



Legislation Text

File #: 2658-2021, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with NetJets, Inc. in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.

After more than 55 years, NetJets Inc. ("NetJets"), backed by Berkshire Hathaway, continues to be the global leader in private aviation. Due to recent, fast growth, NetJets is considering locations for a headquarters consolidation and relocation. NetJets is the world's largest private jet company, offering fractional aircraft ownership, private jet leases, and private jet card programs. The company is seeking cost-effective locations to support long-term growth and talent retention and recruitment, and is considering both Chicago and Columbus.

NetJets is proposing to expand its operations at 4111 Bridgeway Park, Columbus, Ohio 43219, parcel number 010-290126 ("Project Site"). NetJets will create 154 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$12,735,000 and retain 1,516 existing full-time permanent positions with an approximate annual payroll of \$126,231,635 to support its growth.

NetJets is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist with this expansion project. This legislation is presented as 30 day legislation.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of the Department of Development to enter into a dual-rate Jobs Growth Incentive Agreement with NetJets Inc. for a term of up to five (5) consecutive years in consideration of the company's creation of 154 net new full-time permanent positions with an estimated annual payroll of approximately \$12,735,000.00 and retention of 1,516 existing full-time jobs with an approximate annual payroll of \$126,231,635.00. **(AMENDED BY ORD. 0878-2022; PASSED 3/28/2022)**

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

WHEREAS, the Department of Development received a completed Jobs Growth Incentive Application from NetJets Inc.; and

WHEREAS, NetJets Inc. proposes to expand its operations at 4111 Bridgeway Park, Columbus, Ohio 43219, parcel number 010-290126 to support its increased sales growth and strategic growth initiative; and

WHEREAS, NetJets Inc. will retain 1,516 full-time jobs with an annual payroll of approximately \$126,231,635 and create 154 net new full-time permanent positions with an estimated associated annual payroll of approximately \$12,735,000 at the proposed Project Site; and

WHEREAS, NetJets Inc. has indicated that a Jobs Growth Incentive is crucial to its decision to establish administrative operations within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of NetJets Inc. at the Project Site by providing a

Jobs Growth Incentive; and **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 dual-rate Jobs Growth Incentive Agreement with NetJets Inc. equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.
- SECTION 2.** Should NetJets Inc. not be able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).
- SECTION 3.** Each year of the term of the agreement with NetJets Inc. the City's obligation to pay the incentive is expressly contingent upon the passage 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 4.** That the City of Columbus Jobs Growth Incentive Agreement is signed by NetJets Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.
- SECTION 5.** The City Council hereby extends authority to the Director of the Department of Development to amend NetJets Inc.'s City of Columbus Jobs Growth Incentive Agreement 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 certain 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 6.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.