$70,000	\$0	\$0	\$0	\$70,000
Sustainable Textile Group, LLC (Ro	\$300,000	\$0	\$0	\$0	\$300,000
System Plast	\$50,000	\$0	\$50,000	\$0	\$0
Talecris	\$250,000	\$0	\$0	\$0	\$250,000
Talon Systems Inc	\$46,590	\$0	\$0	\$0	\$46,590
TCOM	\$70,000	\$0	\$0	\$0	\$70,000
Telerox	\$450,000	\$337,500	\$0	\$0	\$112,500
The Clearing House	\$250,000	\$250,000	\$0	\$0	\$0
ThermoFisher Scientific Corp	\$208,000	\$0	\$0	\$0	\$208,000
Tiger Tek	\$12,000	\$0	\$0	\$0	\$12,000
Top Tobacco	\$150,000	\$0	\$0	\$0	\$150,000
Townsend	\$250,000	\$0	\$0	\$0	\$250,000
Triangle Suspension Systems	\$100,000	\$0	\$0	\$0	\$100,000
TurboCare, Inc.	\$220,000	\$0	\$0	\$0	\$220,000
Turbomeca Manufacturing, Inc.	\$500,000	\$250,000	\$0	\$0	\$250,000
TYM-USA	\$30,000	\$0	\$0	\$0	\$30,000
Ultra Machine & Fabrication	\$108,000	\$108,000	\$0	\$0	\$0
Uniboard	\$250,000	\$0	\$0	\$0	\$250,000
Unilever	\$60,000	\$0	\$0	\$0	\$60,000
Unison Engine Components (Smiths	\$400,000	\$100,000	\$0	\$0	\$300,000
United Therapeutics	\$175,000	\$0	\$0	\$0	\$175,000
Valdese Weavers	\$130,000	\$65,000	\$0	\$0	\$65,000
Vantage Foods	\$360,000	\$360,000	\$0	\$0	\$0
Vescom America, Inc.	\$125,000	\$0	\$125,000	\$0	\$0
Watts	\$140,000	\$0	\$0	\$0	\$140,000
West Pharmaceutical Services, Inc.	\$300,000	\$75,000	\$0	\$0	\$225,000
Wilbert Plastic Services	\$82,000	\$0	\$0	\$0	\$82,000
Wind Tunnel eXtreme, LLC	\$30,000	\$0	\$0	\$0	\$30,000
Yale Insutrial Products, Inc (Coffin	\$116,300	\$0	\$0	\$0	\$116,300
Total	\$42,774,590	\$6,127,365	\$3,728,885	\$5,208	\$32,918,340

*Note: Although roughly \$1,000,000 in disbursed One NC funds have been recaptured over the life of the program, recapture of funds from One NC grants is not common. The grants are performance-based. Funds are not released until performance criteria have been met. Recapture may occur in certain limited circumstances, such as when jobs are not retained as required under the terms of a particular grant agreement. Typically, grantees are required to retain jobs for a period of at least 1 to 2 years after a 3-year grant performance period.*

## Industrial Development Fund

Grants were made in 2009 to local governments under the Industrial Development Fund (the “IDF”). These included ten grants under the basic IDF program, six grants under the Utility Account. The grants are for public infrastructure, and are not made to private companies, although the public infrastructure may facilitate a particular private project. Table 8 details the 2009 grants awarded, the projects served, and the jobs created.

**Table 8**  
**2009 IDF GRANT AWARDS**

Type	Applicant	County	Tier	Project	Jobs	Award Amount	Investment
IDF	Halifax	Halifax	1	United Salvage and Auto	19	\$91,000	\$6,500,000
IDF	China Grove	Rowan	2	Altec Industries	15	\$75,000	\$2,000,000
IDF	Kinston	Lenoir	1	Spirit AeroSystems	203	\$271,646	\$570,000,000
IDF	Cherokee	Cherokee	2	Snap-On Water Project	40	\$200,000	\$8,000,000
IDF	Littleton	Halifax	1	FASTA, Inc.	105	\$447,137	\$2,500,000
IDF	Caswell	Caswell	1	NorAg Technology	10	\$50,000	\$300,000
IDF	Windsor	Bertie	1	A2A Living Oils	4	\$20,000	\$42,000
IDF	Wilkes	Wilkes	2	MX Aircraft	36	\$178,225	\$3,500,000
IDF	Lenoir	Lenoir	1	West Pharmaceuticals	51	\$253,174	\$18,743,000
IDF	Alexander	Alexander	2	Paragon Films	15	\$150,000	\$62,500
Utility	Bladenboro	Bladen	1	Bladenboro Water System	0	\$500,000	
Utility	Rutherford	Rutherford	1	Corp. 74 Secondary Access	0	\$500,000	
Utility	Columbus	Columbus	1	County Water and Sewer	0	\$500,000	
Utility	Caswell	Caswell	1	NorAg Technology		\$404,578	\$300,000
Utility	Kinston	Lenoir	1	Sanderson Farms	550	\$500,000	\$121,400,000
Utility	Wilkesboro	Wilkes	2	United Parcel Service	0	\$500,000	\$150,000
<b>Total</b>					<b>1,048</b>	<b>\$4,640,760</b>	<b>\$733,497,500</b>



## Other Financial Assistance

### Site Infrastructure Development Program

The Site Infrastructure Development Fund (“SIDF”) (N.C. Gen. Stat. § 143B-437.02(k)) was created for the purpose of stimulating economic activity and creating new jobs in the State. To be eligible for SIDF assistance, a business must invest at least \$100,000,000 of private funds in site development for a project that will provide jobs for at least 100 new employees. The Economic Investment Committee is responsible for 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 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) be provided to Merck & Co, Inc. for a project involving the development of a vaccine manufacturing plant on an approximately 256-acre site in Durham County. No additional funding has been appropriated for the SIDF. Merck’s performance targets include creation of 200 jobs by December 31, 2009, at an annual average wage of \$57,000, and investment of \$166,000,000 in construction and \$90,000,000 million in machinery and equipment. Merck would be required to retain a minimum of 150 jobs through 2018, in order to retain the full amount of the award.

For the last reported calendar year (2008), Merck retained 506 jobs (minimum requirement was 472 jobs), created 147 new jobs (minimum requirement was 49 jobs), at an average wage of \$79,667 (minimum requirement was \$51,750), and invested \$423,354,150 (minimum requirement was \$218,000,000).

The SIDF assistance is provided in the form of a forgivable loan, whereby Merck must satisfy annual performance criteria, including job retention requirements, in order to retain the full amount disbursed. If Merck maintains annual compliance, 10% of the \$24 million will be forgiven each year from 2010-2019 (following demonstration of annual compliance for calendar years 2009-2018). Repayment obligations are secured by a deed of trust on the project property.

On February 12, 2009, the Economic Investment Committee approved disbursement of the \$24 million in SIDF assistance to Merck, based on Merck’s achievement of the conditions precedent to such disbursement. Merck and the State agreed that this would be disbursed in four equal installments of \$6 million, one each by not later than each of the following dates: September 30, 2009;

December 31, 2009; March 31, 2010; and June 30, 2010. The first two installments, in the total amount of \$12 million, have been disbursed to Merck.

## **Job Maintenance and Capital Development Fund**

The Job Maintenance and Capital Development Fund (the “JMAC”) Program (N.C. Gen. Stat. § 143B-437.11) is a discretionary incentive program that, as originally enacted, provides sustained annual grants to businesses with at least 2,000 employees, which are located in Development Tier 1 counties, and which invest at least \$200 million in capital improvements within 6 years of initial expenditure.

During the last legislative session, amendments to the JMAC Statute were ratified as Session Law 2009-520 (Aug. 26, 2009) (the “JMAC Amendment”). The JMAC Amendment would permit a JMAC award to be made to a large manufacturing employer that will convert its existing manufacturing process to change the product manufactured. To be eligible, the company must commit to invest \$65 million over three years, and must employ and agree to maintain at least 320 full-time employees (in addition to other standard requirements like provision of health insurance and specified wages). The JMAC Amendment increased the amounts that could be made available for all JMAC agreements from \$60 million (which was awarded to Goodyear and Bridgestone), to \$69 million. The Session Law delayed effectiveness of the JMAC Amendments until July 1, 2010. It is expected that a company that qualifies under the JMAC Amendment provisions will receive an award after its effectiveness.

The purpose of a JMAC grant is to encourage retention of significant numbers of high-paying, high-quality jobs and large-scale capital investment, enlarge the overall tax base, and increase revenues to the State and its political subdivisions. Grant recommendations are made by the Economic Investment Committee to the Secretary of Commerce, based on a thorough review of the factors enumerated in the Criteria for Operation and Implementation of Job Maintenance and Capital Development Fund Program (the “JMAC Criteria”), adopted on December 13, 2007, pursuant to N.C. Gen. Stat. § 143B-437.11(i)(1). A total of 5 grants may be made under the JMAC program.

Two grants were awarded under the JMAC Program during the third quarter of 2008. The grantees are Goodyear Tire & Rubber Company (“Goodyear”) and Bridgestone Firestone North American Tire LLC (“BF”). Agreements governing the terms of the grants were executed by the two companies during the fourth quarter of 2008.

Both the Goodyear grant and the Bridgestone grant are to be paid over a ten-year grant period. The maximum lifetime liability for each of these grants is \$30,000,000; the total of \$60,000,000 allocated to these two grants is the maximum liability under the original statutory provisions. The annual amount for which each company will be eligible (if performance criteria are met) is described in the

following table, in which “Eligible Grant Amount” means the sum of (i) 95% of certain statutorily specified eligible taxes; (ii) 100% of confirmed worker training expenses; and (iii) 100% of confirmed eligible State fees paid. It is expected that both companies will qualify for grant payments based principally on worker training expenses incurred to train workers on the new equipment purchased to modernize their respective facilities.

<b>GRANT YR</b>	<b>MAXIMUM ANNUAL GRANT AMOUNT</b>
Year 1 (2008)	The lesser of \$2,500,000 and the Eligible Grant Amount.
Year 2 (2009) <i>through</i> Year 10 (2017)	The least of: i. 50% of the GA appropriation for the applicable grant year; ii. the Eligible Grant Amount for the applicable grant year; and iii. \$4,000,000, <i>up to maximum lifetime cumulative grant payments in the amount of \$30,000,000.</i>

For fiscal year 2009-2010, the General Assembly appropriated a total of \$5,000,000. It is expected that the companies will each qualify for \$2,500,000. The companies are required to report each calendar year performance by May 1 of each year. Grant payments will be made after analysis and confirmation of these reports. Information on payments made for 2008 performance will be provided in the next report.

In order for Goodyear to qualify for the maximum annual grant amount, it must (i) maintain a minimum of 2,398 direct employees in permanent full-time positions, as measured on December 31 of each grant year; (ii) invest at least \$200,000,000 by December 31, 2012, in machinery and equipment for component preparation, tire assembly, tire curing, and tire final finish operations at its Fayetteville facility; (iii) pay full-time employees an average annual salary of at least 140% of the average wage paid by all insured private employers in Cumberland County; and (iv) pay at least 50% of the health insurance premiums for the type of medical insurance policy specified in the JMAC Statute, for all full-time employees. For any grant year in which Goodyear has retained between 2,000 and 2,398 full-time employees, Goodyear shall be eligible for a prorated payment. Goodyear shall be ineligible for grant payment for any year in which it (i) retains fewer than 2,000 direct employees; (ii) fails to satisfy the wage requirement; or (iii) fails to make the required health insurance available to employees.

In order for BF to qualify for the maximum annual grant amount, it must (i) maintain a minimum of 2,083 direct employees and contract workers (the statute permits BF to count contract workers engaged in project work if they are provided the same benefits as direct employees; the State has agreements with the third party contract worker providers reflecting their obligations); 1,866 of the workers must be BF direct employees, as measured on December 31 of each grant year; (ii) invest at least \$200,000,000 by December 31, 2010, in high-technology equipment for tire manufacturing, at its Wilson Facility; (iii) pay direct employees and contract workers

(through the third party providers), collectively, an average annual salary of at least 140% of the average wage paid by all insured private employers in Wilson County; and (iv) pay at least 50% of the health insurance premiums for the type of medical insurance policy specified in the JMAC Statute, for all full-time employees (and third party providers must do the same for contract workers). For any grant year in which BF has retained between 2,000 and 2,083 direct employees plus contract workers, BF shall be eligible for a prorated grant payment. BF shall be ineligible for a grant payment for any year in which (i) BF and the third party providers fail to collectively retain at least 2,000 project workers; (ii) BF fails to retain at least 1,866 direct project employees; (iii) BF and the third party providers fail to collectively satisfy the wage requirement; or (iv) BF or the third party providers fail to make the required health insurance available to employees and contract workers, respectively.

With respect to both grants, the JMAC agreement will be terminated for failure to make the required \$200,000,000 investment within the specified time period; or for failure to achieve the required number of direct employees and/or project contract workers or the required wage standard for 3 or more consecutive years. In the case of a company's failure to timely make the required investment, such company must repay all previously disbursed grant payments.