



Legislation Text

File #: 18-4501, Version: 2

Title:

Business Investment Grant: Kurz Transfer Products

Summary

ACTION:

1. Open public hearing to receive comments on a proposed Business Investment Program grant to Kurz Transfer Products (Kurz)
2. Close public hearing
3. Adopt a resolution approving a Business Investment Program grant to Kurz for a total estimated amount of \$337,796 and authorize the County Manager to negotiate and execute necessary contracts

Staff Contact: Peter Zeiler, Director, Economic Development

Presentation: Yes

BACKGROUND/JUSTIFICATION:

Kurz Transfer Products is a subsidiary of Leonhard Kurz Stiftung & Co. KG, a global leader in hot stamping foils, cold stamping printing, in-mold decoration and transfer substrates.

Kurz Transfer Products North American Headquarters is in north Charlotte off of Starita Road where it houses corporate, sales, manufacturing and production operations and employs 94 people.

Kurz products are found in most day to day items including holographic foils in currencies for more than 100 nations, credit cards, and passports. A growing segment of Kurz products is interior and exterior automotive finishes.

Kurz Transfer Products is growing in to new makets and seeks to establish a larger North American headquarters building that can accommodate immediate and long term production growth needs.

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

- A taxable investment of \$18,475,000 to be completed in the next five years.
- Creation of 90 new jobs with an average wage of \$60,000 (which is equal to 106% of the average for the Charlotte-Gastonia-Rock Hill M.S.A.).
- There is competition for this project from Fort Mill, South Carolina.
- The existing 94 positions at the Headquarters on Starita Road are at risk of being relocated to another state if Mecklenburg is not the chosen regional headquarters site.

The Business Investment Program grant is a 50% grant over 5 years, with an estimated total amount of up to \$337,796.

The general terms and condition of this grant include:

- A portion of the grant must be repaid if the company moves this investment from Mecklenburg County 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.

Kurz Transfer Products has indicated that the proposed project site on Patterson Road in Huntersville is competitive only if Patterson Road is improved from its current state as a one and half lane gravel road to a fully paved and improved road meeting commercial zoning standards. The Town of Huntersville has authorized the necessary funds to complete the road improvements and Kurz Transfer Products has agreed to forego receipt of the Business Investment Program grant dollars if Mecklenburg County will use the grant funds that Kurz would be entitled to receive as an approved Business Investment Program grant to partially reimburse Huntersville for the cost of the improvements.

The Board of County Commissioners indicated their intent to approve this grant in a closed session on December 19, 2017.

A Public Hearing notice was published in The Charlotte Observer on January 26, 2018.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

Funding: Business Investment Grant Account; first payment is estimated to be paid in FY20