

Legislation Text

File #: 15-15513, Version: 1

Public Hearing for Arrival Automotive USA Inc. Business Investment Grant

Action:

Conduct a public hearing regarding approval of a City of Charlotte Business Investment Grant to Arrival Automotive USA Inc.

Staff Resource(s):

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

Explanation

- On March 17, 2021, Arrival Automotive USA Inc. (Arrival) announced it would expand its existing operations in Charlotte to include their first United States (U.S.) electric van microfactory in West Charlotte.
- This action is requesting a public hearing be conducted regarding City Council approval of a not to exceed Business Investment Grant (BIG) of \$657,094 over seven years.
 - During the week of February 22nd, 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 BIG with a maximum value of \$906,824 over five years.
- 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.
- 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.
- In compliance with North Carolina General Statute 166A-19.24 *Remote meetings during certain declarations of emergency*, written comments on the public hearing topic will be accepted by the Clerk's Office through April 27, 2021, at 11:59 p.m. Any additional comments received will be provided to City Council.
- On May 10, 2021, City Council will be asked to approve the BIG to Arrival.

Background

- Arrival is a global electric vehicle company headquartered in London focused on creating zero emission, sustainable transportation solutions.
- December 9, 2020, Arrival announced its North American headquarters in Charlotte with an investment of \$3,000,000 and 150 jobs.
- During the December 9th announcement, the company also signed a memorandum of understanding with the City of Charlotte to collaborate on strategies to achieve the goals outlined in the city's Strategic Energy Action Plan.
- Arrival's new Charlotte investment will be the first microfactory in the U.S. to produce their electric cargo delivery vans.

Business Investment Grant

- 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