

The background of the entire page is a photograph of a modern office. In the foreground, a curved glass wall separates the viewer from a workspace where three people are seated at a round table, working on laptops. The office has a clean, professional look with warm lighting and a carpeted floor. The title text is overlaid on the upper half of the image.

CHARLOTTE BUSINESS INVESTMENT GRANT PROGRAM



CHARLOTTE
ECONOMIC
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 CITY OF CHARLOTTE

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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 City of Charlotte's Business Investment Grant (BIG) program and FAQ.





Incentives Overview

To help offset the financial obligation of relocation or expansion the City of Charlotte and Mecklenburg County offer Business Investment Grants (BIGs). The grant is a reimbursement of incremental ad valorem property taxes paid as a result of your investment. BIGs may range from 50% to 90% reimbursement with term periods between 3 to 10 years. If a company has an existing presence in Charlotte, the grant is eligible for a 2-year extension. The City of Charlotte offers a range of grant types, each dependent on criteria related to capital investment, job creation and/or retention, average annual wage. Grant term length is dependent on whether a company falls within one of Charlotte's identified target industries.

The City of Charlotte Business Recruitment and Expansion team works in close collaboration with the Mecklenburg County Office of Economic Development and Economic Development Partnership of North Carolina to ensure a streamlined, efficient incentives application process.

Our team looks forward to assisting you with any inquiries you have regarding grant qualification and reimbursements. Below you will find a detailed breakdown of the City of Charlotte incentive program, application process, and reimbursement process. Thank you for your interest in the City of Charlotte, and our team looks forward to assisting you through this process.

For additional information, please contact:

Jordan Harris

Business Recruitment Manager
Economic Development | City of Charlotte

980.390.7757 | jordan.harris@charlottenc.gov
600 E. 4th Street, Suite 201
Charlotte NC, 28202

City of Charlotte Business Investment Grant Options:

The following grant programs are offered under the Business Investment Program Pilot Program through 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 (\$67,704) or the Standard Occupation Classification code for Charlotte MSA

Grant Terms:

- 90% reimbursement of ad-valorem property taxes for 3 years if within a target industry. 50% reimbursement of ad-valorem property taxes for 3 years if not a target industry. Existing businesses are eligible for an additional 2-year term.
- If locating in or within 1 mile of a Corridor of Opportunity, 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 (\$67,704) or the Standard Occupation Classification code for Charlotte MSA

Grant Terms:

- If a targeted industry, up to 90% reimbursement of ad-valorem property taxes for 5 years. Up to 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 locating in or within 1 mile of a Corridor of Opportunity, 90% reimbursement is automatically recommended.



Emerging Target Industry Large Impact Grant:

Program Qualifications:

- Invest a minimum of \$3M within 5 years of establishment in Charlotte and add 20 new jobs;
- Create 150 new jobs
- Pay 125% of the average wage rate (\$67,704) or the Standard Occupation Classification code for Charlotte MSA;
- Qualify as a Targeted Industry

Grant Terms:

- Prior to investment being made, staff will take for council consideration a business investment grant for a 7-year, 50% reimbursement of ad-valorem property taxes.
- If locating in or within 1 mile of a Corridor of Opportunity, 90% reimbursement is automatically recommended.

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 (\$67,704) or the Standard Occupation Classification code for Charlotte MSA
- Qualify as a Targeted Industry

Grant Terms:

A transformative project could qualify for a 90% reimbursement of ad-valorem property taxes for 10 years.

* Target Industries include headquarters, advanced manufacturing, technology, financial services, health and life sciences, and international firms.

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 for which you may qualify.

Business Investment Grant Application Process

Duration: This entire process takes 4 to 8 weeks.

Step 1:

Company and city staff explore project needs, community impact and discuss incentive tools. City works in tandem with Mecklenburg County Office of Economic Development and Economic Development Partnership of North Carolina when applicable.

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. Company may submit Project Summary Form used in JDIG applications when applicable.

Step 3:

City and County staff take proposed business investment grant to closed session for consideration by City Council and County Commission. Upon receiving intent to approve, City and County will present final BIG offer to the company. Note: The City and County need a minimum of 4 weeks' notice to schedule and prepare for a closed session.

Step 4:

Assuming company accepts the grant:

- Company can schedule location announcement
- Company can enter into binding agreements (lease) and can begin posting jobs
- City and County 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 and County 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.



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 Annual 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 (FAQ)

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

The Business Investment Grant requires approval by the Mecklenburg Board of County Commissioners and 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
- Mecklenburg County Commissioners Closed Session
- City of Charlotte Council Open Session Public Hearing
- Mecklenburg County Commissioners Open Session Public Hearing

Attachment I

City of Charlotte Classified Targeted Industries

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

Attachment II

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 NCU 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



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