

Legislation Details (With Text)

File #: 15-15514 **Version:** 1 **Name:**

Type: Business Item **Status:** Agenda Ready

File created: 3/30/2021 **In control:** City Council Business Meeting

On agenda: 5/10/2021 **Final action:**

Title: Business Investment Grant for Arrival Automotive USA Inc.

Attachments:

Date	Ver.	Action By	Action	Result
5/10/2021	1	City Council Business Meeting	Approve	Pass

Business Investment Grant for Arrival Automotive USA Inc.

Action:

Approve the city's Business Investment Grant to Arrival Automotive USA Inc. for a not to exceed amount of \$657,094 over seven years.

Staff Resource(s):

Tracy Dodson, City Manager's Office
Frances West, Economic Development

Explanation

- Arrival Automotive USA Inc. (Arrival) is a global electric vehicle company headquartered in London focused on creating zero emission, sustainable transportation solutions.
- On March 17, 2021, Arrival announced it would expand its existing operations in Charlotte to include their first U.S. electric van microfactory in West Charlotte.
- Arrival has committed to a capital investment of \$41,200,000 and creation of 281 jobs to be hired over two years with an average wage of \$42,171.
- This action is requesting City Council approval of a not to exceed Business Investment Grant (BIG) of \$657,094 over seven years.
 - During the week of February 22, 2021, City Council indicated their intent to approve this Business Investment Grant during council discussions.
 - On March 2, 2021, the Mecklenburg County Board of Commissioners, in closed session, indicated its intent to approve a Business Investment Grant with a maximum value of \$906,824 over five years.
- In addition to the city and county BIGs, the State of North Carolina dedicated \$1,200 to \$1,400 per eligible employee in community college training funds.
- On April 26, 2021, a public hearing was held on the BIG for Arrival. No comments were received from the public.

Explanation

- The general terms and conditions of this grant include:
 - Actual grant payments are based on the value of the investment as appraised by the Mecklenburg County Tax Office.
 - Property taxes due from Arrival must be paid before a grant payment is made.
 - If Arrival removes the investment from Charlotte during the grant term, it shall pay back 100 percent of the investment grant paid to date.
 - If Arrival moves the investment from Charlotte within seven years of the end of the

Business Investment Program (BIP) grant term, a portion of the grant must be repaid as follows:

- Within one year of the end of the BIP Term - 90 percent of grant payments
- Within two years of the end of the BIP Term - 75 percent of grant payments
- Within three years of the end of the BIP Term - 60 percent of grant payments
- Within four years of the end of the BIP Term - 45 percent of grant payments
- Within five years of the end of the BIP Term - 30 percent of grant payments
- Within six years of the end of the BIP Term - 20 percent of grant payments
- Within seven years of the end of the BIP Term - 10 percent of grant payments

Fiscal Note

Funding: Business Investment Grant