

Legislation Details (With Text)

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Title: Public Hearing for Xylem, Inc. Business Investment Grant

Attachments:

Date	Ver.	Action By	Action	Result
5/14/2018	1	City Council Business Meeting	Pulled by Staff	

Public Hearing for Xylem, Inc. Business Investment Grant

Action:

- A. Conduct a public hearing regarding approval of a Business Investment Grant to Xylem, Inc., and**
- B. Approve the City's share of a Business Investment Grant to Xylem, Inc. for a total estimated amount of \$62,737 over five years.**

Staff Resource(s):

Tracy Dodson, Economic Development
Kevin Dick, Economic Development

Explanation

- On March 27, 2018, Xylem, Inc. (Xylem), a global water technology company with products and services that move, treat, analyze, monitor, and return water to the environment, announced its selection of Charlotte for a capital investment of \$3.3 million for expansion of its office operations and the addition of Global Business Solutions as part of Xylem. The company is headquartered in Rye Brook, New York and reported sales of \$4.7 billion in 2017. The expansion will be located at 4828 Parkway Plaza, in Council District 3.
- The Business Investment Grant is estimated to total \$122,128 over five years, including a city contribution of \$62,737 and a \$59,391 contribution from Mecklenburg County.
 - The State of North Carolina also approved a Job Development Investment Grant in the amount of \$2 million.
- In addition to the \$3.3 million capital investment, Xylem has committed to:
 - 119 new jobs over three years with an average annual wage of \$70,000 (141 percent of the regional average wage),
 - 100 percent of the new positions will be hired locally, and
 - 149 current employees in Charlotte to be retained for the term of the grant
- Additional benefits also include:
 - Workforce development partnerships with the company can be utilized to connect talent to available positions.
 - The company is a strong community partner with Charlotte Water for stream cleanups and participates in cancer awareness activities and other community events.
 - Xylem plans to lease an additional 70,000 square feet of office space for a one-year term at 4828 Parkway Plaza (within the Business Investment Zone and Council District 3).
 - The company will invest \$3.3 million for personal property, leasehold improvements, furniture and fixtures, and lab space.

- The project aligns with:
 - City Values and Winning Cities Characteristics
 - Letter to the Community (Good Paying Jobs)
 - Equitable Economic Development and Economic Opportunity
 - Diversity of jobs on proposed project
 - Job retention through corporate expansion
 - Growth industry with significant job and contracting opportunities

Business Investment Grant

- The request meets the Council-approved criteria for a five-year, 90 percent expansion grant.
- The terms and conditions of this grant include:
 - The company will be asked to coordinate job fairs and recruitment events for both temporary and permanent jobs with the City and County. Community organizations and residents will receive ample notice of these employment activities in addition to training opportunities with City job training and placement partnerships,
 - Actual grant payments are based on the value of the investment as appraised by the Mecklenburg County Tax Office,
 - All property taxes due from Xylem must be paid before a grant payment is made,
 - If Xylem removes the investment from Charlotte during the grant term, it shall pay back 100 percent of the investment grant paid to date, and
 - If Xylem moves the investment from Charlotte within five years of the end of the Business Investment Program grant term, a portion of the grant must be repaid as follows:
 - Within One Year of the end of the Term - 90 percent of grant payments
 - Within Two Years of the end of the Term - 75 percent of grant payments
 - Within Three Years of the end of the Term - 60 percent of grant payments
 - Within Four Years of the end of the Term - 45 percent of grant payments
 - Within Five Years of the end of the Term - 30 percent of grant payments

Fiscal Note

Funding: Business Investment Grant