



Legislation Text

File #: 1192-2020, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Sarepta Therapeutics, Inc. in an amount equal to (i) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty-five percent (35%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.

Sarepta Therapeutics, Inc. was established in 1980 in Corvallis, Oregon. Sarepta is a global commercial biotechnology company focused on genetic medicine for rare diseases. The company is in the process of building the world's largest gene therapy manufacturing capacity. The company's pipeline is focused on several RNA and Gene therapy technologies. The company commenced central Ohio operations in 2018 and is currently building out its Gene Therapy Center of Excellence in Columbus.

Sarepta Therapeutics, Inc. is proposing to invest approximately \$1,500,000 in computers, \$14,000,000 in machinery and equipment, \$1,500,000 in furniture and fixtures, and \$15,000,000 in leasehold improvements to establish operations at 3435 Stelzer Road, Columbus, Ohio 43219, parcel number 010-257355. With this project, the company plans to relocate and retain 38 existing full-time permanent positions with an associated annual payroll of \$4,462,000 from 5200 Blazer Parkway, Dublin, Ohio 43017. Additionally, Sarepta Therapeutics, Inc. will create 100 new full-time permanent positions with a cumulative estimated annual payroll of approximately \$12,300,000 to support its growth.

Sarepta Therapeutics, Inc. is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist with this expansion project. 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 enter into a dual-rate Jobs Growth Incentive Agreement with Sarepta Therapeutics, Inc. for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$32,000,000.00 and creation of 100 net new full-time permanent positions with an estimated annual payroll of approximately \$12,300,000.00.

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 received a completed Jobs Growth Incentive Application from Sarepta Therapeutics, Inc.; and

WHEREAS, Sarepta Therapeutics, Inc. proposes to establish administrative operations by investing a total project cost of approximately \$32,000,000 in investments. With this project, the company plans to operate at 3435 Stelzer Road, Columbus, Ohio 43219, parcel number 010-257355 to support research operations; and

WHEREAS, Sarepta Therapeutics, Inc. will retain and relocate 38 existing full-time permanent positions with an associated annual payroll of \$4,462,000 from 5200 Blazer Parkway, Dublin, Ohio 43017 and create 100 net new full-time permanent positions with an estimated associated annual payroll of approximately \$12,300,000 at the proposed project site; and

WHEREAS, Sarepta Therapeutics, Inc. has indicated that a Jobs Growth Incentive is crucial to its decision to establish

administrative operations within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Sarepta Therapeutics, Inc. at the project site by providing a Jobs Growth Incentive; 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 dual-rate Jobs Growth Incentive Agreement with Sarepta Therapeutics, Inc. equal to (i) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees to the Columbus region and (ii) thirty-five percent (35%) of the City of Columbus income tax withheld on the Columbus payroll of new employees to the Columbus region, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.

SECTION 2. That, should Sarepta Therapeutics, Inc. not be able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be thirty percent (30%).

SECTION 3. That, each year of the agreement with Sarepta Therapeutics, Inc., 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 4. That the City of Columbus Jobs Growth Incentive Agreement shall be signed by Sarepta Therapeutics, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 5. That City Council hereby extends authority to the Director of the Department of Development to amend Sarepta Therapeutics, Inc.'s City of Columbus Jobs Growth Incentive 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 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.