



Legislation Text

File #: 15-11056, Version: 1

Public Hearing for Lending Tree, LLC Business Investment Grant

Action:

- A. Conduct a public hearing regarding approval of a Business Investment Grant to Lending Tree, LLC, and**
- B. Approve the City's share of a Business Investment Grant to Lending Tree, LLC for a total estimated amount of \$733,988 over seven years.**

Staff Resource(s):

Tracy Dodson, Economic Development
Lori Lencheski, Economic Development

Explanation

- On December 6, 2018, Lending Tree, LLC announced its selection of Charlotte for a capital investment of \$26,180,000 to expand its headquarters.
- This action is requesting City Council to approve a Business Investment Grant estimated to be up to \$733,988 over seven years. Mecklenburg County's share is estimated to be \$686,878, bringing the combined city and county grant estimated total to be \$1,420,866.
 - On December 4, 2018, the Mecklenburg County Board of Commissioners, in Closed Session, indicated its intent to approve a Business Investment Grant to Lending Tree, LLC.
 - On November 26, 2018, City Council, in Closed Session, indicated its intent to approve a Business Investment Grant to Lending Tree, LLC.
 - In addition to the grant for the expansion, the State of North Carolina also approved a Job Development Investment Grant in the amount of \$8,300,000 and \$610,000 in community college training funds.
- In addition to the \$26,180,000 capital investment, Lending Tree, LLC committed has to:
 - 436 jobs to be hired locally over five-years (\$101,400 average wage), and
 - 488 current employees in Charlotte to be retained for the term of the grant.
- Additional benefits also include:
 - Workforce development partnerships and relationship with company can be utilized to connect talent to available positions.
 - The project's alignment with:
 - City Values and Winning Cities Characteristics,
 - Letter to the Community (Good Paying Jobs),
 - Equitable Economic Development, and Economic Opportunity,
 - Diversity of jobs on proposed project,
 - Job retention through corporate expansion, and
 - Growth industry with significant job and contracting opportunities.

Background

- Lending Tree, LLC is a homegrown company, that is headquartered in Charlotte.
- The company is leading the online marketplace in market share and size of lender network, with over 500 lenders.
- Lending Tree, LLC acts as a broker, not a lender to consumers. The company connect consumers with multiple lenders, banks, and credit partners.
- Lending Tree, LLC also gives back to the community through various programs and scholarships.

Business Investment Grant

- Request meets the City Council approved criteria for a seven-year term, 90 percent local business expansion grant.
- The general 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.
 - Property taxes due from Lending Tree, LLC must be paid before a grant payment is made.
 - If Lending Tree, LLC removes the investment from Charlotte during the grant term, the company shall pay back 100 percent of the investment grant paid to date.
 - If Lending Tree, LLC moves the investment from Charlotte within seven-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 percent of grant payments
 - Within two years of the end of the BIP Term - 75 percent of grant payments
 - Within three years of the end of the BIP Term - 60 percent of grant payments
 - Within four years of the end of the BIP Term - 45 percent of grant payments
 - Within five years of the end of the BIP Term - 30 percent of grant payments
 - Within six years of the end of the BIP Term - 20 percent of grant payments
 - Within seven years of the end of the BIP Term - 10 percent of grant payments

Fiscal Note

Funding: Business Investment Grant