



Legislation Details (With Text)

File #: 1752-2005 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 10/12/2005 **In control:** Jobs and Economic Development Committee

On agenda: 10/24/2005 **Final action:** 10/26/2005

Title: To authorize and direct the Director of the Department of Development to enter into a Large Employment Office Incentive Agreement with Grange Mutual Casualty Company and to authorize a Large Employment Office Building Incentive of 50% of withholding taxes paid by new employees for a period of eight years; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
10/26/2005	1	ACTING CITY CLERK	Attest	
10/25/2005	1	MAYOR	Signed	
10/24/2005	1	Columbus City Council	Approved	Pass
10/24/2005	1	COUNCIL PRESIDENT	Signed	
10/14/2005	1	Dev Drafter	Sent to Clerk's Office for Council	
10/13/2005	1	Dev Drafter	Sent for Approval	
10/13/2005	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
10/13/2005	1	Dev Drafter	Sent for Approval	
10/13/2005	1	CITY ATTORNEY	Reviewed and Approved	

Background: Grange Mutual Casualty Company ("Grange") has agreed to redevelop its existing facilities, construct a 200,000 square foot office building, construct a parking garage of approximately 1,000 spaces and make related improvements, which should cost between \$72,800,000 and \$85,800,000. This project will allow Grange to create approximately 800 jobs over a twenty-year period and retain approximately 800 jobs. The City wishes to encourage Grange to create the 800 jobs in downtown Columbus. To encourage this job creation, the City is granting a Large Employment Office Incentive to Grange of 50% of the withholding taxes paid to the City for new jobs created as a result of the project for a period of eight years.

Emergency action is requested so that Grange can start the project, make the investment and create the jobs as soon as practical.

Fiscal Impact: It is estimated that the Office Incentive will equal \$1,058,000.00 over the eight-year period. No funding is required for this legislation.

To authorize and direct the Director of the Department of Development to enter into a Large Employment Office Incentive Agreement with Grange Mutual Casualty Company and to authorize a Large Employment Office Building Incentive of 50% of withholding taxes

paid by new employees for a period of eight years; and to declare an emergency.

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

WHEREAS, to carry out this public purpose the City seeks to pursue all reasonable and legitimate incentives to accomplish development and redevelopment in the City; and

WHEREAS, Grange Mutual Casualty Company ("Grange") desires to expand and redevelop its current facilities located at 650 South Front Street, Columbus, Ohio 43206, construct an office building of approximately 200,000 square feet, construct a parking garage of approximately 1,000 spaces and make related improvements (collectively the "Project"), provided that the appropriate economic development incentives are available to support the economic viability of this Project; and

WHEREAS, as a result of this expansion and redevelopment, Grange expects to create approximately 800 new jobs over a 20-year period and retain approximately 800 jobs downtown, and will invest between \$72,800,000 and \$85,800,000 at the project site; and

WHEREAS, the City desires to create a Large Employment Office Incentive related to this Project for Grange to aid in its expansion and redevelopment efforts, which will result in large job creation and the improvement of the downtown area of the City; and

WHEREAS, an emergency exists in the usual daily operations of the City in that it is immediately necessary to grant the incentive for the preservation of the public health, peace, and safety, that preservation being related to the development of the Project and the creation of jobs, the improvement of the overall economic climate of the City, the promotion of economic growth and development, the creation and preservation of jobs and employment opportunities and the improvement of the economic welfare of the citizens of the City, all for the immediate preservation of the public health, peace, property, safety and welfare; **NOW, THEREFORE**,

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

Section 1. The City hereby grants a Large Employment Office Incentive to Grange in connection with the Project. This incentive shall be equal to 50% of the municipal income tax paid through withholding for the new jobs created or transferred to the City by Grange for a term of eight (8) years, beginning January 1, 2009 and ending December 31, 2016.

Section 2. The Director of the Department of Development is hereby authorized to enter into a Large Employment Office Incentive Agreement (the "Agreement") with Grange, providing for an annual cash payment equal to 50% of the total income tax withholding for the new positions created at the project site for the period set forth in Section 1.

Section 3. The minimum employment requirement to qualify for the incentive is 150 new employees. These qualifying jobs must be newly created positions or positions moved from outside the City to downtown. The existing employees shall be established at 775.

Section 4. Only private sector employees qualify for this incentive.

Section 5. Grange must file an application with the Department of Development Office by March 31 of each year to receive the incentive payment for the preceding calendar year. This application must include: (i) the total number of employees employed in the City of Columbus, their respective payroll and the city income tax withheld for them; (ii) the total number of new employees, their respective payroll and the city income tax withheld for those new employees; and (iii) any other relevant information deemed necessary by the City. This information will then be compared to the base year figures described in the Agreement to determine the incentive payment for that calendar year.

Section 6. Each year of the term of the Agreement 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 7. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this 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.