

Legislation Details (With Text)

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On agenda: 1/23/2017 **Final action:** 1/23/2017

Title: Lending Tree, LLC Business Investment Grant

Attachments:

Date	Ver.	Action By	Action	Result
1/23/2017	1	City Council Business Meeting	Close the Public Hearing	Pass
1/23/2017	1	City Council Business Meeting	Approve	Pass

Lending Tree, LLC Business Investment Grant

Action:

A. Conduct a public hearing regarding approval of an economic development Business Investment Grant for Lending Tree, LLC, and

B. Approve the City's share of a Business Investment Grant to Lending Tree, LLC for an estimated amount of \$245,064 over five years.

Staff Resource(s):

Kevin Dick, Neighborhood & Business Services

Explanation

- On November 2, 2016, Lending Tree, LLC announced its selection of Charlotte for an investment of \$22 million for the expansion of its headquarters in Charlotte. The expansion will create 314 new jobs. Other competitive locations considered were Lancaster County, South Carolina, Round Rock, Texas and Nashville, Tennessee.
- Total City/County combined grant is estimated to be \$662,650 over five years. Staff is requesting that City Council approve the City's share of the grant estimated to be \$245,064.
 - In a closed session on October 10, 2016, the City Council indicated its intent to approve a Business Investment Grant of \$245,064 to Lending Tree.
 - In a closed session on October 18, 2016, the Mecklenburg County Board of Commissioners indicated its intent to approve a Business Investment Grant to Lending Tree and approved a grant of \$417,586 at its December 20, 2016 meeting.
 - In addition to the grant for the headquarters expansion, the State of North Carolina has approved a \$3.8 million Job Development Investment Grant and \$519,000 in community college training funds.
- In addition to the \$22 million capital investment, Lending Tree has committed to:
 - 314 new jobs hired locally over five years and with an average annual wage of \$81,857

(169% of the regional average wage).

- 123 corporate administration workers (legal, finance, marketing, sales & support, product managers);
 - 121 customer service staff; and
 - 70 technology staff.
- In addition to adding 314 new positions, 287 current employees will be retained for the term of the grant.

Background

- Lending Tree, headquartered in Charlotte, is a leading online marketplace for home mortgages, personal loans, credit cards, business, automobile, and student loans. The company currently employs 287 persons in Charlotte.
 - The company plans to purchase two existing office buildings in the SouthPark area and invest \$22 million in building improvements and personal property.
 - The office buildings are located at 2100 & 2115 Rexford Road in SouthPark (outside the Business Investment Zone).

Business Investment Grant

- The request meets the City Council approved criteria for a five-year, 50% headquarters expansion grant.
- The general terms and conditions of this grant include:
 - The company will be asked to coordinate job fairs and recruitment events with the City and County for both temporary and permanent jobs. Community organizations and residents will receive ample notice of these employment activities in addition to training opportunities with Goodwill Industries of the Southern Piedmont, the Urban League of Central Carolinas, and other City partners. This training will include career counseling, job readiness, intensive case management, computer and vocational training, as well as employment search and placement assistance.
 - Actual grant payments are based on the value of the investment as appraised by the Mecklenburg County Tax Office.
 - All property taxes due from Lending Tree must be paid before a grant payment is made.
 - If Lending Tree removes the investment from Charlotte during the grant term, it shall reimburse 100% of the investment grant paid to date.
 - If Lending Tree moves the investment from Charlotte within five years of the end of the Business Investment Program (BIP) grant term, a portion of the grant must be repaid as follows:
 - Within One Year of the end of the BIP Term - 90% of grant payments
 - Within Two Years of the end of the BIP Term - 75% of grant payments
 - Within Three Years of the end of the BIP Term - 60% of grant payments
 - Within Four Years of the end of the BIP Term - 45% of grant payments
 - Within Five Years of the end of the BIP Term - 30% of grant payments

Fiscal Note

Funding: Business Investment Grant