

Legislation Text

File #: 15-18138, Version: 1

Public Hearing H-T-L perma USA LP Business Investment Grant

Action:

- A. Conduct a public hearing regarding approval of a Business Investment Grant to H-T-L perma USA LP, and**
- B. Approve the City's share of a Business Investment Grant to H-T-L perma USA LP for a not to exceed amount of \$111,931 over five years.**

Staff Resource(s):

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

Explanation

- On June 2, 2022, H-T-L perma USA LP (H-T-L perma) announced it would expand its existing headquarters and production operations in Charlotte.
- During the week of November 8th, 2021, City Council, in Closed Session, indicated their intent to approve this Business Investment Grant (BIG).
- H-T-L perma has committed to a capital investment of \$7,450,000 and creation of 24 jobs to be hired over five-years with an average wage of \$54,688.
- In addition to the 24 new jobs, the company's 58 current positions will be retained for the term of the grant.
- Mecklenburg County Board of County Commissioners approved a BIG in the amount of \$110,201 on November 16, 2021.
- The State of North Carolina also approved an On the Job Training Grant in the amount of \$100,000 and \$33,600 in community college training funds.

Background

- H-T-L perma is an advanced manufacturing company that offers single-point automatic lubrication.
- H-T-L perma is an international company that has development and production facilities in Germany.
- The Americas' headquarters was established in Charlotte in 1995 and offers innovative and creative lubrication solutions to electric motors, conveyors, fans, and pumps.
- The company's current headquarters and production facility is located in Southwest Charlotte in Council District 3.
- H-T-L perma has a robust internal six- to 24-month training and mentorship academy that upskills employees through basic, intermediate, and advanced training.
- The new office and production facility will allow the company to increase their production capacity and footprint in North and South America.
- H-T-L perma is an Eco-friendly company with Go Green Initiatives across the organization and products. The new facility will be a green field facility with solar panels.

Next Steps

- 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 H-T-L perma must be paid before a grant payment is made.
- If H-T-L perma removes the investment from Charlotte during the grant term, it shall pay back 100 percent of the investment grant paid to date.
- If H-T-L perma 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