



MEMORANDUM

To: Gov. Roy Cooper
Governor’s Environmental Justice Advisory Council

From: Sec. Machelle Sanders, NC Department of Commerce
Sec. Mary Penny Kelley, NC Department of Environmental Quality

Date: October 15, 2024

Re: Report Pursuant to Executive Order No. 292

Pursuant to Executive Order No. 292: Advancing Environmental Justice for North Carolina, the NC Departments of Commerce and Environmental Quality (DEQ) are directed to present a report to the Governor and the Governor's Environmental Justice Advisory Council regarding businesses who have been awarded Job Development Grant (JDIG) incentives since January 1, 2017, and who have also been issued notice of violations (NOV) from DEQ.

Executive Summary

Since 2017, 192 JDIG awards have been made, of which 146 are still active, representing approximately 80,000 jobs announced and \$33 billion in capital investment announced. Of the JDIG awardees that were evaluated by DEQ, 20 have been issued at least one NOV from DEQ. Prior to awarding a JDIG, the Department of Commerce requests a compliance check for historic or pending environmental violations belonging to the company or that exist on the property being considered. The Department of Commerce is also utilizing the information provided for this report to ensure there are not any active NOV prior to making JDIG payments for active grantees.

Notice of Violations

The companies below were awarded a JDIG and have also had at least one NOV. Note that some NOV dates are prior to grant awards. Any previous violations must be disclosed to the Department of Commerce as part of the JDIG application and the Department also consults with DEQ as part of the application due diligence process.

Legal Name	Location	Latest Violation	Grant Status	Most Recent Disbursement
ABB Inc.	Orange	8/28/2018	Active	2022
American Woodmark Corporation	Richmond	7/11/2019	Active	FGY = 2024
BestCo LLC	Iredell	2/11/2019	Active	None
Cascades Tissue Group	Scotland	8/19/2024	Active	2021

Champion Home Builders Inc	Harnett	6/27/2017	Active	FGY = 2023
Chick-fil-A Supply, LLC	Alamance	8/18/2022	Active	2022
Comm Scope of North Carolina	Catawba	2/16/2017	Active	2026
Continental Automotive Systems	Burke	3/7/2017	Terminated	N/A
Corning Incorporated	Cabarrus	9/3/2024	Active	2022
Eastern Wholesale Fence LLC	Rowan	2/9/2024	Active	2022
Egger Wood Products LLC	Davidson	6/28/2022	Active	2022
Grifols Therapeutics LLC II	Johnston	12/6/2019	Active	FGY = 2025
Honda Aircraft Company, LLC	Guilford	6/8/2017	Active	FGY = 2024
Masterbrand Cabinets LLC	Caldwell	5/18/2020	Active	N/A
Merchants Distributors, LLC	Catawba	11/26/2019	Active	2022
Nestle Purina PetCare Company	Rockingham	9/19/2023	Active	2022
Pamlico Yachtworks, LLC (Seolta Holdings, LLC as of 1/26/2024)	Carteret	12/20/2020	Active	N/A
Toyota Battery Manufacturing	Randolph	10/12/2022	Active	FGY = 2025
United Parcel Service, Inc.	Guilford	8/10/2022	Active	N/A
White River Marine Group, LLC	Craven	3/2/2024	Active	2022

* FGY refers to the “first grant year” that the company is eligible for a payment.

Discussion

Economic development and environmental protection are deeply interconnected and creates a foundation that makes North Carolina an attractive place to live and work. By preserving natural resources, the state not only enhances its residents' quality of life but also strengthens its appeal to businesses. DEQ and the Department of Commerce work proactively on the state’s largest projects to ensure that companies, local communities, and state partners are aware of environmental needs and the importance of engaging with community partners.

DEQ developed an Environmental Justice toolkit for Businesses that is shared by the Department Commerce during the economic development process. DEQ also provides initial screening of potential sites as requested, to identify potentially underserved communities and the need for additional outreach and engagement early in the recruitment process. This proactive approach helps build long-term success by fostering responsible development that benefits both the economy and the environment.

Methodology

In order to prepare this report, the Department of Commerce provided DEQ with a list of all active JDIGs awarded since January 1, 2017, excluding those that were withdrawn or those that were made and then terminated without any disbursements, of which there were 46. DEQ searched within its databases for responsive results.

DEQ’s permitting records accessible in divisional-specific databases. DEQ approached this request by searching for violations by “legal entity name” across all of DEQ’s permitting programs, utilizing a search feature in a data management program that is currently under

development. Results were considered responsive only when the address matched the location of the specific JDIG grant awarded to ensure that non-JDIG-related projects by the same legal entity were excluded.

DEQ also completed a supplemental, manual search of databases, spreadsheets, and other internal data to identify projects and included any additional responsive data. The Department of Commerce included the status of each grant and the most recent disbursement information for companies where violations were noted. The responsive violation results only account for NOVs discovered for the specific legal entity name. These responsive results do not include violations accrued prior to a permit being transferred to the JDIG recipients name or all project-related violations by third parties, state agencies, or local governments. Once DEQ completes updates to its data management systems, DEQ expects more comprehensive results with fewer data limitations in the future.

Conclusion

The Departments of Commerce and DEQ continue to work together to support the creation of well-paying, quality jobs throughout the state and to ensure that companies are in compliance with the necessary environmental regulations aimed at protecting the environment and all residents of North Carolina.