



Legislation Text

File #: 19-5584, Version: 1

Title:

Business Investment Grant: Cognizant Technology Solutions U.S. Corporation

Summary

ACTION:

- 1) Open public hearing to receive comments on a proposed Business Investment Program grant to Cognizant Technology Solutions U.S. Corporation (Cognizant)
- 2) Close public hearing; and
- 3) Adopt a resolution approving a Business Investment Program grant to Cognizant for a total estimated amount of \$87,178 and authorize the County Manager to negotiate and execute the contract

Staff Contact: Peter Zeiler, Director, Economic Development

Presentation: Yes

BACKGROUND/JUSTIFICATION:

Cognizant Technology Solutions US Corporation is a leading digital professional services company focused on building operating and technology models for clients and is headquartered in College Station, Texas. Cognizant is ranked #205 on the Fortune 500 list; is on the Forbes FastTech 25 list; is one of the largest STEM (Science, Technology, Engineering and Math) recruiters in the US; and has extensive internal training systems to up-skill their own workforce.

Cognizant is continuing to grow and seek to expand its North American workforce to accommodate new client volume.

- Staffing lines will include:
 - IT Application Development
 - IT Application Testing
 - Business Process Services
 - Business Consulting
- Cognizant currently has 963 employees in Mecklenburg County

Cognizant's proposed project meets all the following Business Investment Program guidelines for a five-year grant, specifically:

- A taxable investment of \$5 million to be completed in the next three years.
- Creation of 300 new jobs with an average wage of \$68,270.
- There is competition for this project from Phoenix, Arizona and Tampa, Florida.
- Expansion of an existing operation in Mecklenburg County.

The Business Investment Program grant is a 50% grant over 5 years, with an estimated total amount of up to \$87,178.

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 August 8, 2018.

In an open session meeting on July 22, 2019, the City of Charlotte approved a Business Investment Program grant of \$51,161.

A Public Hearing notice was published in the Charlotte Observer on July 26, 2019.

Funding

Business Investment Grant Account; First payment is estimated to be paid in FY21.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A