



Legislation Text

File #: 18-4637, Version: 3

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