



Legislation Text

File #: 2750-2021, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Downtown Office Incentive Agreement with River Financial Inc.

Based in San Francisco, California, River Financial Inc. is a client-first financial institution dedicated to providing financial products and services that enable their clients to harness the transformative possibilities of Bitcoin. Founded in February 2019, River Financial Inc. set out to accelerate the adoption of Bitcoin, starting with a Bitcoin brokerage that provided high levels of liquidity, cutting-edge security, and industry-leading client experience initiatives. Over the course of 2019, founders Alex Leishman and Andrew Benson built the infrastructure of the company. In early 2020, the product was introduced to the public. Following the success of the brokerage product, River Financial Inc. is bringing on Product and Operational talent to discover and build its next product innovation, hoping to move a significant portion of back-office operations to Columbus. River Financial Inc. is also considering Nashville, TN, Kansas City, MO and Indianapolis, IN for this project.

River Financial Inc. is proposing to invest a total capital investment of approximately \$292,500, which includes \$77,500 related to new construction and building improvements, \$5,000 in machinery and equipment, \$200,000 in furniture and fixtures, and \$10,000 stand-alone computer to lease, equip, and occupy approximately 8,000 square-feet of vacant office space at 80 East Rich Street, Columbus, Ohio 43215, parcel number 010-296465 ("Project Site") to establish and expand its client services and administrative operations. Additionally, River Financial Inc. will retain 4 full-time employees with an annual payroll of approximately \$455,000 and create 30 net new full-time permanent positions with an associated new annual payroll of approximately \$2,252,500 at the proposed Project Site.

River Financial Inc. is requesting a Downtown Office Incentive from the City of Columbus to assist in the establishment and expansion of its client services and administrative operations in downtown Columbus.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of the Department of Development to enter into a Downtown Office Incentive Agreement with River Financial, Inc. as provided in Columbus City Council Resolution 0088X-2007, adopted June 4, 2007.

WHEREAS, the City desires to increase employment opportunities and encourage establishment of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, Resolution 0088X-2007, adopted June 4, 2007, authorized the Department of Development to establish the Columbus Downtown Office Incentive Program as amended; and

WHEREAS, the Department of Development has received a completed application for the Downtown Office Incentive from River Financial Inc.; and

WHEREAS, River Financial Inc. intends to lease, equip, and occupy approximately 8,000-square-feet of vacant office space at 80 E. Rich Street, Columbus, Ohio 43215; and

WHEREAS, River Financial Inc. anticipates investing approximately \$292,500, which includes \$77,500 related to new construction and building improvements, \$5,000 in machinery and equipment, \$200,000 in furniture and fixtures, and \$10,000 stand-alone computer to establish and expand its client services and administrative operations, retain 4 full-time employees with an annual payroll of \$455,000 and expects to create approximately 30 net new full-time permanent

positions with an associated new annual payroll of approximately \$2,252,500; and

WHEREAS, it has become necessary in the usual daily operation of the Department of Development to authorize the Director to enter into a Downtown Office Incentive Agreement with River Financial, Inc.; **NOW THEREFORE**,

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

SECTION 1. That the Director of the Department of Development is hereby authorized to enter into a Downtown Office Incentive Agreement, pursuant to Columbus City Council Resolution 0088X-2007, with River Financial Inc. for an annual cash payment equal to fifty percent (50%) of the amount of City withholding tax withheld on new employees for a term of up to five (5) consecutive years on the estimated job creation of 30 net new full-time permanent positions with an annual payroll of approximately \$2,252,500 to be located at 80 E. Rich Street, Columbus, Ohio 43215.

SECTION 2. Each year of the term of the agreement with River Financial Inc. that a payment is due, the City's obligation to pay the incentive is expressly contingent upon the passing of an ordinance appropriating and authorizing the expenditure of monies sufficient to make such payment and the certification of the City Auditor pursuant to Section 159 of the Columbus City Charter.

SECTION 3. That the City of Columbus Downtown Office Incentive Agreement is signed by River Financial Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. That the Director of the Department of Development is hereby authorized to amend the Downtown Office Incentive Agreement with River Financial Inc. for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these modifications being specifically limited to reductions in length of term, methods of calculating the incentive, or adding or deleting business entities associated with the employment commitments related to this incentive. All other requested amendments must be approved by City Council.

SECTION 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.