

Legislation Text

File #: 15-4520, Version: 1

JELD-WEN, Inc. Business Investment Grant

Action:

- A. Conduct a public hearing regarding approval of an economic development Business Investment Grant for JELD-WEN, Inc., and**
- B. Approve the City's share of a Business Investment Grant to JELD-WEN, Inc. for an estimated amount of \$438,106 over five years.**

Staff Resource(s):

Kevin Dick, Neighborhood & Business Services

Explanation

- On November 4, 2016, JELD-WEN, Inc. announced its selection of Charlotte for an investment of \$38 million for the expansion and development of a new headquarters campus and training center. The expansion will create 206 new jobs. Other competitive locations considered were York and Lancaster Counties in South Carolina and Kiamath Falls, Oregon.
- The total City/County combined grant is estimated to be \$1,184,635 over five years. Staff is requesting that City Council approve the City's share estimated at \$438,106.
 - In a closed session on October 10, 2016, the City Council indicated its intent to approve a Business Investment Grant of \$438,106 to JELD-WEN.
 - In a closed session on October 18, 2016, the Mecklenburg County Board of Commissioners indicated its intent to approve a Business Investment Grant of \$746,529 to JELD-WEN and subsequently approved its portion of the grant at its December 20, 2016 meeting.
 - In addition to the local contribution, the State of North Carolina has approved a \$2.4 million Job Development Investment Grant and \$350,200 in community college training funds.
- In addition to the \$38 million capital investment, JELD-WEN has committed to:
 - 206 new jobs over five years with an average annual wage of \$75,000 (155% of the regional average wage). Of those positions, 155 will be hired locally.
 - 124 corporate administration workers (legal, human resources, finance, sales, marketing and procurement).
 - 82 manufacturing related workers (engineering, information technology, and product line management).
 - 157 current employees to be retained for the term of the grant.

Background

- JELD-WEN, headquartered in Charlotte, is one of the world's leading manufacturers of doors and

windows. The company moved from Oregon to Charlotte in 2012 but did not make a grant request at that time.

- The company plans a 15-year lease for a new 120,000 square foot, Class A office building in Ayrley. The office building is being developed by a private developer and leased back to JELD-WEN through a build-to-suit transaction.
- The office building will be located at 2645 Silver Crescent Drive in Ayrley (outside the Business Investment Zone).

Business Investment Grant

- The request meets the City Council approved criteria for a five-year, 50% headquarters expansion grant.
- The general terms and conditions of this grant include:
 - The company will be asked to coordinate job fairs and recruitment events with the City and County for both temporary and permanent jobs. Community organizations and residents will receive ample notice of these employment activities in addition to training opportunities with Goodwill Industries of the Southern Piedmont, the Urban League of Central Carolinas and other City partners. This training will include career counseling, job readiness, intensive case management, computer and vocational training, as well as employment search and placement assistance.
 - Actual grant payments are based on the value of the investment as appraised by the Mecklenburg County Tax Office.
 - All property taxes due from JELD-WEN must be paid before a grant payment is made.
 - If JELD-WEN removes the investment from Charlotte during the grant term, it shall reimburse 100% of the investment grant paid to date.
 - If JELD-WEN moves the investment from Charlotte within five 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% of grant payments
 - Within Two Years of the end of the BIP Term - 75% of grant payments
 - Within Three Years of the end of the BIP Term - 60% of grant payments
 - Within Four Years of the end of the BIP Term - 45% of grant payments
 - Within Five Years of the end of the BIP Term - 30% of grant payments

Fiscal Note

Funding: Business Investment Grant