



Legislation Details (With Text)

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File created:	6/13/2024	In control:	Economic Development & Small and Minority Business Committee
On agenda:	7/1/2024	Final action:	
Title:	To authorize the Director of the Department of Development to amend the City of Columbus Job Creation Tax Credit Agreement with BBI Logistics, LLC to change the incentive term from to begin January 1, 2024 to January 1, 2025 through December 31, 2034; and to add BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC as additional Grantees to the Agreement.		
Sponsors:			
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Code sections:			
Attachments:			

Date	Ver.	Action By	Action	Result
6/24/2024	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to amend the City of Columbus Job Creation Tax Credit Agreement (the “**JCTC Agreement**”) between the City of Columbus (“**City**”) and BBI Logistics, LLC (hereinafter referred to as “**Grantee**”). Columbus City Council (“**Council**”), per Ordinance No. 2009-2022, passed July 25, 2022, authorized the Director of the Department of Development of the **City** to enter into the **Agreement** that granted a non-refundable tax credit allowed against the tax imposed under Section 362.06, “Income Subject to Net Profit Tax” of the Columbus City Codes of sixty-five percent (65%) of the new income tax revenue received by the City for a calendar year from New Employees for a period of ten (10) consecutive years, based on a total project investment of approximately \$56,527,136.00 to create a new corporate headquarters (“**HQ**”) in the Arena District. The proposed corporate HQ would be located at 600 W. Nationwide Boulevard, Columbus, Ohio 43215, parcel number 010-301902 though operations will remain at 80 E. Rich Street, Suite 200, Columbus, Ohio 43215, parcel number 010-296465 during construction (collectively, both addresses are the “**Project Site**”). Additionally, BBI Logistics proposes to create approximately 953 net new full-time permanent positions with an annual payroll of approximately \$80,577,408.00 over the full ten (10) year term of the incentive and retain 175 full-time positions with an annual payroll of approximately \$12,867,400.00 at the **Project Site**. The **JCTC Agreement** was made and entered into effective October 14, 2022 with the incentive term to begin January 1, 2024 through December 31, 2033 for a 10-year credit.

Paragraph six within Section 17 (Miscellaneous) of the **JCTC Agreement** states, “Either party may at any time during the term of the **JCTC Agreement** request amendments or modifications, but such changes or amendments shall not be effective until executed by the parties hereto. Any requested amendment or modification to any of the terms of the **JCTC Agreement** made to the **City** by the **Grantee** shall require the payment to the **City** by the **Grantee** of an **Amendment Fee** in the amount of two-hundred fifty dollars (\$250.00).”

Subsequently, in a letter received by the **City** dated April 30, 2024, and through ensuing correspondence, confirmed that BBI Logistics is unable to move into the aforementioned corporate HQ facility until late 2024 due to issues out of the company’s control. Therefore, the **Grantee** is requesting the incentive term in the **JCTC Agreement** be amended to begin January 1, 2025 instead of January 1, 2024, which will allow the **Grantee** additional time to complete construction of its new corporate HQ. Additionally, BBI Logistics confirmed that they have acquired additional entities, and now plans

to house these new entities in the HQ building once completed. These entities include BBI Real Estate Holdings, LLC, BBI Logistics Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC. The **Grantee** is now requesting the **JCTC Agreement** be amended to (i) change the incentive term from “January 1, 2024 through December 31, 2033” to “January 1, 2025 through December 31, 2036”, and (ii) to add BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC as additional **Grantees** to the **JCTC Agreement**.

This legislation is to authorize the Director of the Department of Development to amend the **JCTC Agreement** to (i) change the incentive term from “January 1, 2024 through December 31, 2033” to January 1, 2025 through December 31, 2034”, and (ii) to add BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC as additional **Grantees** to the **JCTC Agreement**.

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 amend the City of Columbus Job Creation Tax Credit Agreement with BBI Logistics, LLC to change the incentive term from to begin January 1, 2024 to January 1, 2025 through December 31, 2034; and to add BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC as additional Grantees to the Agreement.

WHEREAS, the need exists to amend the City of Columbus Job Creation Tax Credit Agreement (“**JCTC Agreement**”) between the City of Columbus (“**City**”) and BBI Logistics, LLC (hereinafter, referred to as “**Grantee**”). Columbus City Council (“**Council**”), per Ordinance No. 2009-2022, passed July 25, 2022, authorized the Director of the Department of Development of the **City** to enter into a **JCTC Agreement** that grants a non-refundable tax credit allowed against the tax imposed under Section 362.06, “Income Subject to Net Profit Tax” of the Columbus City Codes of sixty-five percent (65%) of the new income tax revenue received by the **City** for a calendar year from New Employees for a period of ten (10) consecutive years. The **JCTC Agreement** was made and entered into effective October 14, 2022 with the incentive term to begin January 1, 2024 through December 31, 2033 for a 10-year credit; and

WHEREAS, the financial incentive was granted in consideration of a total investment of approximately \$56,527,136.00 to construct a new corporate headquarters (“**HQ**”) in the Arena District. The proposed corporate HQ would be located at 600 W. Nationwide Boulevard, Columbus, Ohio 43215, parcel number 010-301902 though operations will remain at 80 E. Rich Street, Suite 200, Columbus, Ohio 43215, parcel number 010-296465 during construction (collectively, both addresses are the “**Project Site**”); and

WHEREAS, additionally, the **Grantee** committed to create approximately 953 net new full-time permanent positions with an annual payroll of approximately \$80,577,408.00 over the full ten (10) year incentive term and retain 175 full-time positions with an annual payroll with an annual payroll of approximately \$12,867,400.00 at the **Project Site**; and

WHEREAS, paragraph six within Section 17 (Miscellaneous) of the **JCTC Agreement** states, “Either party may at any time during the term of the **JCTC Agreement** request amendments or modifications, but such changes or amendments shall not be effective until executed by the parties hereto. Any requested amendment or modification to any of the terms

of the **JCTC Agreement** made to the **City** by the **Grantee** shall require the payment to the **City** by the **Grantee** of an **Amendment Fee** in the amount of two-hundred fifty dollars (\$250.00)”; and

WHEREAS, subsequently, in a letter received by the **City** dated April 30, 2024, and through ensuing correspondence, confirmed that BBI Logistics is unable to move into its corporate HQ until late 2024 due to unforeseen issues that is out of the company’s control. Therefore, the **Grantee** is requesting the incentive term in the **JCTC Agreement** be amended to begin January 1, 2025 instead of January 1, 2024, which will allow the **Grantee** additional time to complete construction and move into its new corporate HQ. Additionally, the **Grantee** confirmed that the company has created and acquired additional entities under the BBI Logistics, LLC umbrella to assist in company’s business growth, and now plans to house these new entities in their new corporate HQ upon completion. These new entities include BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC, which will employ new full-time permanent employees under each entities; and

WHEREAS, the **Grantee** is now requesting the **JCTC Agreement** be amended to (i) change the incentive term in **JCTC Agreement** from “January 1, 2024 through December 31, 2033” to begin “January 1, 2025 through December 31, 2036”, and (ii) to add BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC as additional **Grantees** to the **JCTC Agreement**; and

WHEREAS, this legislation is to authorize the Director of the Department of Development to amend the **JCTC Agreement** to (i) change the incentive term from “January 1, 2024 through December 31, 2033” to begin “January 1, 2025 through December 31, 2034”, and (ii) to add BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC as additional **Grantees** to the **JCTC Agreement**; and

WHEREAS, a First Amendment to the **JCTC Agreement** is now needed to (i) change the incentive term of the **JCTC Agreement** from January 1, 2024 through December 31, 2034 to begin “January 1, 2025 through December 31, 2034”, and (ii) to add BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC as additional **Grantees** to the **JCTC Agreement**; and

WHEREAS, the need exists to amend Ordinance No. 2009-2022, approved by **COUNCIL** on July 25, 2022, to change the incentive term in the **JCTC Agreement** from “January 1, 2024 through December 31, 2033” to “January 1, 2025 through December 31, 2034”, and to add BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC as additional Grantees to the **JCTC Agreement**; and **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

Section 1. That Section 2 of Ordinance No. 2009-2022 is hereby amended to revise the Grantee to include BBI Logistics, LLC, BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC (collectively, and hereinafter referred to as Grantee), as follows, with additions in underline and deletions in strikethrough:

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into and execute a Job Creation Tax Credit of sixty-five percent (65%) of the amount of City income tax withheld on new employees for a term up to ten (10) consecutive years with BBI Logistics, LLC, BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC (collectively, and hereinafter referred to as **“GRANTEE”**) with their main offices located at 80 E. Rich Street, Suite 200, Columbus,

OH 43215 Parcel Number 010-296465.

Section 2. That existing Section 2 of Ordinance No. 2009-2022 is hereby repealed.

Section 3. That the Director of the Department of Development is hereby authorized and directed to enter into a modification of the City of Columbus Job Creation Tax Credit Agreement with the **Grantees** to revise the incentive term from “January 1, 2024 through December 31, 2033” to “January 1, 2025 through December 31, 2034,” as follows, with additions in underline and deletions in strikethrough.

Section 2. Tax Credit

GRANTOR hereby grants to the **GRANTEE** a non-refundable tax credit (the “City Tax Credit” allowed against the tax imposed under section 362.06, “Income Subject to Net Profit Tax” of the Columbus City Codes (the “City Tax Credit”) for 65 percent [65%] of the new income tax revenue received by the **CITY** for a calendar year from New Employees, as that term is defined in Section 4 hereof, commencing January 1, ~~2024~~ 2025 and for 10 consecutive years thereafter (i.e., January 1, ~~2024~~ 2025 through December 31, ~~2033~~ 2034).

Section 4. That the First Amendment to the City of Columbus Job Creation Tax Credit Agreement be signed by BBI Logistics, LLC, BBI Real Estate Holdings, LLC, BBI Real Estate Brokerage, LLC, BBI Transportation, Inc., BBI Truck & Trailer Leasing, LLC, BBI Technologies, LLC, B-Paid, LLC, and Wildcat TMS, LLC within ninety (90) days of passage of this ordinance, or this ordinance and incentive authorized herein shall be null and void.

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