



Legislation Text

File #: 18-4689, Version: 1

Title:

One North Carolina Fund Contracts

Summary

ACTION:

1) Approve One North Carolina Grant Fund Disbursement Methodology Resolution

2) Authorize the County Manager to execute a Local Government Grant Agreement with the North Carolina Department of Commerce

3) Authorize the County Manager to execute a Company Performance Agreement with Oerlikon AM US, Inc. and Oerlikon Metco (US) Inc.

4) Recognize, receive and appropriate up to \$1,000,000 to be dispersed to grantee under terms of the grant

Staff Contact: Peter Zeiler, Director, Economic Development Office

Presentation: No

BACKGROUND/JUSTIFICATION:

On May 16, 2017, the Board of County Commissioners approved a seven (7) year, ninety (90%) Business Investment Program grant with Oerlikon Metco (US) Inc. Oerlikon Metco will create \$57.5 million in new taxable investments and ninety-three (93) new jobs at an average annual salary of \$93,011 in an advanced manufacturing and engineering facility in the Town of Huntersville.

The State of North Carolina recognized the significant impact of this project in helping establish Mecklenburg County as a North America hub in the emerging additive manufacturing industry and authorized a One North Carolina Fund grant of \$1,000,000 and community college training funds of \$129,500.

The One North Carolina Fund Grants function as local match programs and it's their legislative design and intent that local governments must serve as the conduit for the grant to

be disbursed to the grantee. The NC Department of Commerce is unable to disburse the funds as they do in other state incentive programs.

The local disbursement methodology requires two agreements to be executed: one is a Local Government Grant Agreement which governs how the grant funds will be disbursed to the local government and the subsequent obligation to disburse funds to the Grantee; the second agreement is a Company Performance Agreement between the local government and the Grantee which establishes criteria for payment and mechanism for the local government to recoup funds in the event of its failure to maintain required investment, job, and salary obligations.

The NC Department of Commerce has completed the contracts and now seeks execution of the agreements by Mecklenburg County and Oerlikon Metco.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

Increase State revenue and associated expenses for the amount awarded