



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

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On agenda: 7/1/2013 **Final action:** 7/3/2013

Title: To authorize the Director of Development to enter into a Job Creation Tax Credit Agreement of sixty percent (60%) for a period of seven (7) years with Ascena Retail Group, Inc. in consideration of the company's proposed investment of \$200,000.00 and the creation of 15 new full-time permanent positions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD1517-2013 Ascena - Fact Sheet JCTC, 2. ORD1517-2013 Ascena - Project Site Map

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|-------------------------|--------|
| 7/3/2013 | 1 | CITY CLERK | Attest | |
| 7/2/2013 | 1 | MAYOR | Signed | |
| 7/1/2013 | 1 | COUNCIL PRESIDENT | Signed | |
| 7/1/2013 | 1 | Columbus City Council | Approved | Pass |
| 6/24/2013 | 1 | Columbus City Council | Read for the First Time | |

BACKGROUND: The need exists to enter into a Job Creation Tax Credit Agreement with Ascena Retail Group, Inc. The Ohio Tax Credit Legislation (Section 718.15 of the Ohio Revised Code) authorizing such agreements became effective January 14, 1993 and requires the City to enter a Council-approved agreement between the City and a participating company.

Ascena Retail Group, Inc. (NASDAQ - ASNA), is a leading national specialty retailer of apparel for women and tween girls, operating, through its wholly-owned subsidiaries, the Catherines, Dress Barn, Justice, Lane Bryant and Maurices brands. The company operates through its subsidiaries over 3,800 stores throughout the United States and Canada, with annualized revenues of over \$4.5 billion. Ascena Retail Group, Inc. is headquartered in New York, with satellite operations in Mahwah, New Jersey and New Albany, Ohio. Since its acquisition of Charming Shoppes, Inc. in July 2012, the Ascena Retail Group, Inc. has been working to leverage its infrastructure and expertise across brands and develop synergies through a shared services group.

Ascena Retail Group, Inc. is proposing to relocate its shared services real estate professionals from out-of-state to Columbus, Ohio by making an investment of approximately \$200,000 in furniture and fixtures, including stand-alone computers, and create approximately 15 new full-time permanent positions with an estimated annual payroll of \$1.93 million.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into a Job Creation Tax Credit Agreement of sixty percent (60%) for a period of seven (7) years with Ascena Retail Group, Inc. in consideration of the company's proposed investment of

\$200,000.00 and the creation of 15 new full-time permanent positions.

WHEREAS, pursuant to Section 122.17 of the Ohio Revised Code, the State of Ohio is authorized to establish the Tax Credit Authority and to execute agreements with taxpayers of the State of Ohio for the purpose of granting these tax payers job creation tax credits against their corporate franchise tax or income tax, which tax credits are provided to create new jobs in the State Of Ohio; and

WHEREAS, pursuant to Section 718.15 of the Ohio Revised Code (the “City Act”) a municipal corporation is authorized to grant local income tax credits to taxpayers who have received tax credits from the State; and

WHEREAS, contingent on the City granting a Job Creation Tax Credit, Ascena Retail Group, Inc. will expand its operation by creating 15 new full-time permanent positions with an annual payroll of \$1.93 million, investing \$200,000 in furniture and fixtures, including stand-alone computers, increase job opportunities and strengthen the economy of the city; and

WHEREAS, receiving these tax credits from the State and the City is a critical factor in Ascena Retail Group, Inc.’s decision to go forward with the project in Columbus; and

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, Ascena Retail Group, Inc. has indicated that a Job Creation Tax Credit is crucial to its decision to locate the aforementioned expansion in Columbus; and

WHEREAS, the City of Columbus desires to facilitate Ascena Retail Group, Inc.’s growth at the project site; and **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the City hereby finds and determines that the project will (1) create jobs in the State and City; (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax credits is a critical factor in the decision by Ascena Retail Group, Inc. to go forward with the project.

Section 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

Section 3. 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 percent (60%) of the amount of personal income tax withheld on new employees for a term seven (7) years with Ascena Retail Group, Inc.

Section 4. That the City of Columbus Job Creation Tax Credit Agreement is signed by Ascena Retail Group, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 5. The City Council hereby extends authority to the Director of Development to amend the Ascena Retail Group, Inc. City of Columbus Job Creation Tax Credit 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 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.