



City of Columbus

Office of City Clerk
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Legislation Text

File #: 1346-2012, **Version:** 1

BACKGROUND: The Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Residential Finance Corporation equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees for a term of five (5) years. Residential Finance Corporation will make an investment of approximately \$2.5 million, including \$1.2 million in lease-hold improvements, \$300,000 in machinery and equipment, \$1.0 million in furniture and fixtures, and create 100 new full-time permanent positions and retain 142 existing jobs in the City of Columbus.

Residential Finance Corporation was founded in 1997 by Michael A. Isaacs and David K. Stein, headquartered in the Arena District in downtown Columbus. Residential Finance Corporation is a mortgage lending firm licensed in 33 states including Washington, DC. The company offers a wide range of loan programs, including Federal Housing Administration (FHA) loans, home equity lines of credit, second mortgages, fixed rate and adjustable rate mortgages. Residential Finance Corporation is a Better Business Bureau (BBB) certified firm and offers Equal Housing Opportunity. In 2009, the company received the American Business Award for Sales Department of the Year.

Residential Finance Corporation is proposing to expand its corporate headquarters by moving from a 22,000 square foot office space to a 39,000 square foot office space. The company will enter into a long-term lease agreement on a vacant commercial building located at One Easton Oval to expand its operation, to meet its increased growth and consumer demand.

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 Residential Finance 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 \$2.5 million, the creation of 100 new full-time permanent positions and the retention of 142 full-time 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 Residential Finance Corporation; and

WHEREAS, Residential Finance Corporation is proposing to enter into a long-term lease agreement on a vacant office space located at One Easton Oval to expand its corporate headquarters; and

WHEREAS, Residential Finance Corporation has indicated that a Jobs Growth Incentive is crucial to its decision to expand the aforementioned corporate headquarters in Columbus; and

WHEREAS, the City of Columbus desires to facilitate Residential Finance Corporation's future growth at the project site; and

WHEREAS, in consideration of Residential Finance Corporation's proposed investment of \$2.5 million, the creation of 100 new full-time permanent positions and the retention of 142 existing jobs; 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 with Residential Finance Corporation equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of five (5) years.

Section 2. Each year of the term of the agreement with Residential Finance 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 Residential Finance 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.