

# FACT SHEET JULY, 2012

## ELECTRONIC CLASSROOM OF TOMORROW

### I. STATEMENT OF PURPOSE – Job Creation

The Department of Development recommends a Jobs Growth Incentive of twenty-five percent (25%) for a period of five (5) years for the purpose of creating 90 new permanent full-time positions within five years and retaining 277 permanent full-time existing jobs.

### II. PROJECT HISTORY

Electronic Classroom of Tomorrow, also known as ECOT, was started in 2000 and is headquartered in Columbus. The school provides fully accredited, tuition free public schooling for K-12 students. It is the largest online school in the nation with more than 15,000 students enrolled. The online school graduates more students than any in the US and more than many of the Ohio districts combined.

The Electronic Classroom of Tomorrow graduated 21 students in 2001 and over 1700 students in 2011. The school provides academic flexibility to suit a wide variety of learning styles, interests and special circumstances. The students that enroll at online schools range from exceptional students to “at-risk” students that have not been successful in traditional schools for a number of reasons. As in a traditional public school, the students attend one of three divisions that are each supervised by a principal.

Electronic Classroom of Tomorrow has acquired its existing facility at 3700 S. High Street for \$2.95 million and will invest \$125,000 in building improvements. A total of 90 new permanent full-time positions will be created in Columbus and 277 permanent full-time jobs will be retained, as a result of the project.

Electronic Classroom of Tomorrow is requesting a 25%/5-year Jobs Growth Incentive from the City of Columbus to assist in the development of this project.

### III. PROJECT INVESTMENT

|                         |                    |
|-------------------------|--------------------|
| Acquisition of Building | \$2,950,000        |
| Building Improvements   | 125,000            |
| <b>TOTAL INVESTMENT</b> | <b>\$3,075,000</b> |

#### **IV. DECISION & TIMING**

The project is expected to begin July, 2012 with a scheduled time of completion for December, 2013, contingent upon Columbus City Council approval of the recommended tax incentive.

#### **V. EMPLOYMENT**

The project will create 90 new full-time permanent positions with an annual payroll of approximately \$4 million and retain 277 full-time permanent positions with an annual payroll of \$12.6 million.

| Position          | Number of New Jobs | Hourly Rate | Annual Salary | Total Estimated Payroll for New Jobs |
|-------------------|--------------------|-------------|---------------|--------------------------------------|
| Clerical Staff    | 27                 | \$14.66     | 30,505        | 823,635                              |
| Technical Staff   | 15                 | \$24.39     | 50,741        | 761,115                              |
| Teaching Staff    | 15                 | \$15.67     | 32,567        | 488,505                              |
| Specialized Staff | 15                 | \$20.92     | 43,509        | 652,635                              |
| Administration    | 18                 | \$36.30     | 75,506        | 1,359,108                            |
|                   |                    |             |               |                                      |
| <b>Total</b>      | <b>90</b>          |             |               | <b>\$4,084,998</b>                   |

The total payroll to Columbus (retained and new) will be \$16.6 million.

Electronic Classroom of Tomorrow offers its full-time employees the following benefits after hire:

- Paid Holidays
- Paid Vacation/Personal Days
- 401K Retirement Plan
- Annual Bonus
- Medical/Dental Insurance
- Life Insurance/Vision
- Training and Education Benefits

Benefits begin 30 days after hiring.

#### **VI. REQUESTED PUBLIC PARTICIPATION**

The Department of Development recommends a Jobs Growth Incentive equal to twenty-five percent (25%) of the amount of new employees city income tax withholding for five (5) years.

## VII. NEW TAX IMPACT/ANNUAL AND 5-Year Summary

### NEW REVENUE -YEAR SUMMARY

| <b>Revenue</b>                 | <b>Average Annual</b> | <b>5-year<br/>Summary</b> |
|--------------------------------|-----------------------|---------------------------|
| A. New City Income Tax Revenue | \$102,125             | \$510,625                 |

| <b>Incentive</b>  | <b>Average Annual</b> | <b>5-year<br/>Summary</b> |
|---|-----------------------|---------------------------|
| B. Proposed Incentive is equal to 25% of New Employee withholding | \$25,531              | \$127,655                 |

| <b>Total</b>               | <b>Average Annual</b> | <b>5-year<br/>Summary</b> |
|----------------------------|-----------------------|---------------------------|
| C. (A-B) Net Value to City | \$76,594              | \$382,970                 |

## VIII. WORKFORCE DEVELOPMENT

Employers granted a tax incentive will meet with the Central Ohio Workforce Investment Corporation (COWIC) to develop a relationship to assure continuing employment opportunities for Columbus residents who are unemployed or underemployed.

## IX. TAX BENEFIT

The recommended 25%/5-year Jobs Growth Incentive could yield cash payments totaling \$127,655 for Electronic Classroom of Tomorrow over the incentive period.

## X. AREA IMPACT/GREEN INITIATIVES

Electronic Classroom of Tomorrow does not have any formalized green policies.