File #: 15-13800, **Version:** 1

Centene Corporation Business Investment Grant

Action:
Approve the city's share of a Business Investment Grant to Centene Corporation for a not to exceed amount of $31,588,352 over 12 years.

Staff Resource(s):
Tracy Dodson, City Manager's Office
Frances West, Economic Development

Explanation
- On July 1, 2020, Centene Corporation announced its selection of Charlotte for its east coast headquarters and technology center, resulting in a capital investment of $1,034,900,790 and the creation of 3,237 jobs to be hired over 10 years with an average wage of $100,089.
- This action is requesting City Council to approve a not to exceed Business Investment Grant of $31,588,352 over 12 years. Mecklenburg County's not to exceed amount is $26,023,000 over 10 years, bringing the combined not to exceed city and county grant estimated total to be $57,611,352.
  - On June 22, 2020, City Council, in Closed Session, indicated its intent to approve a Business Investment Grant to Centene Corporation, and
  - On June 23, 2020, the Mecklenburg County Board of Commissioners, in Closed Session, indicated its intent to approve a Business Investment Grant to Centene Corporation
- In addition to the Business Investment Grant (BIG), the State of North Carolina also approved a Job Development Investment Grant in the amount of $388,000,000 and $4,531,800 in community college training funds.
- On July 27, 2020, a public hearing was conducted regarding approval of a BIG to Centene Corporation. No public comments were received.

Background
- Centene Corporation is a leading multi-national healthcare enterprise that is committed to helping people live healthier lives through managing healthcare plans to over 23 million members.
- Centene Corporation is headquartered in St. Louis and number 42 on the Fortune 500 list.
- Centene Corporation has operations in all 50 states and international markets, with over 69,000 employees.
- Centene Corporation has received the following accolades:
  - Fortune World's Most Admired Companies List (2020),
  - Fortune Companies that Changed the World (2019),
  - Best Place to Work for Disability Inclusion (2019),
  - Best Place to Work by Corporate Equality Index (2020), and
  - Bloomberg Gender-Equality Index (2020).

Business Investment Grant
- The general terms and conditions of this grant include:
  - Actual grant payments are based on the value of the investment as appraised by the Mecklenburg County Tax Office.
  - Property taxes due from Centene Corporation must be paid before a grant payment is

made.

- If Centene Corporation removes the investment from Charlotte during the grant term, it shall pay back 100 percent of the investment grant paid to date.
- If Centene Corporation moves the investment from Charlotte within 12 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 to twelve years of the end of the BIP Term - 10 percent of grant payments

Fiscal Note

Funding: Business Investment Grant