

## Legislation Text

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File #: 15-15514, Version: 1

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### **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