



Legislation Details (With Text)

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Title: To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Clear Saleing, Inc.; 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 Clear Saleing, Inc. effective August 27, 2009. Columbus City Council approved the Agreement by Ordinance 0583-2009, passed May 4, 2009 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-five percent (65%) 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 January 1, 2009 and for eight (8) consecutive years thereafter based on the investment of \$640,600 in capitalized software development costs within the geographical boundaries of the City, the retention of 14 employees, and the creation of 60 new permanent full-time positions.

Annual Reporting documents for Report Year 2009 were sent to Clear Saleing, Inc. on April 26, 2010. On April 28, 2010 an email from Clear Saleing, Inc. was received by the city indicated that "they had withdrawn from the program and should be noted as such." A reply email was sent to Clear Saleing, Inc. that same day indicating that steps would be undertaken to dissolve the Agreement and that they would be notified at that time. This legislation is to dissolve the Agreement between the City of Columbus and Clear Saleing, Inc.

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 Clear Saleing, Inc.; 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 Clear Saleing, Inc. by Ordinance 0583-2009 on May 4, 2009; 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-five percent (65%) of the new income tax revenue received by the City for a taxable year from New Employees commencing January 1, 2009 and for eight (8) consecutive years thereafter; and

WHEREAS, the Agreement requires Clear Saleing, Inc. to make an investment of \$640,600 in capitalized software development costs within the geographical boundaries of the City, retain 14 employees, and create 60 new permanent full-time jobs; and

WHEREAS, Annual Reporting documents for Report Year 2009 were sent to Clear Saleing, Inc. on April 26, 2010 and an email from Clear Saleing, Inc. was received by the city on April 28, 2010 indicating that "they had withdrawn from the program and should be noted as such," which was followed by a reply email that same day indicating that steps would be undertaken to dissolve the Agreement and that they would be notified at that time which has led to this legislation to dissolve the Agreement between the City of Columbus and Clear Saleing, Inc. effective January 1, 2009; 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 Clear Saleing, Inc. 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 Clear Saleing, Inc. Job Creation Tax Credit Agreement effective January 1, 2009 thereby effectively eliminating any tax years 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 Clear Saleing, Inc. Job Creation Tax Credit Agreement.

Section 3. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 this Ordinance.