



Legislation Text

File #: 18-4937, Version: 1

Title:

Business Investment Grant: Yokohama Corporation of North America

Summary

ACTION:

- 1) Open public hearing to receive comments on a proposed Business Investment Program grant to Yokohama Corporation of North America (Yokohama)
- 2) Close public hearing; and
- 3) Adopt a resolution approving a Business Investment Program grant to Yokohama for a total estimated amount of \$106,877 and authorize the County Manager to negotiate and execute the contract

Staff Contact: Peter Zeiler, Director, Economic Development

Presentation: Yes

BACKGROUND/JUSTIFICATION:

Yokohama 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's North American Headquarters is in Santa Ana, California and the company has major manufacturing plants in West Point, Mississippi and Salem, Virginia.

Yokohama is seeking to establish a North American Technical Center to guide development and industrialization of North American and international tire products.

- The site would 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 currently has 15 staff located in Mecklenburg County that would transfer to the final location chosen by Yokohama.

Yokohama's proposed project meets all the following Business Investment Program guidelines for a five-year grant, specifically:

- A taxable investment of \$3.85 million to be completed in the next three years.
- Creation of 45 new jobs with an average wage of \$86,000.
- There is competition for this project from Greenville South Carolina and Stow, Ohio.
- Expansion of an existing operation in Mecklenburg County.

The Business Investment Program grant is a 50% grant over 5 years, with an estimated total amount of up to \$106,877.

The general terms and conditions of this grant include:

- A portion of the grant must be repaid if the company moves this investment from Charlotte within 5 years of the end of the grant term.
- Actual grant payments are based on the value of the investment as appraised by the Mecklenburg County Tax Office.
- All property taxes due from the company must be paid before a grant payment is made.

The Board of County Commissioners indicated their intent to approve this grant in a closed session on February 20, 2018.

In an open session meeting on September 17, 2018, the Town of Cornelius approved a Business Investment Program grant of \$59,348.

A Public Hearing notice was published in the Charlotte Observer on September 18, 2018.

Funding

Business Investment Grant Account; First payment is estimated to be paid, would be made in FY23

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A

