



Business Investment Program Grant
Public Hearing
Ernst & Young US, LLP

Mecklenburg Board of County Commissioners

April 17, 2018

Ernst & Young US, LLP •

About the Company



Ernst & Young US, LLP [EY-US] is a subsidiary of EY, an international professional services firm headquartered in London, England and is one of the “Big Four” accounting firms. Key services include:

- Assurance
 - Tax advisory
 - Consulting
 - Financial Advisory
 - Legal
- EY has over 231,000 employees in 700 offices in 150 countries
 - EY-US has 71,000 employees, including 872 employees in its Uptown Charlotte location



Ernst & Young US, LLP

About the Company



- EY is establishing a limited global network of innovation centers [WaveSpaces] that will provide cross discipline intelligence and experience, to focus on helping clients meet disruptive technologies head on:
 - Artificial intelligence
 - Robotics Process Automation
 - Blockchain
 - Data analytics
 - Digital Customer Experience
- The 15 existing WaveSpaces serve large geographic regions and generate significant client travel
- The proposed WaveSpace center will be the fifth in the US



Ernst & Young US, LLP

Competitive Options

Georgia

- **Total - \$9,375,000**

New York

- **Total - \$3,500,000**

The company considered two other sites:

- **New WaveSpace:** Atlanta, Georgia
 - \$9,375,000 – expansion of existing Quality Jobs Program grant
- **Expanded WaveSpace:** New York, New York
 - \$3,500,000 – Excelsior Program refundable state jobs tax credit



Ernst & Young US, LLP BIP Guidelines

5 year / 50%	
Gross County Tax Revenue	\$292,347
Business Investment Grant	(\$146,173)
Net Revenue to County	\$146,173
Grant Recovery % at 5 years	100%
Grant Recovery % at 10 years	268%
Grant Recovery Period (years)	5

Staff recommended a five year, 50% Business Investment Grant:

- Project is eligible for a 2 year term bonus as an expansion of existing business
- Commissioners indicated their intent to approve the BIP on August 2 by a unanimous vote of 8 – 0 (one commissioner was absent)



Ernst & Young US, LLP | Total Estimated Tax Revenue

- EY-US is expected to induce \$313,981 in annual sales tax by the end of the five year term



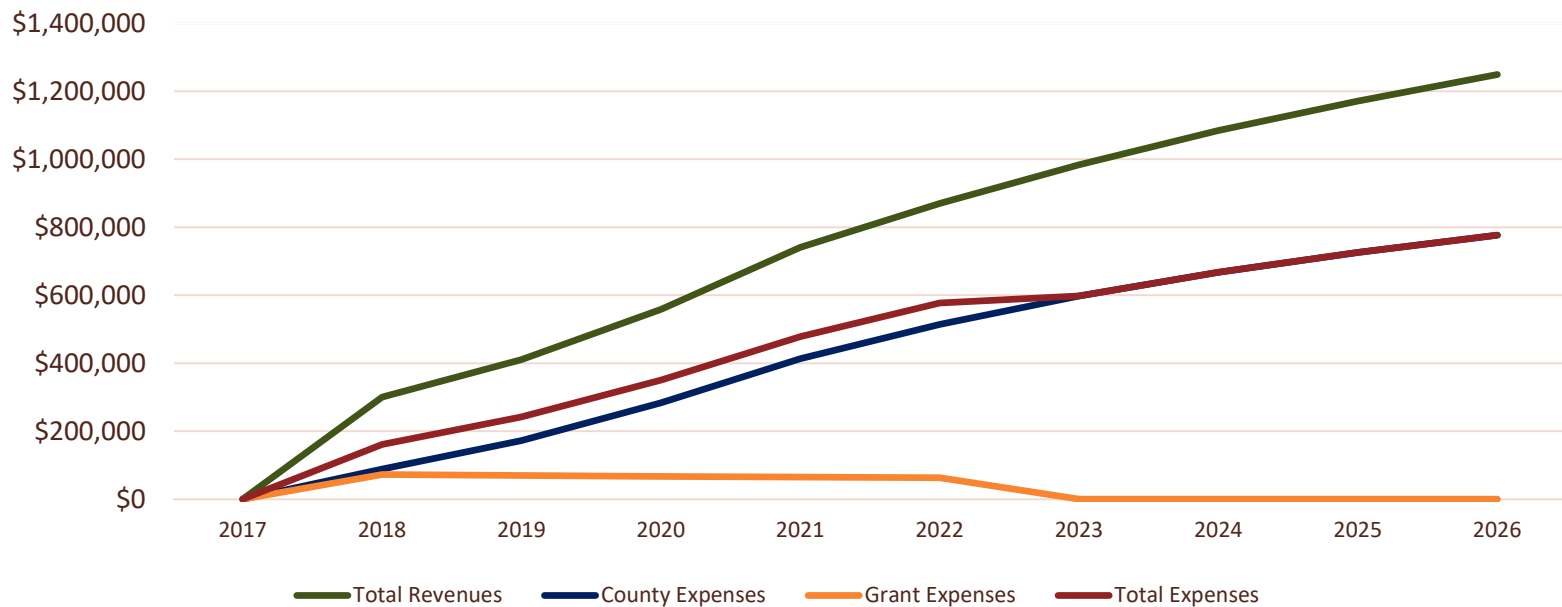
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Property	184,285	258,302	339,119	447,243	556,418	648,557	730,458	800,539	860,307
Sales	116,401	152,339	219,686	293,697	313,981	335,103	353,990	370,925	389,083
Total	300,686	410,641	558,805	740,940	870,399	983,660	1,084,448	1,171,464	1,249,389



Business Investment Program Grant

EY-US| Estimated Fiscal Impacts

- EY-US is expected to net the County \$293,016 in revenue in the final year of the grant term for a cumulative net of \$1,071,672 over five years

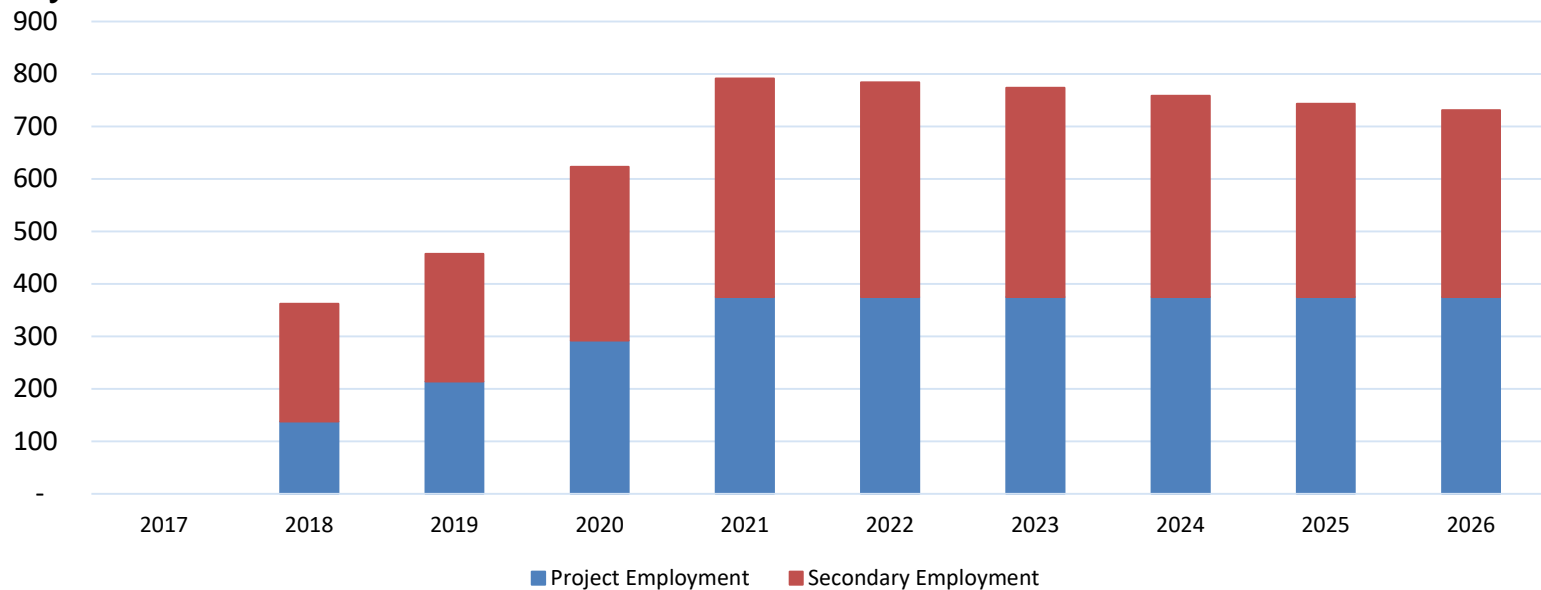


	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue	300,686	410,641	558,805	740,940	870,399	983,660	1,084,448	1,171,464	1,249,389
Expense	160,906	242,268	350,717	478,525	577,383	598,202	667,556	726,166	777,156
Net	139,780	168,373	208,088	262,415	293,016	385,459	416,892	445,298	472,233
Cumulative	139,780	308,154	516,241	778,656	1,071,672	1,457,131	1,874,023	2,319,322	2,791,555



EY-US| Employment Impact

- EY-US is expected to induce an additional 409 jobs by the end of the five year term



	2018	2019	2020	2021	2022	2023	2024	2025	2026
Project	138	214	292	375	375	375	375	375	375
Secondary	224	243	331	416	409	399	384	368	356
Total	362	457	623	791	784	774	759	743	731



Ernst & Young US, LLP Partner Incentives

- The City of Charlotte will hold a public session vote on May 14, 2018 for a 90% BIP Grant of \$154,409
- The State of North Carolina has approved:
 - \$3,200,000 Job Development Investment Grant

Total Incentive Offer	
<i>Partner</i>	<i>Amount</i>
County	\$146,173
City of Charlotte	\$154,409
North Carolina	\$3,200,000
Total	\$3,500,582



Board Action

- Adopt a resolution approving a Business Investment Program grant to Ernst & Young US, LLP for a total estimated amount of \$146,173 and authorize the County Manager to negotiate and execute the contract

