



Legislation Text

File #: 0557-2020, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing a Jobs Growth Incentive Agreement with Xariable, Inc., dba Loop Returns.

Founded in 2016, and headquartered in Columbus, Ohio, Xariable, Inc., dba Loop Returns (“**Loop**”), is a computer software company specializing in the returns and exchanges of retail merchandise. To date, the company’s product has processed more than two million returns for 200 of its own customers. Clients include Brooklinen, Allbirds, PuraVida, Shopify, and more. Loop provides complete returns automation, new product exchanges, and a fully-customized portal which simplifies the returns process for their client’s support team and customers.

Loop is proposing to invest a total project cost of approximately \$200,000 to build out their corporate headquarters, which includes \$175,000 in leasehold improvements and \$25,000 in furniture and fixtures to renovate an approximately 7,350 square-foot office space at 797 N. Wall St., Columbus, Ohio 43215, parcel number 010-009149 (“**Project Site**”), to accommodate its increased sales growth and to meet its consumer demands. The company will create 40 net new full-time permanent positions with an annual payroll of \$3,400,000 and retain 14 full-time permanent positions with an annual payroll of \$1,156,999 at the **Project Site**.

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 Xariable, Inc., dba Loop Returns, for a term of up to three (3) consecutive years in consideration of the company’s proposed capital investment of \$200,000.00 and creation of 40 net new full-time permanent positions with an estimated payroll of approximately \$3,400,000.00.

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 Xariable, Inc., dba Loop Returns; and

WHEREAS, Xariable, Inc., dba Loop Returns, proposes to expand operations by investing a total project cost of approximately \$200,000 in leasehold improvements and furniture and fixtures. With this project, the company plans to lease approximately 7,350 sq. ft. at 797 N. Wall St., Columbus, Ohio 43215, parcel number 010-009149 to support these operations; and

WHEREAS, Xariable, Inc., dba Loop Returns, will create 40 net new full-time permanent positions with an estimated associated annual payroll of approximately \$3,400,000 and retain 14 full-time permanent positions with an associated annual payroll of approximately \$1,156,999 at the proposed project site; and

WHEREAS, Xariable, Inc., dba Loop Returns, 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 Xvariable, Inc., dba Loop Returns, at the project site by providing a Jobs Growth Incentive; and

WHEREAS, it has become necessary in the usual daily operation of the Department of Development to authorize the Director to enter into a dual-rate Jobs Growth Incentive Agreement with Xvariable, Inc., dba Loop Returns, for a term of up to three (3) consecutive years in consideration of the company's proposed capital investment and creation of 40 net new full-time permanent positions; **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 Xvariable, Inc., dba Loop Returns, equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) 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 three (3) consecutive years.
- SECTION 2.** Should Xvariable, Inc., dba Loop Returns, 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 twenty-five percent (25%).
- SECTION 3.** Each year of the term of the agreement with Xvariable, Inc. dba Loop Returns 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 is signed by Xvariable, Inc. dba Loop Returns within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.
- SECTION 5.** The City Council hereby extends authority to the Director of the Department of Development to amend Xvariable, Inc. dba Loop Returns 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 certain 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.