

Legislation Details (With Text)

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Title: Public Hearing for Ernst & Young US LLP Business Investment Grant

Attachments:

Date	Ver.	Action By	Action	Result
5/14/2018	1	City Council Business Meeting	Close the Public Hearing	Pass
5/14/2018	1	City Council Business Meeting	Approve	Pass

Public Hearing for Ernst & Young US LLP Business Investment Grant

Action:

- A. Conduct a public hearing regarding approval of a Business Investment Grant to Ernst & Young US LLP, and**
- B. Approve the City's share of a Business Investment Grant to Ernst & Young US LLP for a total estimated amount of \$154,409 over five years.**

Staff Resource(s):

Tracy Dodson, Economic Development
Kevin Dick, Economic Development

Explanation

- On February 27, 2018, Ernst & Young US LLP (EY), a multinational professional services firm that provides audit, accounting, and consulting services, announced its selection of Charlotte for a capital investment of \$8.2 million for a headquarters expansion. This expansion will be located at 1422 South Tryon Street, in Council District 3.
- The Business Investment Grant is estimated to total \$300,582 over five years, including a city contribution of \$154,409 and a \$146,173 contribution from Mecklenburg County.
 - The State of North Carolina also approved a \$3.2 million Job Development Investment Grant.
- In addition to the \$8.2 million capital investment, EY has committed to:
 - 375 new jobs over five years with an average annual wage of \$84,414 (170 percent of the regional average wage),
 - 100 percent of the new positions will be hired locally, and
 - 872 current employees in Charlotte to be retained for the term of the grant.
- Additional benefits also include:
 - EY plans to lease an additional 30,748 square feet of office space for a seven-year term at their current offices located at 1422 South Tryon Street (Council District 1).
 - Workforce development partnerships with the company will be utilized to connect talent to available positions.
 - The project aligns with:
 - City Values and Winning Cities Characteristics
 - Letter to the Community (Good Paying Jobs)
 - Equitable Economic Development and Economic Opportunity

- Diversity of jobs on the proposed project
- Job retention through corporate expansion
- Growth industry with significant job and contracting opportunities

Business Investment Grant

- The request meets the Council-approved criteria for a five-year, 90 percent regional headquarters expansion grant.
- The terms and conditions of this grant include:
 - The company will be asked to coordinate job fairs and recruitment events for both temporary and permanent jobs with the City and County. Community organizations and residents will receive ample notice of these employment activities in addition to training opportunities with City job training and placement partnerships,
 - Actual grant payments are based on the value of the investment as appraised by the Mecklenburg County Tax Office,
 - All property taxes due from EY must be paid before a grant payment is made,
 - If EY removes the investment from Charlotte during the grant term, it shall pay back 100 percent of the investment grant paid to date, and
 - If EY moves the investment from Charlotte within five years of the end of the Business Investment Program grant term, a portion of the grant must be repaid as follows:
 - Within One Year of the end of the Term - 90 percent of grant payments
 - Within Two Years of the end of the Term - 75 percent of grant payments
 - Within Three Years of the end of the Term - 60 percent of grant payments
 - Within Four Years of the end of the Term - 45 percent of grant payments
 - Within Five Years of the end of the Term - 30 percent of grant payments

Fiscal Note

Funding: Business Investment Grant