



Legislation Text

File #: 19-5676, Version: 1

Title:

Business Investment Grant: Columbus McKinnon Corporation

Summary

ACTION:

- 1) Open public hearing to receive comments on a proposed Business Investment Program grant to Columbus McKinnon Corporation;
- 2) Close public hearing; and
- 3) Adopt a resolution approving a Business Investment Program grant to Columbus McKinnon Corporation for a total amount not to exceed \$62,234 and authorize the County Manager to negotiate and execute the contract

Staff Contact: Peter Zeiler, Director, Economic Development Office

Presentation: Yes

BACKGROUND/JUSTIFICATION:

Columbus McKinnon Corporation is a leading worldwide designer, manufacturer and marketer of motion control products, technologies, systems and services that efficiently and ergonomically move, lift, position and secure materials. Columbus McKinnon is headquartered in Buffalo, New York and has two facilities in North Carolina: Duff-Norton, located in Mecklenburg County, and North American Crane, located in Anson County.

Columbus McKinnon is seeking to establish a new state of the art research and development global headquarters which will employ engineering personnel resources and testing lab software, hardware and equipment and develop automation and control solutions for the global Columbus McKinnon Enterprise. The project is anticipated to create new technologies which will drive new sales and markets for the company.

Columbus McKinnon Corporation has announced its intent to locate the global research and development headquarters in Charlotte in leased office space and in the existing Duff Norton facility. Columbus McKinnon also considered expanding its current sites in New York and in Charleston, South Carolina.

Columbus McKinnon Corporation's proposed headquarters project meets all the following grant guidelines for a five-year, 50% Business Investment Grant, specifically:

- A taxable investment of \$3,140,000 to be completed in the next five years
- Creation of 25 new jobs with an average wage of \$118,600 (which is equal to 232% of the average for the Charlotte-Gastonia-Rock Hill M.S.A.).
- There is competition for this project from New York and South Carolina.
- The project is an expansion of an existing industry in Mecklenburg.

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 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 August 7, 2019.

Charlotte City Council indicated their intent to approve the City's share of the grant at their August 26, 2019 closed session.

The State of North Carolina approved committing \$1,000 - \$1,200 in training support per new position created on March 11, 2019.

FUNDING:

Business Investment Grant Account; first payment is estimated to be paid would be made in FY21.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A