

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 July 24, 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. The Office of Attorney General has settled this issue with the parent company for \$150,000.	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	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. VEDP is in the process of transferring files to that office.	Yes	6/29/2015	10/1/2018
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., and VEDP is in the process of securing the debt assignment.	Yes	2/29/2016	6/30/2019

Past due clawbacks referred to Office of the Attorney General as of July 24, 2020 (continued)

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
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. VEDP is in the process of transferring files to that office.	Yes	1/7/2014	3/31/2018
TOTAL		7,741,726				

Clawbacks past due as of July 24, 2020

Company	Locality	Clawback amount due (\$)	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. Repayment to be sent once Loudoun Economic Development Authority Board holds its next meeting.	Yes	6/14/2018	12/31/2021
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. Grant to be repaid once Virginia Beach Economic Development Authority holds its next meeting.	Yes	2/20/2013	3/31/2018
TOTAL		500,000				

Clawbacks requested but not past due as of July 24, 2020

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Liberty Source	Hampton	110,250	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
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
TOTAL		139,250				

Clawbacks closed out since June 18, 2020

Company	Locality	Clawback amount received (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Mavalerio	Hanover	50,000	Statutory minimum requirements not met; full repayment of \$50,000 grant received 6/30/2020.	Yes	4/9/2015	6/30/2019
TOTAL		50,000				

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 ago

Company	Locality	Amount of grant (\$)	Status	Previously Reported?	Announcement Date	Performance Date
ST Tissue	Isle of Wight	167,500	Awaiting final investment verification from locality.	No	9/27/2016	12/31/2019

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.**"