



Legislation Details (With Text)

File #: 0821-2012 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 4/6/2012 **In control:** Development Committee

On agenda: 4/30/2012 **Final action:** 5/2/2012

Title: To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of sixty-five percent (65%) for a period of eight (8) years with Quantum Health, Inc. in consideration of the company's investment of \$3.4 million in machinery, equipment, furniture and fixtures and the creation of 525 new permanent full-time positions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD0821-2012 Quantum JCTC Fact Sheet, 2. ORD0821-2012 Quantum Map

Date	Ver.	Action By	Action	Result
5/2/2012	1	CITY CLERK	Attest	
5/1/2012	1	MAYOR	Signed	
4/30/2012	1	COUNCIL PRESIDENT	Signed	
4/30/2012	1	Columbus City Council	Approved	Pass
4/23/2012	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into a Job Creation Tax Credit Agreement with Quantum Health, Inc. The Ohio Tax Credit Legislation (Section 718.15 of the Ohio Revised Code) authorizing such agreements became effective January 14, 1993 and requires the City to enter a Council-approved agreement between the City and a participating company.

Quantum Health, Inc. was founded in 1999 by Kara Trott, after two years of extensive consumer research related to healthcare delivery. The company provides coordinated healthcare programs for self insured employee health benefit plans. The model developed by Quantum Health, Inc. helps clients and patients to better navigate the healthcare system in a manner that provides improved care and lower costs. Quantum Health, Inc. has 230 existing employees at the site in north Columbus. They are currently leasing 53,400 square feet on several floors of the facility. Due to rapid growth, the company has outgrown its existing space at the site.

The project involves the lease of an additional 41,888 square feet at 7450 Huntington Park Drive in Columbus. The company plans to expand operations at the project site with a fixed-asset investment of approximately \$3.4 million for furniture and equipment. Quantum Health, Inc. will retain 230 full-time permanent positions and create 525 full-time permanent positions.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of sixty-five percent (65%) for a period of eight (8) years with Quantum Health, Inc. in consideration of the company's investment of \$3.4 million in machinery, equipment, furniture and fixtures and the creation of 525 new permanent full-time positions.

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

WHEREAS, pursuant to Section 718.15 of the Ohio Revised Code (the "City Act") a municipal corporation is authorized to grant local income tax credits to taxpayers who have received tax credits from the State; and

WHEREAS, contingent on the City granting a Job Creation Tax Credit for the expansion and equipping of a corporate headquarters facility at 7450 Huntington Park Drive, the creation of 525 new permanent full-time positions and the retention of 230 existing permanent full-time positions, with a total annual payroll of \$42 million, Quantum Health, Inc. will make a fixed-asset investment of approximately \$3.4 million including: \$1.5 million in new machinery and equipment; and \$1.9 million in furniture and fixtures and to increase job opportunities and strengthen the economy of the city; and

WHEREAS, receiving these tax credits from the State and the City is a critical factor in Quantum Health, Inc.'s decision to go forward with the project in Columbus; and

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 has received completed applications for a Job Creation Tax Credit; and

WHEREAS, Quantum Health, Inc. has indicated that a Job Creation Tax Credit is crucial to its decision to locate the aforementioned corporate headquarters facility in Columbus; and

WHEREAS, the City of Columbus desires to facilitate Quantum Health, Inc.'s future growth at the project site; **NOW THEREFORE**,

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

Section 1. That the City hereby finds and determines that the project will (1) create jobs in the State and City; (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax credits is a critical factor in the decision by Quantum Health, Inc. to go forward with the project.

Section 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

Section 3. That the Director of the Department of Development is hereby authorized and directed to enter into and execute a Job Creation Tax Credit of sixty-five percent (65%) of the amount of personal income tax withheld on new employees for a term of eight (8) years, beginning January 1, 2013, with Quantum Health, Inc.

Section 4. That the City of Columbus Job Creation Tax Credit Agreement is signed by Quantum Health, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.