

Commonwealth's Development Opportunity Fund (COF)
Progress report on repayment status of projects subject to clawbacks

Past due clawbacks referred to Office of the Attorney General as of October 7, 2020

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Home Care Industries	Mecklenburg	150,000	Full repayment of \$150,000 grant due 5/1/2013; company closed in January 2013; hard asset created (site preparation) through use of COF grant. The VEDP Board, at its January 17, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C.	Yes	10/5/2010	3/31/2014
Lindenburg	Appomattox	1,400,000	Project not proceeding as planned; repayment of \$1,400,000 grant due 3/7/2016; VEDP has been pursuing an injunction to attach foreclosure proceeds by alleging misconduct by the project consultant; VEDP has a pending lawsuit against Lindenburg. The VEDP Board, at its January 17, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C.	Yes	11/4/2014	4/30/2018
Tranlin	Chesterfield	4,811,726	Project not proceeding as planned; full repayment of \$5,000,000 grant to be repaid. \$150,000 repaid 10/24/2017; remainder to be repaid in six monthly installments of \$833,561 beginning 12/1/2017, secured by deed of trust on land. Additional \$38,274 repaid 9/19/2019. The VEDP Board, at its January 17, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C.	Yes	6/18/2014	12/31/2019
Virginia Casting/ Grede	Radford	600,000	Job threshold not met; full repayment of \$600,000 grant due 3/31/2016; VEDP has exchanged letters, phone calls, and emails with the company's lawyers; have discussed further action with the locality. The VEDP Board, at its January 17, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C.	Yes	5/11/2010	7/1/2013
Evatran	Wythe	100,000	Full repayment of \$150,000 to be paid in three installments of \$50,000 each due 12/31/2016, 12/31/2017, and 12/31/2018; 2016 payment received; \$50,000 installments due 12/31/2017 and 12/31/2018. The VEDP Board, at its April 26, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C.	Yes	6/29/2010	12/31/2013
Qore	Washington	500,000	Company filed for bankruptcy; full repayment of \$500,000 grant was due 5/14/2017. Qore subsequently purchased by NanoGlobal. The VEDP Board, at its October 25, 2018, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C.	Yes	6/24/2015	12/31/2018
Axon Ghost Sentinel	Harrisonburg	75,000	Statutory minimum requirements not met; full repayment of \$75,000 grant due 7/25/2019. The VEDP Board, at its October 24, 2019, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C.	Yes	6/29/2015	10/1/2018

Past due clawbacks referred to Office of the Attorney General as of October 7, 2020 (continued)

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Basket Savings	Arlington	40,000	Statutory minimum requirements not met; full repayment of \$125,000 grant due 9/30/19; \$85,000 held by Arlington received 9/5/19; \$40,000 balance due from Basket by 9/30/19. The VEDP Board, at its October 24, 2019, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C.	Yes	2/29/2016	6/30/2019
Telos	Loudoun	65,000	Job threshold not fully met; prorated repayment of \$65,000 of \$500,000 grant due 7/9/2019. The VEDP Board, at its October 24, 2019, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C.	Yes	1/7/2014	3/31/2018
TOTAL		7,741,726				

Clawbacks past due as of October 7, 2020

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Liberty Source	Hampton	31,231	Second extension request approved at 5/13/2019 MEI Commission meeting for investment; prorated repayment of \$110,250 related to job creation due in quarterly installments of \$27,562.50 due 4/26/2019 (received 4/23/2019), \$27,562.50 due 6/30/2019 (received 7/22/2019), \$5,512 due 10/18/2019 (received 10/22/2019), \$18,375 due 12/30/2019 (received 2/7/2020), \$18,375 due 9/30/2020; and \$12,863 due 12/31/2020.	Yes	9/30/2018	6/30/2019
TOTAL		31,231				

Clawbacks requested but not past due as of October 7, 2020

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Prufrex	Virginia Beach	120,000	Statutory minimum requirements not met; full repayment of \$120,000 grant due 4/1/2020. The VEDP Board, at its June 20, 2019, meeting, directed the Office of Attorney General to enforce collection of clawback in accordance with § 2.2-2237.3.C. Instead, the City of Virginia Beach will repay the grant and then work with the company to recover the funds. Virginia Beach Economic Development Authority met on 9/15/2020 and approved that the grant will be repaid to the the Commonwealth.	Yes	2/20/2013	3/31/2018

Clawbacks requested but not past due as of October 7, 2020 (continued)

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
VFP	Scott	29,000	VEDP Board approved second extension at its 10/24/2019 meeting; awaiting approval by MEI Commission, after which VFP will repay \$29,000 for failing to fully meet its job target.	Yes	9/19/2013	3/31/2018
Grant Thornton	Arlington	175,000	Job threshold not fully met; prorated repayment of \$175,000 of \$1,000,000 grant due 11/26/2020.	No	6/16/2016	3/1/2020
Bureau of National Affairs	Arlington	500,000	Job threshold not met; full repayment of \$500,000 grant due 12/15/2020.	No	4/10/2017	6/30/2020
ST Tissue/Tak Investments	Isle of Wight	29,313	Investment threshold not fully met; prorated repayment of \$29,313 of \$167,500 grant due 12/16/2020.	No	9/27/2016	12/31/2019
TOTAL		853,313				

Clawbacks closed out since August 6, 2020

Company	Locality	Clawback amount received (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Discovery Communications	Loudoun	500,000	Facility closing; employees being moved to Silver Spring, Maryland, facility; full repayment of \$500,000 grant due 6/19/2020. Full repayment of \$500,000 grant received 7/29/2020.	Yes	6/14/2018	12/31/2021
TOTAL		500,000				

VEDP staff is still in the process of making a final determination for the following companies with performance dates that passed at least 90 days

Company	Locality	Amount of grant (\$)	Status	Previously Reported?	Announcement Date	Performance Date
Owens & Minor	Richmond City	1,500,000	Awaiting investment verification from the Commissioner of Revenue.	No	2/16/2017	3/31/2020
Atarfil	Suffolk	60,000	Awaiting additional wage documentation from the company.	No	3/8/2017	6/1/2020
Continental Automotive Systems	Newport News	2,000,000	Final report expected by 10/14/2020.	No	8/26/2014	6/30/2020
LIDL	Arlington	4,000,000	Awaiting further employment documentation from the company.	No	6/12/2015	6/30/2020

JLARC Recommendation No. 24: "The Virginia Economic Development Partnership (VEDP) board of directors should require VEDP to develop and use standard policies and procedures that clearly explain when and how staff should enforce clawback provisions. Enforcement should be consistent and effective for all companies that do not meet their contractual obligations, including wage requirements. **The board should require VEDP staff to report regularly to the full board on each project that is subject to a clawback and the repayment status for each project that is subject to a clawback.**"