



## Legislation Text

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**File #: 2691-2012, Version: 1**

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**BACKGROUND:** The Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with International Business Machines Corporation equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees to Columbus for a term of five (5) years. The company will invest approximately \$3.2 million to expand square footage and acquire new machinery, equipment, furniture and fixtures at its existing facility at 4600 Lakehurst Court, and to create 500 new full-time permanent positions and retain 671 existing employees.

International Business Machines Corporation was founded in 1911 through the merger of three separate companies and is a multinational consulting and technology corporation headquartered in New York. International Business Machines Corporation manufactures and markets computer hardware and software, along with offering consulting, hosting and infrastructure services. The company does business in 180 countries and has 12 research laboratories worldwide.

The project involves the creation of a worldwide business analytics and software development center. The Center for Advanced Analytics will operate in 30,000 square feet of additional leased space within the company's current site at 4600 Lakehurst Court. A total investment of \$3.2 million will be made for building improvements, machinery, equipment, furniture and fixtures. International Business Machines Corporation will create 500 new full-time permanent positions and retain 671 employees.

**FISCAL IMPACT:** No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with International Business Machines Corporation equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of five (5) years in consideration of the company's proposed investment of \$3.2 million, the creation of 500 new full-time permanent positions and the retention of 671 full-time permanent existing jobs.

**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 a completed Jobs Growth Incentive Application from International Business Machines Corporation; and

**WHEREAS,** International Business Machines Corporation will expand its operation by 30,000 square feet to create a worldwide business analytics and software development center at the facility housing its existing operations at 4600 Lakehurst Court; and

**WHEREAS,** International Business Machines Corporation has indicated that a Jobs Growth Incentive is crucial to its decision to expand its operational capacity with a total investment of \$3.2 million in building improvements, machinery, equipment, furniture and fixtures in Columbus; and

**WHEREAS,** the City of Columbus desires to facilitate International Business Machines Corporation's future growth at the project site by providing a Jobs Growth Incentive; and

**WHEREAS,** in consideration of International Business Machines Corporation's proposed investment of \$3.2 million, the creation of 500 new full-time permanent positions and the retention of 671 existing full-time employees; and **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 Jobs Growth Incentive Agreement equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of five (5) years

with International Business Machines Corporation.

**Section 2.** Each year of the term of the agreement with International Business Machines Corporation, 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 3.** That the City of Columbus Jobs Growth Incentive Agreement is signed by International Business Machines Corporation within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

**Section 4.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.