



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2022-709

Agenda Item# H.1.

Agenda Date: 7/19/2022 **Department:** Executive/City Manager

Meeting Type: Council Meeting **Category:** Public Hearing Agenda

Title: 2022 – 709 Public Hearing for a Resolution Authorizing an Economic Development Incentive to IQE, Inc. in an Amount Not to Exceed \$37,755

Council Priority: Place an 'x' in the box.

- ☒ Create an Environment to Promote Economic Development Opportunities and Job Creation
- ☐ Maintain Infrastructure and Provide Sustainable Growth Opportunities
- ☐ Promote Public Safety & Reduce Crime
- ☐ Exceptional Customer Service and a Diverse City Government Workforce
- ☐ Ensure Fiscal Stewardship, Transparency, & Accountability

Council District: 5

Public Hearing: Yes

Advertising Date/By: 7/7/2022/by City Clerk

Contact 1 and Phone: Chris Wilson, Ext 2002

Contact 2 and Phone: Marshall Yandle, Ext 2434

PURPOSE:

The City of Greensboro has been requested to consider an economic development incentive grant in an amount not to exceed \$37,755.00 for IQE, Inc. The grant is for the purposes of making real property improvements, purchasing new machinery and equipment, and creating jobs.

BACKGROUND:

IQE is a British semiconductor company founded in 1988 in Cardiff, Wales, which manufactures advanced epitaxial wafers for a wide range of technology applications for wireless, optoelectronic, electronic and solar devices. IQE has manufacturing centers around the world including Europe, Asia and the United States. The company is considering a strategic consolidation of facilities for an expansion of its manufacturing facility at 494 Gallimore Dairy Road that currently employs 57. This expansion would incorporate technology process transfers and customer product qualifications. Other locations both domestically and internationally are under consideration for the consolidation.

Over a five year period IQE plans to invest \$7,084,000.00 and create 31 new jobs. The average wage for the new full-time positions will be approximately \$65,968 with additional benefits and no new jobs will pay below \$15.00 per hour. The project is expected to generate public benefit to the City of Greensboro by positively impacting the property and sales tax revenues in addition to increasing business prospects for the City and surrounding area. This project is subject to the City's Minority/Women Business Enterprise Program Plan as it applies to Economic Development Project M/WBE Subcontracting Goals.

BUDGET IMPACT:

One payment estimated not to exceed \$37,755 to be paid to the company after the new jobs are created and the investment is confirmed. The company expects to create 31 new jobs on or before December 31, 2026. The incentive will expire if the new jobs are not created and the investment is not made by December 31, 2026.

ACCOUNT NUMBER:

101-0205-01.5933

RECOMMENDATION / ACTION REQUESTED:

In accordance with the City's economic development guidelines and N.C.G.S § 158-7.1, it is recommended that the City Council hold a public hearing and approve the request for an economic development grant and authorize the City Manager to execute a performance agreement between the City of Greensboro and IQE, Inc., in an amount not to exceed \$37,755 to be paid in a single installment. The agreement will have a claw-back provision that requires the new jobs be maintained until December 31, 2026 (the Job Retention Period).