



Legislation Text

File #: 1171-2024, **Version:** 1

BACKGROUND: The need exists to amend the City of Columbus Job Creation Tax Credit Agreement (the “**Agreement**”) between the City of Columbus (“**City**”) and ADS Alliance Data Systems, Inc. (hereinafter referred to as “**Grantee**”). Columbus City Council (“**Council**”), by Ordinance No. 1492-2014, passed on July 21, 2014, authorized the Director of the Department of Development to enter into an Agreement with the Grantee that granted a non-refundable tax credit allowed against the tax imposed under Section 362.06, “Income Subject to Net Profit Tax” of the Columbus City Codes of sixty-five percent (65%) of the new income tax revenue received by the **City** for a calendar year from New Employees, commencing January 1, 2015 and for ten (10) consecutive years thereafter (i.e., January 1, 2015 through December 31, 2024 for a 10-year credit). The **Grantee** committed to invest a total capital expenditure of approximately \$80.5 million, which included \$42 million in new construction, \$15 million in leasehold improvements, \$11.6 million in furniture and fixtures, \$10.8 million in machinery and equipment, and \$1.1 million in stand-alone computers to construct a three-building campus to house its corporate associates for its Alliance Data Retail Services. Additionally, the **Grantee** committed to create 700 net new full-time permanent positions with an annual payroll of approximately \$52.5 million, and retain 1,300 full-time associates with an estimated payroll of \$124.4 million (the “**Project**”) at an undeveloped site near Easton Square Place, Columbus, Ohio 43219 (the “**Project Site**”). The **Agreement** was made and entered into effective November 4, 2014.

In a letter from the **Grantee** received by the **City** on February 16, 2024, and through additional correspondence, the **Grantee** confirmed that its legal name changed from ADS Alliance Data Systems, Inc. to Bread Financial Payments, Inc. noting that the company had changed their name effective March 23, 2022. Additionally, the **Grantee** is requesting that the **Project Site** be updated to reflect the **Grantee’s** current location. At the time of construction in 2014, only one street address and parcel number existed. Upon completion of the aforementioned **Project**, the **Project Site** evolved into additional street addresses and parcel numbers that were not part of the original **Project**, but now houses the **Grantee’s** corporate associates as part of their three-building campus at Easton.

As a result, the **Grantee** is requesting the **Agreement** be amended to (1) change the company’s name from ADS Alliance Data Systems, Inc. to Bread Financial Payments, Inc. and (2) change the **Project Site** in the **Agreement** from Easton Square Place, Columbus, Ohio 43219 to 3075, 3085, and 3095 Loyalty Circle, Columbus, Ohio 43219, parcel numbers 010-294116, 010-294117, and 010-295705.

This legislation authorizes the Director of the Department of Development to amend the **Agreement** for the first time to (i) remove ADS Alliance Data Systems, Inc. as **Grantee** and to be replaced with Bread Financial Payments, Inc. and (ii) to revise the **Project Site** from Easton Square Place, Columbus, Ohio 43219, to 3075, 3085, and 3095 Loyalty Circle, Columbus, Ohio 43219, parcel numbers 010-294116, 010-294117, and 010-295705. This legislation is presented as 30-day legislation.

FISCAL IMPACT:

No funding is required for this legislation.

To authorize the Director of the Department of Development to amend the City of Columbus Job Creation Tax Credit

Agreement with ADS Alliance Data Systems, Inc. to remove ADS Alliance Data Systems, Inc. as the Grantee to be replaced with Bread Financial Payments, Inc. as Grantee; and to revise the Project Site; and to amend Ordinance No. 1492-2014.

WHEREAS, the City of Columbus (“**City**”) entered into a Job Creation Tax Credit Agreement (the “**Agreement**”) with ADS Alliance Data Systems, Inc. (the “**Grantee**”) and was approved by Columbus City Council (“**Council**”) on July 22, 2014, by Ordinance Number 1492-2014 with the **Agreement** having been made and entered into effective November 4, 2014; and

WHEREAS, the **Agreement** granted a non-refundable tax credit allowed against the tax imposed under Section 362.06, “Income Subject to Net Profit Tax” of the Columbus City Codes of sixty-five percent (65%) of the new income tax revenue received by the **City** for a calendar year from New Employees, commencing January 1, 2015 and for ten (10) consecutive years thereafter (i.e., January 1, 2015 through December 31, 2024 for a 10-year credit); and

WHEREAS, the **Grantee** committed to invest a total capital expenditure of approximately \$80.5 million, which included \$42 million in new construction, \$15 million in leasehold improvements, \$11.6 million in furniture and fixtures, \$10.8 million in machinery and equipment, and \$1.1 million in stand-alone computers to construct a three-building campus to house its corporate associates for its Alliance Data Retail Services; and

WHEREAS, additionally, the **Grantee** committed to create 700 net new full-time permanent positions with an annual payroll of approximately \$52.5 million, and retain 1,300 full-time associates with an estimated payroll of \$124.4 million (the “**Project**”) at an undeveloped site located between McCutcheon Road and Easton Square Place, Columbus, Ohio 43219 (the “**Project Site**”).

WHEREAS, in a letter from the **Grantee** received by the **City** on February 16, 2024, and through additional correspondence, the **Grantee** confirmed that its legal name changed from ADS Alliance Data Systems, Inc. to Bread Financial Payments, Inc. noting that the company had changed their name effective March 23, 2022. Additionally, the **Grantee** is requesting that the **Project Site** be updated to reflect the **Grantee’s** current location. At the time of construction in 2014, only one street address and parcel number existed. Upon completion of the aforementioned **Project**, the **Project Site** evolved into additional addresses and parcel numbers that were not part of the original **Project**, but now houses the **Grantee’s** corporate associates as part of their three-building campus at Easton; and

WHEREAS, as a result, the **Grantee** is requesting the **Agreement** be amended to (1) change the company’s name from ADS Alliance Data Systems, Inc. to Bread Financial Payments, Inc. and (2) change the **Project Site** in the **Agreement** from Easton Square Place, Columbus, Ohio 43219 to 3075, 3085, and 3095 Loyalty Circle, Columbus, Ohio 43219, parcel numbers 010-294116, 010-294117, and 010-295705; and

WHEREAS, a First Amendment to the **Agreement** is now needed for the purposes of (1) to remove ADS Alliance Data Systems, Inc. as the **Grantee** and party to the **Agreement** and to be replaced with Bread Financial Payments, Inc. and (2) to revise the **Project Site**; and

WHEREAS, the City of Columbus desires to facilitate the future growth of the **Grantee** at the **Project Site** and capture all net new employees as required by the incentive and annual reporting; and **NOW THEREFORE**,

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

Section 1. That the City of Columbus Job Creation Tax Credit Agreement with ADS Alliance Data Systems, Inc. is hereby amended to revise the **Project Site** from Easton Square Place, Columbus, Ohio 43219 to 3075, 3085, and 3095 Loyalty Circle, Columbus, Ohio 43219 with the associated parcel numbers of 010-294116, 010-294117, and 010-295705, as follows, with additions in underline and deletions in

strikethrough:

WHEREAS, the **GRANTEE**, within the **CITY**, desires to invest approximately \$80.5 million, which includes real property improvements, leasehold improvements, machinery, equipment, furniture and fixtures, to construct a three-building campus consisting of 550,000 square feet to house its Alliance Data Retail Services business. In addition, the **GRANTEE** will create 700 new full-time permanent positions with an estimated annual payroll of approximately \$52.5 million and retain 1,300 full time associates with an estimated annual payroll of approximately \$124.4 million (the “**PROJECT**”) at 3075, 3085, and 3095 Loyalty Circle, Easton Square Place Columbus, Ohio 43219, parcel numbers 010-294116, 010-294117, and 010-295705 (the “**PROJECT SITE**”); and

Section 2. That the existing section of the City of Columbus Job Creation Tax Credit Agreement with ADS Alliance Data Systems, Inc. described in Section 1 of this Ordinance is hereby repealed.

Section 3. That the City of Columbus Job Creation Tax Credit Agreement with ADS Alliance Data Systems, Inc. is hereby amended to revise the Grantor from ADS Alliance Data Systems, Inc. to Bread Financial Payments, Inc., as follows, with additions in underline and deletions in strikethrough:

This Tax Credit Agreement (The “**AGREEMENT**”) is made and entered into by and between the City of Columbus, a municipal corporation of the State of Ohio (hereinafter “**GRANTOR**” or the “**CITY**”) and Bread Financial Payments, Inc. ~~ADS Alliance Data Systems, Inc.~~ (hereinafter “**GRANTEE**”), with its main offices located at 3100 Easton Square Place, Columbus, Ohio 43219.

Section 4. That existing section of the City of Columbus Job Creation Tax Credit Agreement with ADS Alliance Data Systems, Inc. described in Section 3 of this Ordinance is hereby repealed.

Section 5. That Section 3 of Ordinance No. 1492-2014 is hereby amended as follows, with additions in underline and deletions in strikethrough:

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 Agreement of sixty-five percent (65%) of the amount of personal income tax withheld on new employees for a term of ten (10) years with ~~ADS Alliance Data Systems, Inc.~~ Bread Financial Payments, Inc.

Section 6. That existing Section 3 of Ordinance No. 1492-2014 is hereby repealed.

Section 7. That Section 5 of Ordinance No. 1492-2014 is hereby amended as follows, with additions in underline and deletions in strikethrough:

SECTION 5. That City Council hereby extends authority to the Director of Development to amend the ~~ADS Alliance Data Systems, Inc.~~ Bread Financial Payments, Inc. City of Columbus Job Creation Tax Credit 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 8. That existing Section 5 of Ordinance No. 1492-2014 is hereby repealed.

Section 9. That Bread Financial Payments, Inc. sign the First Amendment to the City of Columbus Job Creation Tax Credit Agreement within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

Section 10. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.