



Legislation Details (With Text)

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File created: 9/24/2008 **In control:** Development Committee
On agenda: 10/20/2008 **Final action:** 10/22/2008
Title: To authorize the Director of Development to enter into a Columbus Downtown Office Incentive Agreement with Motorists Insurance Group as provided in Columbus City Council Resolution 0088X-2007, adopted June 4, 2007. (AMENDED BY ORD. 0319-2009 PASSED 3/30/2009)

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
10/22/2008	1	CITY CLERK	Attest	
10/21/2008	1	MAYOR	Signed	
10/20/2008	1	Columbus City Council	Approved	Pass
10/20/2008	1	COUNCIL PRESIDENT	Signed	
10/6/2008	1	Columbus City Council	Read for the First Time	
9/25/2008	1	Dev Drafter	Sent to Clerk's Office for Council	
9/24/2008	1	Dev Drafter	Sent for Approval	
9/24/2008	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
9/24/2008	1	Dev Drafter	Sent for Approval	
9/24/2008	1	CITY ATTORNEY	Reviewed and Approved	

BACKGROUND:

The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive with Motorists Insurance Group. Motorists Insurance Group sells insurance products to cover drivers, homes and businesses and is currently proposing to expand and create additional positions in its property casualty business at its headquarters located at 471 E. Broad Street. The company anticipates creating 53 new positions by 2010. The new positions will create approximately \$2.3 million in additional payroll and approximately \$46,000 annually in City income tax revenue. Based on this estimate, Motorists Insurance Group would qualify for the Columbus Downtown Office Incentive of an amount equal to 50% of the payroll taxes paid on the new positions or \$23,000, each year for three (3) years. The Development Department recommends granting the Columbus Downtown Office Incentive program to Motorists Insurance Group.

FISCAL IMPACT:

No funding is required for this legislation.

To authorize the Director of Development to enter into a Columbus Downtown Office Incentive Agreement with Motorists Insurance Group as provided in Columbus City Council Resolution 0088X-2007, adopted June 4, 2007. (AMENDED BY ORD. 0319-2009 PASSED 3/30/2009)

WHEREAS, the City desires to increase employment opportunities and encourage the establishment of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, Resolution 0088X-2007, adopted June 4, 2007, authorized the Department of Development to continue operation of the Columbus Downtown Office Incentive program as amended; and

WHEREAS, the Department of Development has received a completed application for the Columbus Downtown Office Incentive program from Motorists Insurance Group; and

WHEREAS, Motorists Insurance Group estimates they will create 53 new positions at 471 East Broad Street, Columbus, Ohio, with a projected additional payroll of \$2.3 million generating estimated City of Columbus income tax revenue of \$46,000 annually; **NOW, THEREFORE**,

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

- Section 1.** Council authorizes the Director of Development to enter into a Columbus Downtown Office Incentive Agreement with Motorists Insurance Group, pursuant to Columbus City Council Resolution 0088X-2007, for an annual cash payment equal to fifty percent (50%) of the amount of City withholding tax withheld on new employees for a term of three (3) years on the estimated addition of 53 new positions at 471 East Broad Street, Columbus, Ohio.
- Section 2.** This additional employment at Motorists Insurance Group is the result of creating 53 new positions in Downtown as defined in Columbus City Code Title 33 Section 3359.03 downtown district boundary.
- Section 3.** As provided in the program guidelines, ownership of the project site qualifies Motorists Insurance Group for a three (3) year incentive term. The term beginning in calendar year 2009, with the incentive payment made in the second quarter of the following year based on actual City of Columbus income tax withholding paid by the new positions for the preceding year.
- Section 4.** Each year of the term of the agreement with Motorists Insurance Group that a payment is due, the City's obligation to pay the incentive is expressly contingent upon the passing 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 5.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.