



Legislation Details (With Text)

File #: 2501-2016 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 9/27/2016 **In control:** Economic Development Committee

On agenda: 10/24/2016 **Final action:** 10/26/2016

Title: To authorize the Director of Development to enter into a dual-rate Jobs Growth Incentive with Huckberry, Inc. for a term of three (3) consecutive years in consideration of investing an estimated \$100,000.00 and creating 158 new full-time permanent positions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD2051-2016 Huckberry JGI Fact Sheet, 2. ORD2051-2016 Huckberry, Inc. - Map

Date	Ver.	Action By	Action	Result
10/26/2016	1	CITY CLERK	Attest	
10/26/2016	1	MAYOR	Signed	
10/24/2016	1	COUNCIL PRESIDENT	Signed	
10/24/2016	1	Columbus City Council	Approved	Pass
10/17/2016	1	Columbus City Council	Read for the First Time	

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Huckberry, Inc. in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of three (3) consecutive years.

Huckberry, Inc. (“Huckberry”) is an e-commerce retailer of men’s clothing, housewares, and camping gear launched in 2010 and headquartered in San Francisco, California. Huckberry is an online shop and journal that inspires more active, adventurous, and stylish lives through members-only sales and original story-telling. Huckberry Co-Founders take pride that the brand, “is equal parts store, magazine, and inspiration”.

Huckberry is proposing to relocate a large portion of their warehousing, and related business operation, into an existing distribution center located at 6600 Donn Eisele Road, Suite #2 Columbus, Ohio 43217 where the company will lease approximately 62,500 square feet. Administrative/headquarter operations will remain in San Francisco. The project involves a total investment of approximately \$100,000 related to the acquisition of machinery/equipment and furniture/fixtures, and leasehold improvements.

Huckberry anticipates creating 158 new full-time permanent positions in support of this project with an associated new annual payroll of approximately \$5,226,520. The new positions include warehouse and customer service positions.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of Development to enter into a dual-rate Jobs Growth Incentive with Huckberry, Inc. for a term of three (3) consecutive years in consideration of investing an estimated \$100,000.00 and creating 158 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 received a completed Jobs Growth Incentive Application from Huckberry, Inc.; and

WHEREAS, Huckberry, Inc. will establish operations in approximately 62,500 square feet at an existing distribution center located at 6600 Donn Eisele Road, Suite #2 Columbus, Ohio 43217; and

WHEREAS, Huckberry, Inc. will invest a total of approximately \$100,000 related to the acquisition of machinery/equipment and furniture/fixtures, and leasehold improvements and create 158 new full-time permanent positions in support of this project with an associated new annual payroll of approximately \$5,226,520; and

WHEREAS, Huckberry, Inc. has indicated that a Jobs Growth Incentive is crucial to its decisions to establish their operation within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Huckberry, Inc. at the project site by providing a Jobs Growth Incentive; **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 dual-rate Jobs Growth Incentive Agreement with Huckberry, Inc. equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of three (3) consecutive years.
- SECTION 2.** If Huckberry, Inc. is not able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).
- SECTION 3.** Each year of the term of the agreement with Huckberry, 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 4.** That the City of Columbus Jobs Growth Incentive Agreement is signed by Huckberry, 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 Huckberry, Inc. City of Columbus Jobs Growth Incentive Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these 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.

