



## Legislation Text

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**File #: 0983-2007, Version: 1**

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### **BACKGROUND:**

The City of Columbus currently has an excessive amount of vacant office space in our downtown market. This high vacancy rate is having a negative impact on all business activity downtown and throughout the city. Stanbery Development LLC is currently exploring downtown Columbus as a potential site for their expansion. They anticipate bringing an estimated 12 new positions downtown. This new job creation is estimated to generate \$900,000 of payroll and \$18,000 annually in City income tax revenue. Based on this estimate, they would qualify for a Columbus Downtown Office Incentive of an amount equal to 50% of the payroll taxes paid or \$9,000 each year for five (5) years. The Downtown Development Office recommends granting the Columbus Downtown Office Incentive Program to Stanbery Development LLC.

### **FISCAL IMPACT:**

No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Columbus Downtown Office Incentive Program agreement with Stanbery Development LLC as provided in Columbus City Council Resolution 0088X-2007, adopted June 4, 2007.

**WHEREAS**, 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**, Resolution 0088X-2007, adopted June 4, 2007, authorized the Department of Development to establish the Columbus Downtown Office Incentive Program; and

**WHEREAS**, the Department of Development has received a completed application for the Columbus Downtown Office Incentive Program from Stanbery Development LLC; and

**WHEREAS**, Stanbery Development LLC estimates that it will create 12 new positions at 328 South Civic Center Dr., with a projected payroll of \$900,000 generating estimated City of Columbus income tax revenue of \$18,000 annually; **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 Columbus Downtown Office Incentive Program agreement with Stanbery Development LLC, pursuant to Columbus City Council Resolution 0088X-2007, adopted June 4, 2007, for an annual cash payment equal to 50% of the total income tax withholding for the new positions located in downtown Columbus for a term of five (5) years based on the estimated addition of 12 jobs at 328 South Civic Center Dr.

**Section 2.** This employment at Stanbery Development LLC is the result of creating 12 new jobs at the Downtown site as defined in Columbus City Code Title 33 Section 3359.03 downtown district boundary.

**Section 3.** As provided in the program guidelines the proposed purchase of 328 South Civic Center Dr., qualifies Stanbery Development LLC for a five (5) year incentive term. The term beginning in calendar year 2008, with the incentive

payment made in the first quarter of the following year based on actual City of Columbus income tax withholding paid by employees for the preceding year.

**Section 4.** Each year of the term of the agreement with Stanbery Development LLC 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 5.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.