



Legislation Details (With Text)

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Title: To authorize the Director of Development to enter into a Enterprise Zone Agreement, a Jobs Creation Tax Credit Agreement and a Job Growth Incentive Agreement with NetJets Inc. and FlightSafety International, Inc.; and to declare an emergency.

Sponsors:

Indexes:

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Attachments: 1. 1200-2008 attachments.pdf

Date	Ver.	Action By	Action	Result
7/17/2008	1	CITY CLERK	Attest	
7/15/2008	1	MAYOR	Signed	
7/14/2008	1	Columbus City Council	Approved	Pass
7/14/2008	1	COUNCIL PRESIDENT	Signed	
7/1/2008	1	Dev Drafter	Sent for Approval	
7/1/2008	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
7/1/2008	1	Dev Drafter	Sent for Approval	
7/1/2008	1	CITY ATTORNEY	Reviewed and Approved	
7/1/2008	1	Dev Drafter	Sent to Clerk's Office for Council	

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with NetJets Inc. (NetJets) and FlightSafety International, Inc. (FlightSafety), a Jobs Creation Tax Credit Agreement and a Job Growth Incentive Agreement with NetJets and a Jobs Creation Tax Credit Agreement and a Job Growth Incentive Agreement with FlightSafety. The Ohio Enterprise Zone law O.R.C. Section 5709.62 (3) requires the City to enter into a Council-approved agreement between the City and participating companies.

NetJets is the worldwide leader in fractional aircraft ownership and FlightSafety is a provider of professional aviation training, simulation equipment and software. NetJets and Flightsafety are proposing to construct a world-class aeronautical campus by adding approximately 415,000 square feet to the existing facility at 4111 Bridgeway Avenue, at Port Columbus. FlightSafety will more than double the number of its existing simulators, creating its largest concentration of simulators in the country and attracting large numbers of pilots on a daily basis from outside Ohio for training.

The Department of Development recommends a 75%/10 year Enterprise Zone tax abatement on real property improvements for NetJets and FlightSafety, a 65%/15 year Jobs Creation Tax Credit and a 35%/7 year Job Growth Incentive for NetJets, and a 65%/15 year Jobs Creation Tax Credit and a 35%/7 year Job Growth Incentive for FlightSafety. The proposal is consistent with the Columbus Tax Incentive Policy under Central City projects.

Emergency action is requested of City Council in order to facilitate a project start date.

The Columbus Public School District, Gahanna School District and Eastland Career Center have been advised of this project.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into a Enterprise Zone Agreement, a Jobs Creation Tax Credit Agreement and a Job Growth Incentive Agreement with NetJets Inc. and FlightSafety International, Inc.; and to declare an emergency.

WHEREAS, the Columbus City Council authorized the designation of the Enterprise Zone by legislation, Ordinance Number 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinance Nos. 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2609-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; and 225-03 in 2003; and

WHEREAS, NetJets Inc. and FlightSafety International, Inc. have submitted a proposal to the City as required by, but not limited to, Section 5709.62, O. R. C. including all of the information required by Section 5709.62; and

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 taxpayers job creation tax credits against their corporate franchise or income tax, which tax credits are provided to create new jobs in the State of Ohio; and

WHEREAS, the Ohio Department of Development has offered NetJets, Inc. and FlightSafety International, Inc. a 75%/15 year Jobs Creation Tax Credit; and

WHEREAS, pursuant to Section 718.08 of the Ohio Revised Code, a municipal corporation is authorized to grant local income tax credits to taxpayers who have received tax credits from the State; and

WHEREAS, NetJets Inc. and FlightSafety International Inc. propose to invest \$196 million in real property improvements and personal property, retain 1,974 full-time positions and create 810 new jobs, and is located within Columbus Enterprise Zone and is qualified for consideration of both Enterprise Zone, Jobs Creation Tax Credit, and Jobs Growth incentives; and

WHEREAS, NetJets Inc. and FlightSafety International, Inc. have indicated that tax incentives are crucial to its decision to locate the aforementioned expansion at the Columbus site; and

WHEREAS, the Columbus Department of Development has investigated NetJets, Inc.'s and FlightSafety International, Inc.'s proposal and application for tax incentives and has determined that NetJets Inc. and FlightSafety International, Inc. has the financial ability to undertake the proposed project in Columbus; and

WHEREAS, it is required by law to enter into a formal, binding agreement in order to provide an Enterprise Zone, Jobs Creation Tax Credit and Jobs Growth tax incentives in the State and City; and

WHEREAS, the City desires to enter into such agreements with NetJets Inc. and FlightSafety International, Inc. to foster economic growth; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to enter into agreements with NetJets Inc. and FlightSafety International, Inc. in order to facilitate a project start date, all for the preservation of public health, peace, property and safety; **now, therefore,**

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

Section 1. That the Director of the Department of Development be and is hereby authorized to enter into a 10-year, 75% Enterprise Zone Agreement with NetJets, Inc. and FlightSafety International, Inc. on real property improvements under the City's Enterprise Zone Program, a 15-year, 65% Jobs Creation Tax Credit and a Jobs Growth Incentive equal to 35% of the amount of personal income tax withheld on new employees for a term of 7 years with NetJets Inc. and a 15-year, 65% Jobs Creation Tax Credit and a Jobs Growth Incentive equal to 35% of the amount of personal income tax withheld on new employees for a term of 7 years with FlightSafety International, Inc. in consideration of NetJets Inc.'s and FlightSafety International, Inc.'s proposed investment.

Section 2. All tax incentive agreements will be signed by NetJets Inc. and FlightSafety International, Inc. within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credits authorized herein are null and void.

Section 3. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the 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.