



Legislation Text

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BACKGROUND: The City of Columbus entered into a Job Creation Tax Credit Agreement (hereinafter "Agreement") with Rapid MR International, LLC (hereinafter "Project") effective February 9, 2007. Columbus City Council approved the Agreement by Ordinance 1567-2006, passed October 2, 2006, 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 October 2, 2006 and for seven (7) consecutive full taxable years beginning January 1, 2008 based on the lease of a 6,000 square foot building, an investment of \$305,000, and the creation of 11 new permanent full-time positions.

The Annual Reporting documents were sent to Project on April 26, 2010. Project contacted the City by telephone on April 30, 2010 with a request to amend the start date as per the Agreement to begin January 1, 2010 and continue for seven (7) consecutive full taxable years through 2016. The completed annual report materials were received by the City on May 24, 2010 and the annual monitoring fee was transmitted on June 1, 2010. On July 7, 2010 Project contacted the city via email with a request to withdraw from the Agreement as they have requested the same from the State of Ohio as a result of internal restructuring.

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 Rapid MR International, 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 Rapid MR International, LLC ("Project") by Ordinance 1567-2006 on October 2, 2006; 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 October 2, 2006 and for seven (7) consecutive full taxable years beginning January 1, 2008; and

WHEREAS, the Agreement requires Project to invest \$305,000, and create 11 new permanent full-time jobs; and

WHEREAS, the Annual Reporting documents were sent to Project on April 26, 2010 and following this, Project contacted the City by telephone on April 30, 2010 with a request to amend the start date as per the Agreement to begin January 1, 2010 and continue for seven (7) consecutive full taxable years through 2016; and

WHEREAS, the completed annual report materials were received by the City on May 24, 2010 and the annual monitoring fee was transmitted on June 1, 2010, on July 7, 2010, Project contacted the city via email with a request to withdraw from the Agreement as they have requested the same from the State of Ohio as a result of internal restructuring; and

WHEREAS, there now 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 Rapid MR International 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 Rapid MR International LLC 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 Rapid MR International LLC 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.