



## Legislation Details (With Text)

**File #:** 1820-2015      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 6/29/2015      **In control:** Development Committee

**On agenda:** 7/27/2015      **Final action:** 7/30/2015

**Title:** To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with Schoola, Inc. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) years in consideration of the company's proposed investment of \$3 million and the creation of 225 new full-time permanent positions.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. ORD1820-2015 Schoola JGI - Fact Sheet, 2. ORD1820-2015 Schoola JGI - Project Site Map

Date	Ver.	Action By	Action	Result
7/30/2015	1	CITY CLERK	Attest	
7/29/2015	1	MAYOR	Signed	
7/27/2015	1	COUNCIL PRESIDENT	Signed	
7/27/2015	1	Columbus City Council	Approved	Pass
7/20/2015	1	Columbus City Council	Read for the First Time	

**BACKGROUND:** The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Schoola, Inc. (Schoola) equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees for a term up to five (5) years for the purpose of the creation of employment opportunities for the citizens of the Columbus community.

Headquartered in San Francisco, California, Schoola is an online retail store selling children and women's clothing. The company was founded in 2011 by Stacey Boyd, a parent, former teacher and school principal. Stacey saw firsthand how children who struggled in math could come alive in music class. How art, physical education and foreign language could have a profound effect on students. She also saw how hard it was to obtain funds to support these programs and how easy it was for these programs to get eliminated. Dedicated to putting paint brushes, books, baseballs and violins back into the hands of children, Stacey launched Schoola in the 2012/2013 school year. A few innovative schools took the call to run a clothing drive during the last (and busiest) week of school. Parents sent in their gently used children's clothing and Schoola listed them on its website at amazing prices. The school receives proceeds from every item sold, helping to fund all those essential programs. Today, Schoola has over 10,000 schools that participate in this program, which brings new paints to art classes, new instruments to the orchestra, and new books for the libraries. Quality clothes get a second life, parents help parents and schools help schools.

Schoola is proposing to invest approximately \$3 million in total project costs, which include leasehold improvements, machinery, equipment, stand-alone computers, inventory, furniture and fixtures to open a new Midwest operation. The company will enter into a 7-year lease agreement on vacant warehouse space consisting of approximately 77,000 square feet at 1655 Watkins Road Columbus, Ohio 43207. In addition, Schoola is proposing to create 225 new full-time permanent positions with an estimated annual payroll of approximately \$5.91 million, on the Southeast corridor.

**FISCAL IMPACT:** No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with Schoola, Inc.

equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) years in consideration of the company's proposed investment of \$3 million and the creation of 225 new full-time permanent positions.

**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 has received a completed Jobs Growth Incentive Application from Schoola, Inc.; and

**WHEREAS**, Schoola is proposing to invest approximately \$3 million in total project costs, which include leasehold improvements, machinery, equipment, stand-alone computers, inventory, furniture and fixtures to open a new Midwest operation at 1655 Watkins Road Columbus, Ohio 43207; and

**WHEREAS**, Schoola is proposing to create 225 new full-time permanent positions with an estimated annual payroll of approximately \$5.91 million; and

**WHEREAS**, Schoola has indicated that a Jobs Growth Incentive is crucial to its decision to expand the aforementioned operation in Columbus; and

**WHEREAS**, the City of Columbus desires to facilitate Schoola's future growth at the project site; 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 Jobs Growth Incentive Agreement with Schoola, Inc. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) years.

**SECTION 2.** Each year of the term of the agreement with Schoola, 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 3.** That the City of Columbus Jobs Growth Incentive Agreement is signed by Schoola, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

**SECTION 4.** The City Council hereby extends authority to the Director of the Department of Development to amend Schoola, Inc.'s City of Columbus Jobs Growth Incentive Agreement for non-substantive modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these non-substantive 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.