



Business Investment Program Grant Yokohama

Mecklenburg Board of County Commissioners
October 2, 2018

Yokohama

About the
Company



- Yokohama Corporation of America is a Japanese tire manufacturer currently celebrating its 100th anniversary with annual sales in excess of \$5.5 billion
- Yokohama products are available across all market segments such as SUVs, light vehicles and commercial trucks
- Yokohama is most well known for their high performance and racing tires
- Yokohama's North American Headquarters is in Santa Ana, California, and the company has major manufacturing plants in West Point, Mississippi and Salem, Virginia



Yokohama

Project Details

- \$3.85 million in new taxable investment
 - \$3,750,000 in real property
 - \$2,100,000 in personal property
 - 45 new employees
 - \$86,000 average annual salary
- Yokohama is establishing a North American Technical Center to guide development and industrialization of North American and international tire products
 - The site will consist of:
 - 10,000 square feet of office
 - 15,000 square feet of lab and testing space
 - Staffing lines will include
 - Engineering and development
 - Testing and analysis
 - Clerical



Yokohama

BIP Guidelines

	Criteria	Yokohama
Investment	\$3 million	\$3.85 million
Job Creation	20 new jobs	45 new jobs
Wage Rate	100% of MSA average	165% average

The company considered two other sites:

- Greenville, South Carolina (BMW)
\$2,882,500
- Stow, Ohio (Suburb of Akron)
\$1,841,000

BOCC indicated their intent to approve a five year 50% BIP in the amount of \$106,877 in a closed session on February 20, 2018



Yokohama

Ad valorem tax impacts

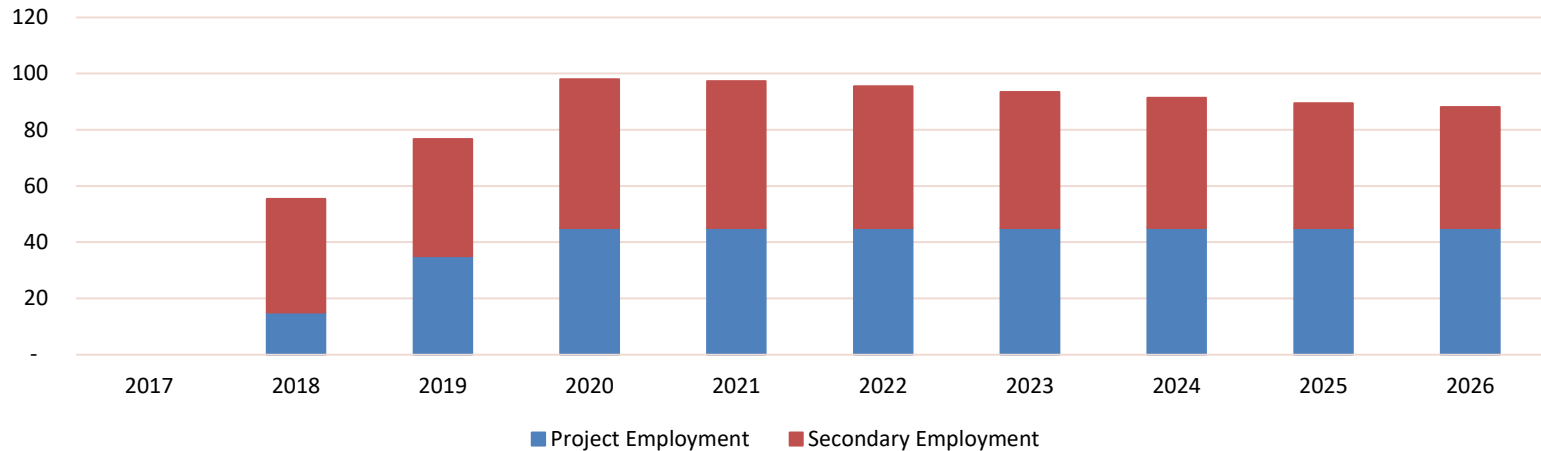
	5 year / 50%
Gross Tax Revenue to the County	\$213,754
Business Investment Grant	(\$106,877)
Net Revenue to County	\$106,877
Grant Recovery % at 5 years	100%
Grant Recovery % at 10 years	275%
Grant Recovery Period (years)	5

** Estimates based upon minimum capital investment by company*



Yokohama | Employment Impact

Yokohama is expected to induce 51 new jobs over the life of the grant



	2018	2019	2020	2021	2022	2023	2024	2025	2026
Project	15	35	45	45	45	45	45	45	45
Secondary	40	42	53	52	51	48	46	44	43
Total	55	77	98	97	96	93	91	89	88



Business Investment Program Grant

Yokohama | Total Estimated Tax Revenue

Yokohama is expected to induce \$140,888 in sales tax revenue over the life of the grant

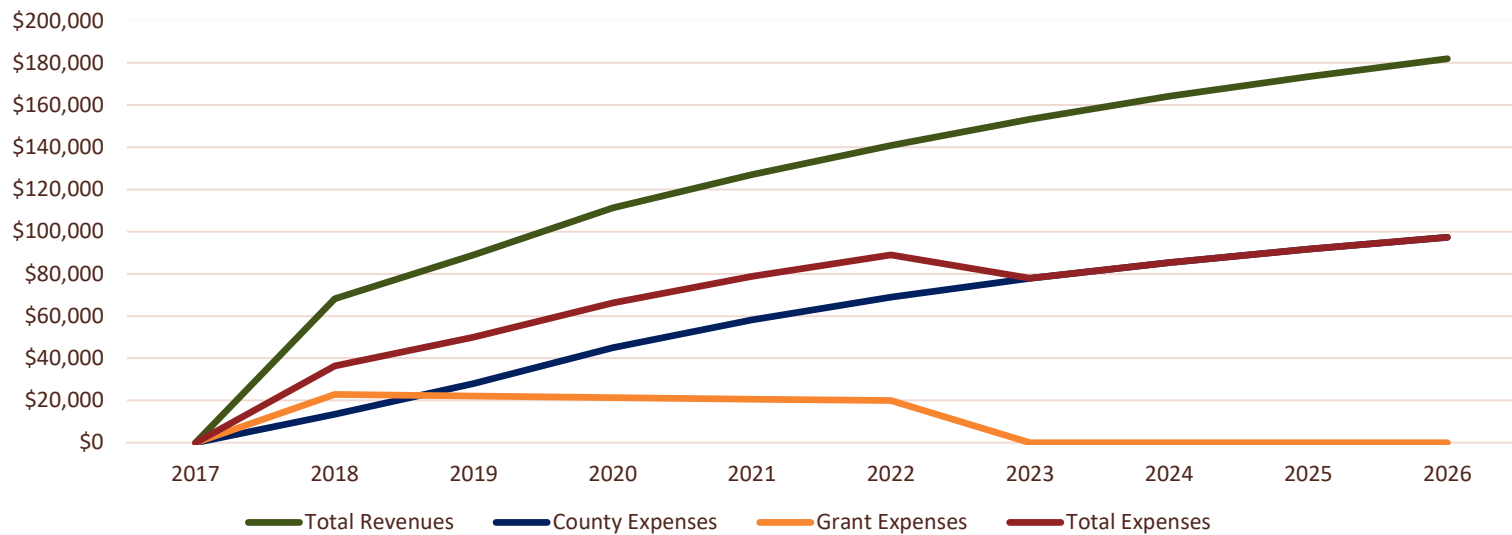


	2018	2019	2020	2021	2022	2023	2024	2025	2026
Property	51,536	62,719	75,607	89,058	100,519	110,699	119,467	126,752	132,943
Sales	16,603	26,337	35,681	38,034	40,370	42,583	44,698	46,737	48,992
Total	68,139	89,056	111,289	127,092	140,888	153,282	164,166	173,488	181,934



Yokohama | Estimated Fiscal Impacts

Yokohama is expected to net the County \$216031 over the life of the grant



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue	0	68,139	89,056	111,289	127,092	140,888	153,282	164,166	173,488	181,934
Expense	0	36,324	50,061	66,247	78,818	88,983	77,941	85,386	91,749	97,368
<i>Net</i>	0	31,815	38,995	45,042	48,274	51,906	75,341	78,780	81,739	84,566
Cumulative	0	31,815	70,810	115,852	164,126	216,031	291,373	370,153	451,892	536,458



Yokohama

Partner Incentives

Yokohama BIP	
Partner	Amount
County	\$106,887
Town of Cornelius	\$59,038
Total	\$165,925

- The Town of Cornelius approved BIP Grant in the amount of \$59,038 at an open session on September 17, 2018



Yokohama

BOCC Action

- Approve County's share of a BIP Grant to Yokohama Corporation, North America for a total estimated amount of \$106,887

