

Legislation Text

File #: 15-15007, Version: 1

Business Investment Grant for InterContinental Capital Group

Action:

Approve the city's Business Investment Grant to InterContinental Capital Group for a not to exceed amount of \$109,661 over seven years.

Staff Resource(s):

Tracy Dodson, City Manager's Office
Fran West, Economic Development

Explanation

- InterContinental Capital Group is a direct lending mortgage bank that specializes in home financing and residential properties. Founded in 2005, InterContinental Capital Group is headquartered in Melville, New York.
- On December 22, 2020, InterContinental Capital Group announced it would expand its existing operations in Charlotte.
- InterContinental Capital Group has committed to a capital investment of \$5,844,450 and creation of 500 jobs to be hired over five-years with an average wage of \$87,500.
- In addition to 500 new jobs, 120 current positions will be retained for the term of the grant.
- This action is requesting City Council approval of a not to exceed Business Investment Grant (BIG) of \$109,661 over seven years.
 - During the week of November 2, 2020, City Council indicated their intent to approve this BIG during council discussions.
- In addition to the BIG, the State of North Carolina also approved a Job Development Investment Grant in the amount of \$7,694,250 and \$650,000 in community college training funds.
- On January 25, 2021, a public hearing was held on the BIG for InterContinental Capital Group. No comments from the public were received.

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 InterContinental Capital Group must be paid before a grant payment is made.
 - If InterContinental Capital Group removes the investment from Charlotte during the grant term, it shall pay back 100 percent of the investment grant paid to date.
 - If InterContinental Capital Group 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