

Legislation Text

File #: 15-15787, Version: 1

Public Hearing for Robinhood Markets, Inc. Business Investment Grant

Action:

Conduct a public hearing regarding approval of a City of Charlotte Business Investment Grant to Robinhood Markets, Inc.

Staff Resource(s):

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

Explanation

- On March 30, 2021, Robinhood Markets, Inc. (Robinhood) announced it would locate a customer experience and account operations center in Charlotte.
- This action is requesting a public hearing be conducted regarding City Council approval of a not to exceed Business Investment Grant (BIG) of \$157,726 over five years.
 - During the week of February 22nd, City Council indicated its intent to approve this BIG during Council discussions.
- Robinhood has committed to a capital investment of \$11,780,000 and creation of 389 jobs to be hired over five years with an average wage of \$76,450.
- In addition to the BIG, the State of North Carolina also approved a Job Development Investment Grant in the amount of \$3,006,000 and \$544,600 in community college training funds.
- In compliance with North Carolina General Statute 166A-19.24. *Remote meetings during certain declarations of emergency*, written comments on the public hearing topic will be accepted by the City Clerk's Office through June 15, 2021, at 11:59 p.m. Any additional comments received will be provided to Council.
- On June 28, 2021, City Council will be asked to approve the BIG to Robinhood.

Background

- Robinhood is a fintech company founded in 2013 and headquartered in Menlo Park, CA with a mission to democratize finance for all.
- The company provides financial products and services for clients including the purchase and sale of equities, options, and cryptocurrencies to retail investors via commission-free trading.
- Robinhood's new Charlotte office will include customer support and account operations to accelerate their growth and meet customer needs.

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 Robinhood must be paid before a grant payment is made.
 - If Robinhood removes the investment from Charlotte during the grant term, it shall pay back 100 percent of the investment grant paid to date.
 - If Robinhood 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 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, and
- Within five years of the end of the BIP Term - 30 percent of grant payments.

Fiscal Note

Funding: Business Investment Grant