

**CITY COUNCIL SPECIAL MEETING  
300 WEST CROWELL STREET  
MONROE, NORTH CAROLINA 28112  
NOVEMBER 14, 2022 – 3:30 P.M.**

**AGENDA**

**[www.monroenc.org](http://www.monroenc.org)**

**PUBLIC HEARING**

Please adhere to the following guidelines:

- Proceed to the podium, and state your name and address clearly;
  - Be concise; avoid repetition; limit comments to three (3) minutes or less;
  - Designate a spokesperson for large groups.
- 
1. Level IV-MAGNET100 Economic Development Incentive Grant to Charlotte Pipe & Foundry (Project Endurance)
    - A. Public Hearing
    - B. Action



## STAFF REPORT

**TO:** City Council

**VIA:** Brian J. Borne, City Manager

**DATE:** November 14, 2022

**FROM:** R. Christopher Platé, Executive Director of Economic Development

**PREPARED BY:** R. Christopher Platé, Executive Director of Economic Development

**SUBJECT:** Level IV-MAGNET100 Economic Development Incentive Grant to Charlotte Pipe & Foundry (Project Endurance)

---

### SUMMARY STATEMENT

City Council is requested to consider a Level IV-MAGNET100 Economic Development Incentive Grant in an amount not-to-exceed \$2,150,000 to Charlotte Pipe & Foundry (Project Endurance).

---

### REVIEW

Our office has been in discussion since 2021 with Charlotte Pipe & Foundry (Project Endurance) regarding their potential investment ranging from a minimum of \$50,000,000 and a maximum of \$100,000,000 in building and new equipment during a ten-year grant investment window. The incentive grant in an amount-not-to-exceed \$2,150,000 would be paid over a 14-year period beginning in Fiscal Year 2024.

Based on its projected investment in the City of Monroe, the current tax rate and assuming a consistent assessed value with the current North Carolina depreciation schedule, the company will pay estimated ad valorem taxes on the new taxable investment of approximately \$5,276,250 over the grant period. Actual tax revenue to the City will be based on the assessed value of the investment each year depending upon the depreciation schedule and timing of the investments.

The company must meet two investment thresholds to remain in compliance with the Level IV-MAGNET100. Cumulatively, the company must achieve \$30 million in capital investment within the first 3 years of the investment window and \$50 million by year seven. If the company fails to

meet the thresholds, the Level IV-MAGNET100 will revert back to the appropriate qualifying grant LEVEL based on the actual investment.

Staff has reviewed the details of the project and conducted a cost-benefit analysis that shows the project has a 5.62 to 1.0 ratio for the term of the grant and a 2.93 to 1.0 ratio for the life of the project.

The Economic Development Representatives presented this project to the Monroe-Union County Economic Development Commission Board of Advisors.

---

---

### **RECOMMENDATION**

It is the recommendation of the Monroe-Union County Economic Development Commission Staff and the Monroe-Union County Economic Development Commission's Board of Advisors that Monroe City Council award the Level IV-MAGNET100 Incentive Grant to Charlotte Pipe & Foundry (Project Endurance).

The recommended actions before City Council:

Adoption of a Resolution awarding a Level IV-MAGNET100 Incentive Grant to Charlotte Pipe & Foundry (Project Endurance), authorizing the City's Legal Staff to develop the Incentive Grant Agreement and authorizing the Mayor to execute the completed Incentive Grant Agreement OR Motion to deny award of grant.

Attachment: Resolution R-2022-72

**RESOLUTION OF MONROE CITY COUNCIL  
TO AWARD LEVEL IV-MAGNET100  
ECONOMIC DEVELOPMENT INCENTIVE GRANT TO  
CHARLOTTE PIPE & FOUNDRY  
R-2022-72**

**WHEREAS**, the City of Monroe has adopted an Economic Development Grant Program, hereinafter “Program”; and,

**WHEREAS**, Charlotte Pipe & Foundry has duly applied for a Level IV-MAGNET100 Economic Development Incentive Grant under said program; and,

**WHEREAS**, a public hearing was conducted by the City Council on November 14, 2022, at which hearing testimony was given by Monroe-Union County Economic Development Commission’s Executive Director, Chris Platé and a company representative; and,

**WHEREAS**, the proposed investment for this project is anticipated to be approximately \$100,000,000 over a 10-year period: and,

**WHEREAS**, the City Council makes the following findings with respect to said application:

1. All facilities, if Monroe is the selected location, are proposed to be built and/or improved by the applicant on property currently within the corporate limits of the City of Monroe.
2. The applicant will be the principal employer of persons with respect to the grant application under the Program.
3. The applicant is a manufacturing business, which will have a minimum new investment of \$2,000,000 in new taxable machinery, equipment, and building improvements which qualifies them for an economic development incentive grant.
4. No other grant from the Program has been awarded to the applicant for this project.
5. The applicant is not in the retail or construction trade.
6. That the applicant meets all other applicable requirements of the Grant Program set forth by the City Council.

**WHEREAS**, based on the above findings and other documentation in the file, the City Council concludes that the applicant qualifies for a Level IV-MAGNET100 Grant under the Program for an amount not to exceed Two-Million One-Hundred Fifty Thousand Dollars (\$2,150,000.00) paid over a fourteen-year grant period, beginning in Fiscal Year 2024. With qualification for the grant established and the economic benefits accrued to the City in the form of new employment, increased tax base and increased City utility revenues, the grant application should be approved subject to compliance with the Program and subject to appropriation; and,

**WHEREAS**, the City of Monroe anticipates entering into an Economic Incentive Grant Agreement with Charlotte Pipe & Foundry, if Monroe is the selected location and pursuant to the City of Monroe Economic Development Incentive Grant program.

**NOW THEREFORE BE IT RESOLVED THAT** the grant application of Charlotte Pipe & Foundry, for a Level IV-MAGNET100 Grant be approved subject to compliance with the requirements and provisions of the Program and subject to appropriation. Staff is hereby authorized to negotiate the Economic Development Incentive Grant Agreement and the Mayor is hereby authorized to execute on behalf of the City the Economic Development Incentive Grant Agreement with Charlotte Pipe & Foundry, under the terms stated above and pursuant to the City of Monroe Economic Development Incentive Grant program.

Adopted this 14th day of November 2022.

Attest:

---

Marion L. Holloway, Jr., Mayor

---

Bridgette H. Robinson, City Clerk