



Legislation Details (With Text)

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Title: To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Knight Transportation; 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 Knight Transportation (hereinafter "Project") effective October 18, 2007. Columbus City Council approved the Agreement by Ordinance 0975-2007, adopted June 25, 2007 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 June 25, 2007 and for eight (8) consecutive full taxable years beginning January 1, 2008 based on the lease of a 26,000 square foot building, an investment of \$135,000, the retention of 7 employees, and the creation of 21 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 Domestic Return Receipt Card signed by Project on May 3, 2010 and received by the City on May 6, 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.

Project did not comply. This being, the Agreement needs to be dissolved.

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 Knight Transportation; 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 Knight Transportation ("Project") by Ordinance No. 0975-2007 on June 25, 2007; 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 June 25, 2007 and for eight (8) consecutive full taxable years beginning January 1, 2008; and

WHEREAS, the Agreement requires Project to invest \$135,000, retain 7 employees, and create 21 new permanent full-time jobs; 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 6, 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, as Project has been out of reporting compliance for two consecutive reporting years and has not responded to the request to report there exists a need to dissolve the Agreement and 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 Knight Transportation 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 Knight Transportation Job Creation Tax Credit Agreement effective January 1, 2008.

Section 2. That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the Knight Transportation 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.