



Legislation Text

File #: 19-5350, Version: 1

Title:

Public Hearing: Business Investment Program Grant - Barrday Corporation

Summary

ACTION:

- 1) Open public hearing to receive comments on a proposed Business Investment Program grant to Barrday Corporation;
- 2) Close public hearing; and
- 3) Adopt a resolution approving a Business Investment Program grant to Barrday Corporation for a total estimated amount of \$54,186 and authorize the County Manager to negotiate and execute the contract

Staff Contact: Peter Zeiler, Director, Economic Development

Presentation: Yes

BACKGROUND/JUSTIFICATION:

Barrday Corporation is a leading advanced material solutions manufacturer currently headquartered in Ontario, Canada. Barrday has had a presence in Mecklenburg County since 2000 and employs 110 people.

Barrday Corporation products can be found in range of applications from defense to aerospace to energy production. The company's product lines include:

- Fiber reinforcements
- Coatings, Adhesives and Sealants
- Pre-pregated and laminated fabrics

Barrday Corporation has developed advancements in unidirectional (UD) products that has allowed them to expand hard and soft armor applications. Barrday is seeking to expand its UD capability and capacity to meet growing demand. The expansion would add four new production units to increase UD output by 65%

UD process line with R&D capability

3 lamination units

Physical space expansion and renovation to accommodate.

Barrday Corporation has announced its intent to locate the UD expansion in Charlotte. Barrday Corporation also considered locating the investment in a facility located in Valkenswaard, Netherlands.

Barrday Corporation's proposed project meets all the following grant guidelines for a five-year existing industry Business Investment Grant, specifically:

- A taxable investment of \$3,490,000 to be completed in the next three years
- Creation of 25 new jobs with an average wage of \$43,896 (which includes 19 textile knitting operator positions at 129% of the average for the Charlotte-Gastonia-Rock Hill M.S.A.).
- There is competition for this project from the Netherlands.

If approved, the following schedule is an estimate of the Business Investment Grant payments to Barrday Corporation. This estimate includes County shares of the grant and represents 50% of net new property taxes paid by the company over five years.

| Year | County |
|-------|-----------------|
| 1 | \$13,029 |
| 2 | \$11,811 |
| 3 | \$10,715 |
| 4 | \$ 9,741 |
| 5 | <u>\$ 8,889</u> |
| Total | \$54,185 |

The general terms and condition of this grant include:

- A portion of the grant must be repaid if the company moves this investment from Charlotte within 3 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 March 6, 2019.

The State of North Carolina committed to approximately \$26,400 (\$1,100 - \$1,300 per eligible trainee) of funding dedicated to customized training from the North Carolina Community College system.

FUNDING:

Business Investment Grant Account; first payment is estimated to occur in FY23.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A