

Legislation Text

File #: 15-17120, Version: 1

Public Hearing for Arrival Automotive USA Inc. Business Investment Grant

Action:

- A. Conduct a public hearing regarding approval of a City of Charlotte Business Investment Grant to Arrival Automotive USA Inc., and**
- B. Approve the City's share of a Business Investment Grant to Arrival Automotive USA Inc. for a not to exceed amount of \$143,800 over five years.**

Staff Resource(s):

Tracy Dodson, City Manager's Office
Alyssa Brown, Economic Development

Explanation

- On December 6, 2021, Arrival Automotive USA Inc. (Arrival) announced it would expand its existing operations in Charlotte.
- During the weeks of September 27, 2021 and October 4, 2021, City Council indicated their intent to approve this Business Investment Grant (BIG).
- Arrival has committed to a capital investment of \$11,500,000 and creation of 110 jobs to be hired over five years with an average wage of \$54,700.
- In addition to the City's BIG, the Mecklenburg County Board of County Commissioners will vote to approve a BIG in the amount of \$250,677 on February 1, 2022.

Background

- Arrival is a global electric vehicle company headquartered in London, United Kingdom focused on creating zero emission, sustainable transportation solutions.
- On December 9, 2020, Arrival announced its North American headquarters in Charlotte with an investment of \$3,000,000 and 150 jobs.
- On March 17, 2021, Arrival announced the opening of its first electric van microfactory in West Charlotte with an investment of \$41,200,000 and 281 jobs.
- On May 10, 2021, City Council approved a BIG to Arrival for a not to exceed amount of \$657,094 over seven years.
- Arrival's new Charlotte investment will be the first microfactory in the U.S. to assemble battery modules.
- Arrival also signed a Memorandum of Understanding with the City of Charlotte to collaborate on strategies to achieve the Strategic Energy Action Plan.

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 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 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, and
 - Within five years of the end of the BIP Term - 30 percent of grant payments.

Fiscal Note

Funding: Business Investment Grant