

# CITY OF HIGH POINT

## AGENDA ITEM



Title: Public hearing for Amada North America, Inc.

Date of public hearing: 3 pm, Wednesday, April 18, 2018

From: Sandy Dunbeck and Loren Hill, High Point Economic Development Corporation

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### **PURPOSE:**

The High Point City Council will consider a request from Amada North America, Inc., to authorize up to \$1,171,000 in performance-based incentives for the company's potential manufacturing location and expansion.

### **BACKGROUND ON THE COMPANY:**

- Amada North America, Inc., is a manufacturer of a full line of precision, sheet metal fabricating equipment including CNC turret punch presses, lasers, press brakes, flexible manufacturing systems, software and tooling.
- Amada North America includes U.S, Canadian, and Mexican operations. The company was established in Seattle, Washington, in 1971. The headquarters is in Buena Park, California.
- Amada North America has a Japanese parent company.

### **BACKGROUND ON THE PROJECT:**

- The company is considering building new facilities at 2545 and 2565 Penny Road – adjacent sites in the Premier Center business park in High Point.
- The company is also considering sites in the states of South Carolina and Tennessee.
- The project involves the creation of 201 new jobs between 2020 to 2024.
  - The average wage for the proposed new jobs is \$37,721/year.
  - The 201 positions include:

<i>68 factory assemblers</i>	<i>24 welders</i>	<i>11 production managers</i>
<i>39 machine operators</i>	<i>11 engineers</i>	<i>7 quality control staffers</i>
<i>37 production control staffers</i>		<i>4 administration staffers</i>
- The project will involve adding \$82,000,000 to the tax base.
  - Phase I – an investment of \$25 million in real property and \$16 million in personal property;
  - Phase II – an investment of an additional \$25 million in real property and an additional \$16 million in personal property.
- The State of North Carolina is considering participating in this project.
- The Guilford County Board of Commissioners will hold a public hearing on April 19, 2018, to consider authorizing up to \$990,000 in performance-based incentives for the project.

### **BUDGET IMPACT:**

If the company meets the benchmarks outlined in its performance agreement, it could receive up to \$1,171,000 in installment payments. The source of that funding would be the City's Economic Development Incentive Fund, which is funded by general and electric revenues.

### **ACTION REQUESTED:**

The staff of the High Point EDC recommends that the High Point City Council authorize up to \$1,171,000 in performance-based incentives for the Amada North America, Inc., project and authorize the City Manager to execute a performance agreement with the company containing benchmarks for the company to achieve and a schedule for the payment of such financial incentives.