

Legislation Text

File #: 15-11706, Version: 1

Public Hearing for Columbus McKinnon Corporation Business Investment Grant

Action:

- A. Conduct a public hearing regarding approval of a Business Investment Grant to Columbus McKinnon Corporation, and**
- B. Approve the city's share of a Business Investment Grant to Columbus McKinnon Corporation for a total estimated amount of \$36,946 over five years.**

Staff Resource(s):

Tracy Dodson, Economic Development
Lori Lencheski, Economic Development

Explanation

- On August 30, 2019, Columbus McKinnon Corporation announced its selection of Charlotte for a capital investment of \$3,140,000 to expand its regional headquarters for research and development.
- This action is requesting City Council approval of a Business Investment Grant estimated to be up to \$36,946 over five years. Mecklenburg County's share is estimated to be \$62,234, bringing the combined city and county grant estimated total to be \$99,180.
 - On August 7, 2019, the Mecklenburg County Board of Commissioners, in Closed Session, indicated its intent to approve a Business Investment Grant to Columbus McKinnon Corporation.
 - On August 26, 2019, City Council, in Closed Session, indicated its intent to approve a Business Investment Grant to Columbus McKinnon Corporation.
 - In addition to the grant for the expansion, the State of North Carolina also approved a Community College Training Grant of \$25,000.
- In addition to the \$3,140,000 capital investment, Columbus McKinnon has committed to 25 jobs to be hired locally over one year (\$118,600 average wage).
- Additional benefits of this project include:
 - Workforce development partnerships and relationship with the company can be utilized to connect talent to available positions.
 - Alignment with:
 - City Values and Winning Cities Characteristics,
 - Letter to the Community (Good Paying Jobs),
 - Equitable Economic Development, and Economic Opportunity,
 - Diversity of jobs on the proposed project,
 - Job retention through corporate expansion, and
 - Growth industry with significant job and contracting opportunities.

Business Investment Grant

- The general 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.
- Grant payments are reimbursed only if the investment, total jobs hired, and average regional wage is met.
- Property taxes due from Columbus McKinnon Corporation must be paid before a grant payment is made.
- If Columbus McKinnon Corporation removes the investment from Charlotte during the grant term, the company shall pay back 100 percent of the investment grant paid to date.
- If Columbus McKinnon Corporation 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 - 20 percent of grant payments

Fiscal Note

Funding: Business Investment Grant