



Legislation Details (With Text)

File #: 1691-2007 **Version:** 2

Type: Ordinance **Status:** Passed

File created: 10/15/2007 **In control:** Development Committee

On agenda: 11/5/2007 **Final action:** 11/8/2007

Title: To authorize the Director of Development to enter into a Jobs Growth Incentive agreement with Red Roof Inns, Inc. and Red Roof Franchising, LLC (Red Roof Inn) equal to thirty percent (30%) of the amount of personal income tax withheld on new employees for a term of four (4) years in consideration of Red Roof Inn's proposed investment of \$500,000, the retention of 37 full-time positions and the creation of 80 new permanent full-time jobs; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/8/2007	2	CITY CLERK	Attest	
11/7/2007	2	MAYOR	Signed	
11/5/2007	1	Columbus City Council	Amended as submitted to the Clerk	Pass
11/5/2007	1	Columbus City Council	Approved as Amended	Pass
11/5/2007	2	COUNCIL PRESIDENT	Signed	
10/16/2007	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
10/16/2007	1	Dev Drafter	Sent for Approval	
10/16/2007	1	CITY ATTORNEY	Reviewed and Approved	
10/16/2007	1	Dev Drafter	Sent to Clerk's Office for Council	
10/15/2007	1	Dev Drafter	Sent for Approval	

Background: The Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Red Roof Inns, Inc. and Red Roof Franchising, LLC (Red Roof Inn) equal to thirty percent (30%) of the amount of personal income tax withheld on new employees for a term of four (4) years.

The Red Roof Inn chain began in Columbus in 1972 with the intention of providing clean, comfortable rooms at an affordable price. Today there are over 325 Red Roof locations, including 34 in Ohio, employing over 6,000 people.

In 1999 Accor North America acquired Red Roof Inn and moved its headquarters to Carrollton, Texas. Recently Red Roof was purchased by a consortium made up of Citigroup Global Markets Holdings Inc.'s Global Special Situations Group and Canada-based Westbridge Hospitality Fund II LP.

Red Roof Inn currently has 37 employees in Columbus and is proposing to relocate the Red Roof headquarters from Texas to Columbus.

Fiscal Impact: No funding is required for this legislation.

To authorize the Director of Development to enter into a Jobs Growth Incentive agreement with Red Roof Inns, Inc. and Red Roof Franchising, LLC (Red Roof Inn) equal to thirty percent (30%) of the amount of personal income tax withheld on new employees for a term of four (4) years in consideration of Red Roof Inn's proposed investment of \$500,000, the retention of 37 full-time positions and the creation of 80 new permanent full-time jobs; and to declare an emergency.

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 application for the Jobs Growth Incentive from Red Roof Inn; and

WHEREAS, Red Roof Inn is currently headquartered in Carrollton, Texas and is proposing to relocate to Columbus and enter into a ~~7 year lease agreement for 25,000 square feet at 1801 Watermark Drive~~ **10 year lease agreement for 23,861 square feet at 605 S. Front Street** to accommodate the relocation/expansion; and

WHEREAS, contingent on the City granting a Jobs Growth Incentive Red Roof Inn will invest \$500,000, retain 37 full-time permanent positions with an annual payroll of \$2 million and create 80 new full-time jobs with an annual payroll of \$5.6 million; and

WHEREAS, Red Roof Inn has indicated that a Jobs Growth Incentive is crucial to its decision to locate the aforementioned relocation/expansion in Columbus; and

WHEREAS, the City of Columbus desires to enter into such an agreement with Red Roof Inn to foster economic growth; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to enter into a Jobs Growth Incentive agreement with Red Roof Inns, Inc. and Red Roof Franchising, LLC in order to allow them to begin investing and creating jobs as quickly as possible, all for the preservation of 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 enter into a Jobs Growth Incentive equal to thirty percent (30%) of the amount of personal income tax withheld on new employees for a term of 4 years with Red Roof Inns, Inc. and Red Roof Franchising, LLC beginning January 1, 2008.

Section 2. Each year of the term of the agreement with Red Roof Inns, Inc. and Red Roof Franchising, LLC 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 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 passage if the Mayor neither approves nor vetoes the same.