



Legislation Text

File #: 19-5700, Version: 1

Title:

Business Investment Program Grant: Teknos US Inc.

Summary

ACTION:

- 1) Open public hearing to receive comments on a proposed Business Investment Program grant to Teknos US Inc.;
- 2) Close public hearing; and
- 3) Adopt a resolution approving a Business Investment Program grant to Teknos US Inc. for a total estimated amount of \$88,417 and authorize the County Manager to negotiate and execute the contract

Staff Contact: Peter Zeiler, Director, Economic Development Office

Presentation: Yes

BACKGROUND/JUSTIFICATION:

Teknos US Inc. produces sustainable paints and coating solutions to protect and prolong the lifespan of a variety of products in the construction, transportation, manufacturing machinery, mining and oil & gas industries. Teknos, based in Finland, has had a presence in Mecklenburg County since 2007 and currently employs 17 people.

Teknos' expansion will allow the company to also manufacture exterior water-based paints and primers for construction applications in wood windows, doors and siding. The proposed new location will increase the company's manufacturing capacity in Mecklenburg County.

Teknos US Inc. has announced its intent to locate in Mecklenburg County in leased industrial space. Teknos US Inc also considered relocating its operations to York County, South Carolina.

Teknos US Inc.'s retention and expansion project meets all the following grant guidelines for a five-year existing industry Business Investment Grant, specifically:

- A taxable investment of \$4,200,000 to be completed in the next four years
- Creation of 25 new jobs with an average wage of \$66,269 (which is equal to 130%

- of the average for the Charlotte-Gastonia-Rock Hill M.S.A.)
- There was competition for this project from South Carolina.

The general terms and conditions of this grant include:

- A portion of the grant must be repaid if the company moves this investment from Mecklenburg County 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 August 7, 2019.

The State of North Carolina estimated training support in the amount of \$1,200 - \$1,400 per new job created on July 30, 2019.

FUNDING:

Business Investment Grant Account; first payment estimated to be paid would be made in FY2022

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A