



## Legislation Details (With Text)

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**File created:** 6/7/2011      **In control:** Development Committee  
**On agenda:** 6/27/2011      **Final action:** 6/28/2011  
**Title:** To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Optimum Technology, Inc.; to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
6/28/2011	1	MAYOR	Signed	
6/28/2011	1	CITY CLERK	Attest	
6/27/2011	1	Columbus City Council	Approved	Pass
6/27/2011	1	COUNCIL PRESIDENT	Signed	
6/10/2011	1	Dev Drafter	Sent to Clerk's Office for Council	
6/7/2011	1	Dev Drafter	Sent for Approval	
6/7/2011	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
6/7/2011	1	Dev Drafter	Sent for Approval	
6/7/2011	1	CITY ATTORNEY	Reviewed and Approved	

**BACKGROUND:** The City of Columbus entered into a Job Creation Tax Credit Agreement (hereinafter "Agreement") with Optimum Technology, Inc. (hereinafter "Project") effective November 9, 2006. Columbus City Council approved the Agreement by Ordinance 1325-2006, passed July 31, 2006 and granted a non-refundable tax credit allowed against the tax imposed under Article 9, Chapter 361 of the Columbus City Codes (the "City Tax Credit") of sixty-five percent (65%) of the new income tax revenue received by the City for a taxable year from new employees, as that term was defined in Section 4 of the Agreement, commencing July 31, 2006 and for eight (8) consecutive full taxable years thereafter based on the lease of an additional 2,500 square feet at their current location, an investment of \$150,000, the retention of 38 positions, and the creation of 60 new permanent full-time positions.

Because Project had failed to submit an Annual Report for Report Year 2008, the Annual Report documents for both Report Year 2009 and Report Year 2008 were sent to Project via Certified Mail on April 26, 2010. Project received the materials as indicated by the return of the Domestic Return Receipt Card signed by Project on April 28, 2010 and received by the City on April 29, 2010. The cover memo included in the mailing directed that Project submit monitoring fees totaling \$2,000 and reporting materials for both reporting years by the reporting deadline of May 24, 2010, and should that not occur the Agreement would be dissolved.

Project did not comply. This being, the Agreement needs to be dissolved.

This legislation is presented as an emergency measure so that the dissolution of the Agreement can be reported to the necessary local and state agencies in an expedient manner.

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

To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Optimum Technology, Inc.; to direct the Director of the Department of Development to notify as necessary the local and state tax authorities; and to declare an emergency.

**WHEREAS**, Columbus City Council approved a Job Creation Tax Creation Agreement ("Agreement ") with Optimum Technology, Inc. ("Project ") by Ordinance No. 1325-2006 on July 31, 2006; and

**WHEREAS**, the Agreement grants a non-refundable tax credit allowed against the tax imposed under Article 9, Chapter 361 of the Columbus City Codes (the "City Tax Credit") of sixty-five percent (65%) of the new income tax revenue received by the City for a taxable year from new employees commencing July 31, 2006 and for eight (8) consecutive full taxable years thereafter; and

**WHEREAS**, the Agreement requires Project to invest \$150,000, retain 38 jobs and create 60 new permanent full-time jobs; and

**WHEREAS**, Project had failed to submit reporting materials for Report Year 2008, Annual Report materials for Report Years 2008 and 2009 were sent to Project via Certified Mail on April 26, 2010 with the City receiving confirmation of delivery on April 29, 2010; and

**WHEREAS**, communication was contained within the reporting materials that full reporting compliance including payment of \$2,000 in monitoring fees was required to be received by the City on or before May 24, 2010 and that should this not occur then the Agreement would be dissolved; and

**WHEREAS**, as Project has been out of reporting compliance for two consecutive reporting years and has not responded to the request to report, there exists a need to dissolve the Agreement and this legislation serves to dissolve the Agreement effective January 1, 2008; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Optimum Technology, Inc. so that the dissolution of the Agreement can be reported to the necessary local and state agencies in an expedient manner, thereby preserving the public health, peace, safety, and welfare; **NOW, THEREFORE**,

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

**Section 1.** That Columbus City Council hereby dissolves the Optimum Technology, Inc. Job Creation Tax Credit Agreement effective January 1, 2008.

**Section 2.** That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the Optimum Technology, Inc. Job Creation Tax Credit Agreement.

**Section 3.** For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.