



Legislation Text

File #: 1226-2022, Version: 1

BACKGROUND: The need exists to amend the City of Columbus Jobs Growth Incentive Agreement between the City of Columbus (hereinafter “**GRANTOR**” or the “**CITY**”) and Sarepta Therapeutics, Inc. (hereinafter “**GRANTEE**”). Columbus City Council (“**COUNCIL**”), by Ordinance No. 1192-2020, passed June 15, 2020, authorized the Director of the Department of Development of the **CITY** to enter into a dual-rate City of Columbus Jobs Growth Incentive Agreement (the “**JGI AGREEMENT**”) for an annual cash payment equal to (i) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees to the Columbus region and (ii) thirty-five percent (35%) of the City of Columbus income tax withheld on the Columbus payroll for new employees to the Columbus region, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years. The financial incentive was granted in consideration of the **GRANTEE**’s total proposed investment of approximately \$32,000,000, which included \$1,500,000 in computers, \$14,000,000 in machinery and equipment, \$1,500,000 in furniture and fixtures, and \$15,000,000 in leasehold improvements to establish research operations at 3435 Stelzer Road, Columbus, Ohio 43215, parcel number 010-257355 (the “**PROJECT SITE**”). Additionally, the **GRANTEE** committed to create 100 net new full-time permanent positions with an annual payroll of approximately \$12,300,000 and retain 38 full-time positions with an estimated annual payroll of approximately \$4,462,000 (the “**PROJECT**”) at the **PROJECT SITE**. The **JGI AGREEMENT** was made and entered into effective December 28, 2020 with the incentive term to begin January 1, 2021 through December 31, 2025 for a 5-year credit.

Per an offer letter from the **CITY** dated December 8, 2021 and an acceptance letter received by the Department of Development from the **GRANTEE** dated February 8, 2022, the **GRANTEE** indicated they planned to expand their operations and invest additional capital expenditures at the **PROJECT SITE**. With this new expansion, the **GRANTEE** anticipates leasing, improving and equipping an approximately 54,000 square feet of additional commercial office space and create an additional 100 net new full-time permanent positions with an estimated additional annual payroll of approximately \$11,003,000 at the **PROJECT SITE**. Therefore, the **GRANTEE** is requesting that the incentive term of the **JGI AGREEMENT** be amended to extend the term one (1) additional year and amend the total private investment from \$32,000,000 to \$62,000,000.

The legislation is to authorize the Director of the Department of Development to amend the **JGI AGREEMENT** for the first time to (1) revise the total private investment from \$32,000,000 to \$62,000,000, (2) revise the job creation commitment from 100 net new full-time permanent positions with an estimated annual payroll of approximately \$12,300,000 to 200 net new full-time permanent positions with an associated annual payroll of approximately \$23,303,000, and (3) extend the incentive term one (1) additional year.

This legislation is being presented as an emergency measure in order for this amendment to be legislated in as expedient a manner as possible so that this amendment to the **JGI AGREEMENT** can be executed and ensure that the revised project investment and job creation commitments of the **GRANTEE** remain in compliance with the terms and conditions of the **JGI AGREEMENT**.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the City of Columbus Jobs Growth Incentive Agreement with Sarepta Therapeutics, Inc. for the first time to (1) revise the total private investment (2) revise the job creation and payroll commitment, and (3) extend the incentive term one (1) additional year from five consecutive years to six (6) consecutive years; and to declare an emergency. (AMENDED BY ORD. 0249-2023 PASSED 1/30/2023) BA

WHEREAS, the need exists to amend the City of Columbus Jobs Growth Incentive Agreement between the City of Columbus (the “**CITY**”) and Sarepta Therapeutics, Inc. (the “**GRANTEE**”). Columbus City Council (“**COUNCIL**”), by Ordinance No. 1192-2020, passed June 15, 2020, authorized the Director of the Department of Development of the **CITY** to enter into a City of Columbus Jobs Growth Incentive Agreement (the “**JGI AGREEMENT**”) for an annual cash payment equal to (i) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees to the Columbus region and (ii) thirty-five percent (35%) of the City of Columbus income tax withheld on the Columbus payroll for new employees to the Columbus region, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years. The **JGI AGREEMENT** was made and entered into effective December 28, 2020 with the incentive term to begin January 1, 2021 through December 31, 2025 for a 5-year credit; and

WHEREAS, the financial incentive was granted in consideration of the **GRANTEE**’s total proposed investment of approximately \$32,000,000, which included \$1,500,000 in computers, \$14,000,000 in machinery and equipment, \$1,500,000 in furniture and fixtures, and \$15,000,000 in leasehold improvements to establish research operations at 3435 Stelzer Road, Columbus, Ohio 43215, parcel number 010-257355 (the “**PROJECT SITE**”). Additionally, the **GRANTEE** committed to create 100 net new full-time permanent positions with an annual payroll of approximately \$12,300,000 and retain 38 full-time positions with an estimated annual payroll of approximately \$4,462,000 (the “**PROJECT**”) at the proposed **PROJECT SITE**; and

WHEREAS, per an offer letter from the **CITY** dated December 8, 2021 and an acceptance letter to the **CITY** from the **GRANTEE** dated February 8, 2022 and through additional correspondence, the **GRANTEE** indicated they planned to expand their original commitment at the **PROJECT SITE**. With this new expansion, the **GRANTEE** proposes to invest an additional \$30,000,000 to lease, improve and equip and approximately 54,000 square feet of additional commercial office space to accommodate its strategic growth plan. Additionally, the proposed expansion would increase the new full-time permanent positions commitment by 100 net new full-time permanent positions with an associated annual payroll of approximately \$11,003,000 at the **PROJECT SITE**. Therefore, the **GRANTEE** is requesting that the incentive term of the **JGI AGREEMENT** be amended to revise the initial job creation commitment from 100 net new full-time permanent positions to 200 net new full-time permanent positions with an estimated associated annual payroll of approximately \$23,303,000, extend the incentive term one (1) additional year, and amend the total private investment from \$32,000,000 to \$62,000,000; and

WHEREAS, an amendment to the **JGI AGREEMENT** is now needed to (1) revise the total private investment from \$32,000,000 to \$62,000,000, (2) revise the job creation commitment from 100 net new full-time permanent positions with an associated annual payroll of approximately \$12,300,000 to 200 net new full-time permanent positions with an estimated associated annual payroll of \$23,303,000, and (3) extend the incentive term one (1) additional year from five consecutive years to six (6) consecutive; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek a First Amendment to the **JGI AGREEMENT** with Sarepta Therapeutics, Inc. for the purpose of (1) revise the total private investment (2) revise the job creation and payroll commitment, and (3) extend the incentive term one (1) additional year from five consecutive years to six (6) consecutive years; thereby preserving the public health, peace, property and safety. **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 amend the Jobs Growth Incentive Agreement with Sarepta Therapeutics, Inc. to revise the total private investment from \$32,000,000 to \$62,000,000.

SECTION 2. That the Director of the Department of Development is hereby authorized to amend the Jobs Growth Incentive Agreement with Sarepta Therapeutics, Inc. to revise the initial job creation commitment from 100 net new full-time permanent positions with an associated annual payroll of approximately \$12,300,000 to 200 net new full-time permanent positions with an associated annual payroll of \$23,303,000.

SECTION 3. That the Director of the Department of Development is hereby authorized to amend Section 2 of the Jobs Growth Incentive Agreement with Sarepta Therapeutics, Inc. to revise the incentive term from to begin “January 1, 2021 through December 31, 2025” to begin “January 1, 2021 through December 31, 2026”, for a 6-year credit.

SECTION 4. That this **FIRST AMENDMENT** to the City of Columbus Jobs Growth Incentive Agreement be signed by Sarepta Therapeutics, Inc. within ninety (90) days of passage of this ordinance, or this ordinance and the incentive

authorized herein shall be null and void

SECTION 5. That the remaining terms of the Jobs Growth Incentive Agreement remain in full effect relative to the Ordinance.

SECTION 6. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby 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 the passage if the Mayor neither approves nor vetoes the same.