



Charlotte Business Investment Grant Overview

Thank you for the opportunity to provide your company with incentive information. We welcome your company, jobs and investment to the City of Charlotte and Mecklenburg County! Our economic development team and partners are dedicated to providing quality customer service through the business recruitment and expansion process. The following outlines the Business Investment Grant (BIG) process and FAQ's.

Incentives

To help offset the financial obligation of relocation or expansion the City of Charlotte and Mecklenburg County offer Business Investment Grants. These Business Investment Grants are a reimbursement of incremental ad valorem property taxes paid as a result of your investment. These grants range from 50% to 90% reimbursement with term periods between 3 to 10 years. If a company has an existing presence in Mecklenburg County, qualifying grants would be eligible for a 2 year extension. These grants require a certain number of jobs created that pay 100%-125% of the average annual wage for the Charlotte MSA (\$51,150) or the average annual wage for the standard occupation classification in the Charlotte MSA. It also requires a minimum investment of \$3M. The percentage of reimbursement varies due to a variety of factors including where a company chooses to locate and if it is a targeted industry. For example, if a business locates in a Mecklenburg County Opportunity Area, the company would be eligible for a 90% reimbursement. If outside of the area, it will be eligible for 50% reimbursement. All grants require approval by the Charlotte City Council and the Mecklenburg Board of County Commissioners and may include other terms and conditions.

In conclusion, our team looks forward to assisting you with any inquires you have regarding grant qualification and reimbursements. Attached you will find a detailed breakdown of the City of Charlotte and Mecklenburg County incentive programs, the application process, and reimbursement process. Thank you for your interest in the City of Charlotte and Mecklenburg County, our team looks forward to assisting you with the incentive process.

For additional information, please contact:

Jenae Valentine
Business Incentive Program Manager
Economic Development | City of Charlotte
704.353.1896 | jenae.valentine@charlottenc.gov
600 E. Trade St., Suite 300
Charlotte NC, 28202



Thank you for your interest in the City of Charlotte. We are thrilled to have the opportunity to share #MeetCharlotte with you and discuss how we can invest in your company to bring you to Charlotte.

The following is intended to be a brief overview of the Business Investment Program (BIP) Pilot Program offered by the City of Charlotte.

Standard Grant:

Program Qualifications:

- Invest \$3M in real and personal property
- Create 20 new jobs
- Pay 100% of the average wage rate (\$51,150) or the Standard Occupation Code for Charlotte MSA
- Higher incentive for locating within Business Corridor Revitalization Geography (BCRG) or targeted industry*

Standard Investment Grant:

If a targeted industry, this grant would allow for up to 90% reimbursement of ad-valorem property taxes for 3 years and up to 50% reimbursement of ad-valorem property taxes for 3 years for companies that are not a targeted industry. Existing businesses are eligible for an additional 2-year term. If located within a BCRG, 90% reimbursement is automatically recommended.

Large Impact Grant:

Program Qualifications: Must meet 2 of the 3 items below

- Invest \$30M in real and personal property; and/or
- Create 150 new jobs; and/or
- Pay 125% of the average wage rate (\$51,150) or the Standard Occupation Code for Charlotte MSA

Large Impact Investment Grant:

If a targeted industry, this grant would allow for up to 90% reimbursement of ad-valorem property taxes for up to 5 years and up to a 50% reimbursement of ad-valorem property taxes for 5 years for companies that are not a targeted industry. All existing businesses are eligible for an additional 2-year term. If located in BCRG, 90% reimbursement is automatically recommended.

Emerging Target Industry Large Impact Grant:

Program Qualifications:

- Create 150 new jobs; and
- Pay 125% of the average wage rate (\$51,150) or the Standard Occupation Code for Charlotte MSA; and
- Qualify as a Targeted Industry; and
- Within 5 years of establishment in Charlotte, invest a minimum of \$5M and add 20 new jobs



Emerging Targeted Industry Investment Grant:

This grant was created in response to companies that are in a competitive site selection process and not able to make a capital investment at the time of selection. This most commonly occurs when companies choose to go into co-working or subleased office space. This is a tool that allows the City to participate in a future incentive process with the company. For this grant to comply with State statute, the company must demonstrate competition prior to choosing Charlotte and coordinate with city staff prior to an investment being made. This grant will allow staff to present to city council a business investment grant for up to a 7-year, 90% reimbursement of ad-valorem property taxes for their consideration.

Transformative Project:

Program Qualifications: *Must meet 3 of the 4 items below*

- Invest \$100M in real and personal property
- Create 1,000 new jobs
- Pay 125% of the average wage rate (\$51,150) or the Standard Occupation Code for Charlotte MSA
- Qualify as a Targeted Industry

Investment Grant:

A transformative project could qualify for a business investment grant that would allow for up to 90% reimbursement of ad-valorem property taxes for up to 10 years.

We welcome the opportunity to further discuss how our local incentive programs can assist you in your decision-making process and provide the required local match to any State of North Carolina incentives you may qualify for.

Charlotte is truly magnetic; attracting top tier talent, global HQ's and millennials in droves. Come #MeetCharlotte



Business Investment Grant Application Process

Step 1:

Company and city staff explore project needs, community impact and discuss incentive tools.

Step 2:

City provides and company submits the Business Investment Grant (BIG) [Application](#). The application provides detailed investment, new jobs profile and hiring schedule, and project location, if known. Business Investment Program Manager reviews application for completeness with company.

Step 3

City staff take proposed business investment grant to closed session for consideration by City Council. Upon receiving intent to approve, City and County will present final BIG offer to the company. *Note: The City needs a minimum of 2 weeks' notice to schedule and prepare for a closed session.*

Step 5:

Assuming company accepts the grant:

- Company can schedule location announcement
- Company can enter into binding agreements (lease) and can begin posting jobs
- City will schedule and obtain open session approval of business investment grant. *This is when a project becomes public knowledge if the company chooses to not do a location announcement.*

Step 5

Following public session approval, City staff will provide company with business investment grant contract for mutual execution.

Step 6

Following execution of agreement, capital investment and hiring (as detailed in the agreement), company can submit for BIG payments.

Duration: This entire process takes approximately 4 to 8 weeks depending on turn around times.



Business Investment Grant Reimbursement Overview

Reimbursements are based on an agreed upon percentage of incremental ad valorem property taxes. Every December, [letters](#) are sent from the City to grantees eligible for reimbursement under this program. The eligible company must submit a Charlotte-Mecklenburg Business Investment Grant [2020 Disbursement Request that is certified by a company officer. Please find attached a reimbursement checklist and a copy of a previous year's letter for your reference.](#)

Please note the following:

- This disbursement request is used as the basis for qualifications of payment along with paid tax bills.
- Upon receipt of the required documents, staff works with the Mecklenburg County Tax Assessor's Office to verify the real and business personal property tax amount paid by the company
- Once staff has certified the documents as correct, staff works to finalize a payment recommendation.
- Staff notifies the company of expected payment.
- Should all correct documentation be provided, this process takes approximately 60 days.



Frequently Asked Questions (FAQs)

What is the Business Investment Program (BIP)?

The Business Investment Program (BIP) seeks to encourage the creation, retention and/or expansion of new or existing businesses and jobs in Charlotte. The program provides grants to companies based upon the amount of property tax generated by the private business investment made.

Criteria for Evaluating Projects

In making a recommendation for grant approval, the City will consider whether there is demonstrated competition from other cities and whether the company's planned relocation or expansion is a realistic choice given the company's product and market. Criteria will include a certification by company executives that the relocation or expansion is contingent upon receiving local incentives.

Targeted Industries

Companies within identified target industries may be eligible for higher tax reimbursement from the City of Charlotte. (see Attachment I for a list of the city targeted industries)

City of Charlotte Business Corridor Revitalization Geography

Companies locating in the adopted Business Corridor Revitalization Geography (see Attachment II) could be eligible for higher tax reimbursement from the City of Charlotte. Businesses located within these boundaries could also be eligible for a Business Matching Grant.

Agency Responsible

Business Investment Grant requires approval by the Charlotte City Council.

Restrictions

BIG grants have a clawback period that mirrors the length of the actual grant, i.e. a five-year grant has a five-year clawback period. The clawback is triggered by the removal or abandonment of the qualifying. BIG investment during the grant and clawback periods, excluding normal depreciation of property. The clawback period is a sliding scale starting at 100% in Year 1 and 20% in Year 5.

Application Forms

Projects will complete an application detailing the investments, estimated taxable values, jobs created and associated salaries, along with various certifications of representation. The application closely mirrors the information required for the North Carolina Job Development Investment Grant.



Application Timeframes & Procedures

From receipt of the completed and certified application, it is generally a four-week process to have the closed session notice of intent votes scheduled. This can vary based on holidays or other events that may lead to one or both elected bodies varying their normal bi-monthly meeting schedules.

The project will be sent an application form to complete. Once the completed application is returned to the County and City, it will be reviewed for completeness and accuracy. The County and City will respond as quickly as possible with any questions or notice of defects. Once the final application is in place, the County and City will schedule for the next available closed sessions at the request of the applicant.

Approvals Needed

The approval process has two steps. The first is a straw vote by each of the elected bodies in closed session. This straw vote is a non-binding notice of intent to approve the grant in an open session at a later date. While non-binding by state law, in the two-decade history of the program, no project receiving a notice of intent to approve has had its public approval later denied. It is important to note that the project cannot take material steps to establish itself in our community prior to this vote as it will render it ineligible via the “but for” test required in state enabling legislation. Once the two notices of intents have been received, the project is free to make any announcements or take material steps to begin the project without jeopardizing the BIP Grant.

The second step is a public approval of the grant in a regular business meeting of the elected bodies after the project has made a formal decision and announcement to select our community.

Applicable Meeting Dates

To obtain final approval, the project will be presented at the following meetings:

- City of Charlotte Council Closed Session
- City of Charlotte Council Open Session Public Hearing



Attachment I

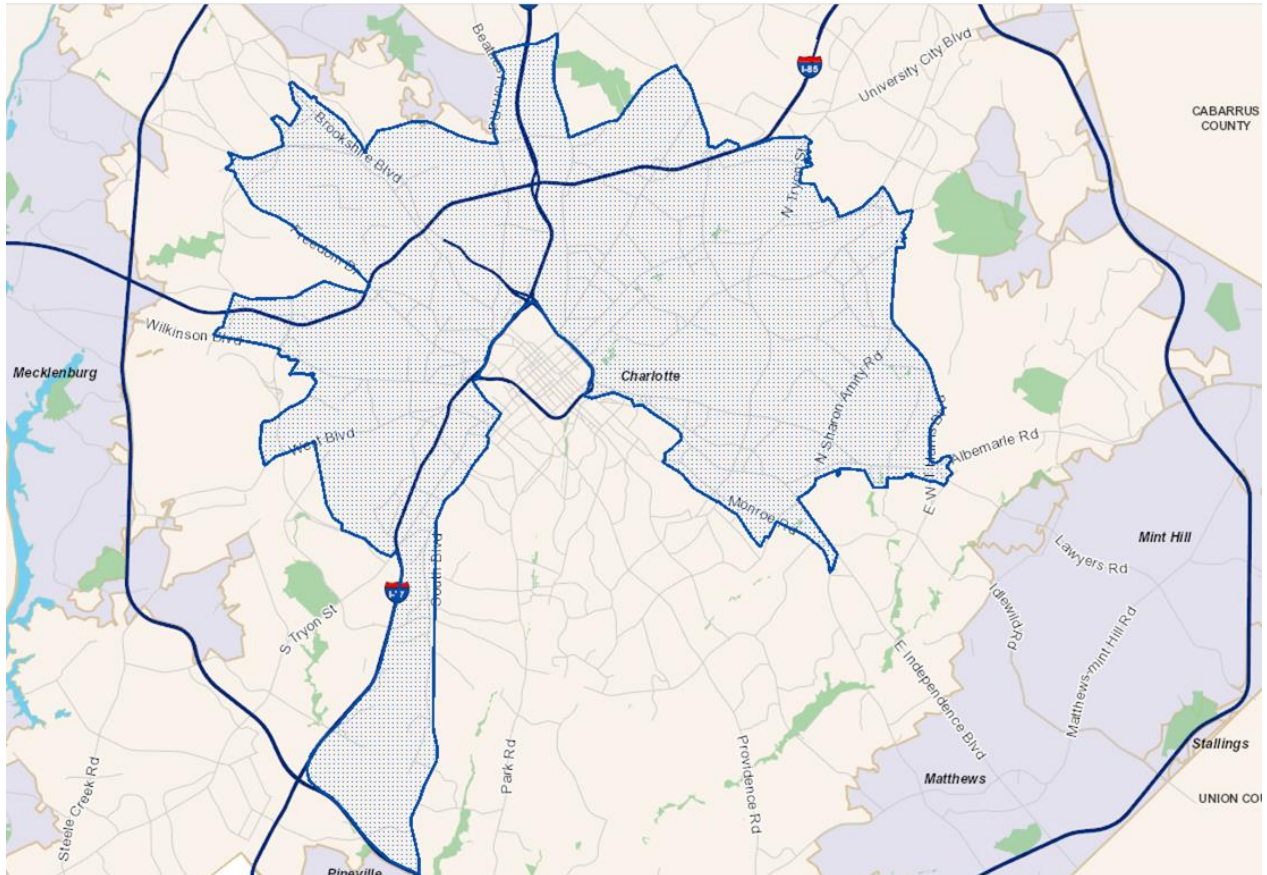
City of Charlotte Classified Targeted Industry

- Headquarters (Corporate, divisional and regional)
- Financial Services
- Technology and FinTech
- Logistics and Distribution
- International Business
- Health Care
- Advanced Manufacturing
- Automotive Industry

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Attachment II

Business Corridor Revitalization Geography (BCRG)





Attachment IV

BIG Reimbursement Checklist

The companies that are requesting reimbursement must submit all documents as outlined.

- ✓ All paid tax bills, real and business personal
- ✓ An investment schedule of both real and personal property and date brought into service
- ✓ Certify the number of new jobs as well as provide the retained jobs (if applicable)
- ✓ All four quarter NCUI 101 reports;
 - Or multiple worksite documents as required under the Employment Security Law of North Carolina
 - In instances where assets cannot be verified, the department will perform site visits for validation.
 - In certain instances, the City will coordinate with Mecklenburg County Tax Assessor's Office
- ✓ Fourth quarter ADP report from the company at the local facility as identified in Exhibit B of the Agreement
- ✓ Average annual wage
- ✓ Copy of the current property tax assessment form listing all taxable assets



Attachment V

BIG Reimbursement Letter

_____ XX, 2020
Company Contact
Company Address

Regarding: Business Investment Grant (BIG) Reimbursement
Dear _____:

Our records indicate that XYZ Company may be eligible for a grant payment provided by the Charlotte Business Investment Program. Please complete the attached Disbursement Request Form and send all requested documentation no later than April 15, 20XX, to the attention of:

Jenae Valentine
City of Charlotte Economic Development Department
600 E. Trade St., Suite 300
Charlotte NC, 28202

Please be assured that all documentation will be held in the strictest of confidence. As to not delay payment, please adhere to the Disbursement Request Form. You will be notified of eligibility within approximately 60 days of the City receiving your documentation. Should you have any questions or concerns, please contact Jenae Valentine at 704-353-1896 or via e-mail at jenae.valentine@charlottenc.gov. Your timely response will enable us to determine if a grant payment is due.

Sincerely,

Fran West
Assistant Director, Economic Development
City of Charlotte

Attachment (1)