



Legislation Details (With Text)

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Title: To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and CallTech Communications, LLC; to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
6/28/2011	1	MAYOR	Signed	
6/28/2011	1	CITY CLERK	Attest	
6/27/2011	1	Columbus City Council	Approved	Pass
6/27/2011	1	COUNCIL PRESIDENT	Signed	
6/10/2011	1	Dev Drafter	Sent to Clerk's Office for Council	
6/7/2011	1	Dev Drafter	Sent for Approval	
6/7/2011	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
6/7/2011	1	Dev Drafter	Sent for Approval	
6/7/2011	1	CITY ATTORNEY	Reviewed and Approved	

BACKGROUND: The City of Columbus entered into a Job Creation Tax Credit Agreement (hereinafter "Agreement") with CallTech Communications, LLC (hereinafter "Project") effective November 7, 2003. Columbus City Council approved the Agreement by Ordinance 2080-2003, adopted September 22, 2003, and granted a non-refundable tax credit allowed against the tax imposed under Article 9, Chapter 361 of the Columbus City Codes (the "City Tax Credit") of sixty percent (60%) of the new income tax revenue received by the City for a taxable year from new employees, as that term was defined in Section 4 of the Agreement, commencing September 22, 2003 and for ten (10) consecutive years thereafter based on the investment of \$1.3 million leasehold improvements at the project site, the retention of 611 employees, and the creation of 400 new permanent full-time positions.

Because Project had failed to submit an Annual Report for Report Year 2008, the Annual Report documents for both Report Year 2009 and Report Year 2008 were sent to Project via Certified Mail on April 26, 2010. Project received the materials as indicated by the return of the signed Domestic Return Receipt Card by the United States Postal Service and received by the City on May 3, 2010. The cover memo included in the mailing directed that Project submit monitoring fees totaling \$2,000 and reporting materials for both reporting years by the reporting deadline of May 24, 2010, and should that not occur the Agreement would be dissolved.

A request for further information was made by Project via email on May 3, 2010. This information was sent to Project via return email on May 4, 2010. As of the due date of May 24, 2010, no reporting materials had been received, nor have any materials or follow-up correspondence been received to date.

Project is now and has been out of compliance with the reporting requirements of the Agreement for Reporting Years 2008 and 2009 and due to the failure of Project to report and as per the notice contained within the certified mailing, this legislation is to dissolve the Agreement between the City of Columbus and CallTech Communications, LLC.

This legislation is presented as an emergency measure so that the dissolution of the Agreement can be reported to the necessary local and state agencies in an expedient manner.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and CallTech Communications, LLC; to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

WHEREAS, Columbus City Council approved a Job Creation Tax Creation Agreement ("Agreement") with CallTech Communications, LLC ("Project") by Ordinance No. 2080-2003 on September 22, 2003; and

WHEREAS, the Agreement grants a non-refundable tax credit allowed against the tax imposed under Article 9, Chapter 361 of the Columbus City Codes (the "City Tax Credit") of sixty percent (60%) of the new income tax revenue received by the City for a taxable year from New Employees; and

WHEREAS, the Agreement requires Project to invest \$1.3M in leasehold improvements, retain 611 employees, and create 400 new permanent full-time jobs at the project site; and

WHEREAS, Project had failed to submit reporting materials for Report Year 2008, Annual Report materials for Report Years 2008 and 2009 were sent to Project via Certified Mail on April 26, 2010 with the City receiving confirmation of delivery on May 3, 2010; and

WHEREAS, communication was contained within the reporting materials that full reporting compliance including payment of \$2,000 in monitoring fees was required to be received by the City on or before May 24, 2010 and that should this not occur then the Agreement would be dissolved; and

WHEREAS, a request for further information was made by Project via email on May 3, 2010 and this information was sent to Project via return email on May 4, 2010 but as of the due date of May 24, 2010, no reporting materials had been received, nor have any materials or follow-up correspondence been received to date; and

WHEREAS, as Project has not responded and continues to be in a state of non-compliance, having not reported for Report Years 2008 and 2009, this legislation serves to dissolve the Agreement effective January 1, 2008; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to dissolve the Job Creation Tax Credit Agreement between the City of Columbus and CallTech Communications, LLC so that the dissolution of the Agreement can be reported to the necessary local and state agencies in an expedient manner, thereby preserving the public health, peace, safety, and welfare; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That Columbus City Council hereby dissolves the CallTech Communications, LLC Job Creation Tax Credit Agreement effective January 1, 2008, with 2007 as the final tax year for the incentive.

Section 2. That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the CallTech Communications, LLC Job Creation Tax Credit Agreement.

Section 3. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.