



## Legislation Details (With Text)

<b>File #:</b>	18-4637	<b>Version:</b>	3	<b>Name:</b>	Public Hearing - Business Location and Expansion - Ernst & Young, LLP
<b>Type:</b>	Public Hearing	<b>Status:</b>		<b>Status:</b>	Public Hearing
<b>File created:</b>	4/5/2018	<b>In control:</b>		<b>In control:</b>	Economic Development
<b>On agenda:</b>	4/17/2018	<b>Final action:</b>		<b>Final action:</b>	
<b>Title:</b>	Public Hearing - Business Investment Grant: Ernst & Young US, LLP				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. 18-4637 BIP Grant Presentation PHrg.docx.pdf, 2. 18-04-17 - Open Session - Resolution - Project Wave.pdf, 3. 18-4637 BIP Public Hrg Notice - Ad.pdf				

Date	Ver.	Action By	Action	Result
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**Title:**  
**Public Hearing - Business Investment Grant: Ernst & Young US, LLP**

### **Summary** **ACTION:**

- 1) Open public hearing to receive comments on a proposed Business Investment Program grant to Ernst & Young US, LLP [EY-US]
- 2) Close public hearing
- 3) Adopt a resolution approving a Business Investment Program grant to [EY-US] for a total estimated amount of \$146,173 and authorize the County Manager to negotiate and execute the contract

**Staff Contact:** Peter Zeiler, Director, Economic Development

**Presentation:** Yes

### **BACKGROUND/JUSTIFICATION:**

Ernst & Young US, LLP [EY-US] is a subsidiary of E & Y, an international professional services firm headquartered in London, England and is one of the "Big Four" accounting firms. EY-US 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.

E& Y is establishing a global network of a limited number of innovation centers [WaveSpaces] that will provide cross discipline intelligence and experience, to focus on helping clients meet

**disruptive technologies head on, including:**

- **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 U.S. and will serve as a regional Southeast Financial Services and National Energy Innovation Wavespace Hub. Core employee disciplines will include: Forensic investigation; Disputes data analytics; Digital development; Robotics. EY-US proposed project meets all the following Business Investment Program guidelines for a five-year grant, specifically:

- **A taxable investment of \$8,200,000 to be completed in the next Five years.**
- **Creation of 375 new jobs with an average wage of \$84,414 (which is equal to 170% of the average for the Charlotte-Gastonia-Rock Hill M.S.A.).**
- **There is competition for this project from Atlanta, Georgia and New York, New York.**
- **EY has existing facilities and employees in Charlotte, making it eligible for an additional 2 years of term**
- **Because Project Wave will serve clients nationally that will travel to Mecklenburg and is competitive with 2 other states, it does not meet the professional services exclusion test**

The Business Investment Program grant is a 50% grant over 5 years, with an estimated total amount of up to \$146,173.

The general terms and condition of this grant include:

- **A portion of the grant must be repaid if the company moves this investment from Charlotte within 5 years of the end of the grant term.**
- **Actual grant payments are based on the value of the investment as appraised by the Mecklenburg County Tax Office.**
- **All property taxes due from the company must be paid before a grant payment is made.**

The Board of County Commissioners indicated their intent to approve this grant in a closed session on January 03, 2018.

At their regular business meeting on May 14, 2018, Charlotte City Council will vote on their Business Investment Program grant of \$154,409.

The State of North Carolina is offering a \$3,200,000 Job Development Investment Grant.

A public hearing notice was published in the Charlotte Observer on April 6, 2018.

### **Funding:**

**Business Investment Grant Account; first payment is estimated to be paid would be made in FY23**

**PROCUREMENT BACKGROUND:**

N/A

**POLICY IMPACT:**

N/A

**FISCAL IMPACT:**

N/A