



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 1195-2007, Version: 1

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. Glimcher Properties Limited Partnership is currently exploring sites for expansion. They are currently located at 150 E Gay Street. They anticipate creating an estimated 26 new positions by 2008. This new job creation is estimated to generate \$5.3 million of payroll and \$106,000 annually in City income tax revenue. The City has proposed the Columbus Downtown Office Incentive (CDOI) for an extended term of eight (8) years with a term cap of \$720,000 over the life of the program. Based on the above estimates the Glimcher incentive will be an amount equal to 50% of the payroll taxes paid each year, or an estimated \$53,000 each year for eight (8) years. The Downtown Development Office recommends granting this extended term Columbus Downtown Office Incentive program to Glimcher Properties Limited Partnership.

FISCAL IMPACT:

No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into an extended term Columbus Downtown Office Incentive agreement with Glimcher Properties Limited Partnership as provide 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, authorizing 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 Glimcher Properties Limited Partnership; and

WHEREAS, Glimcher Properties Limited Partnership estimates that it will create 26 new positions at 180 East Broad Street, with a projected payroll of \$5.3 million generating estimated City of Columbus income tax revenue of \$106,000 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 an extended term Columbus Downtown Office Incentive agreement with Glimcher Properties Limited Partnership 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 eight (8) years with a term cap of \$720,000 in total payments over the life of the incentive

Section 2. This employment at Glimcher Properties Limited Partnership is the result of creating 26 new positions at the Downtown site as defined in Columbus City Code Title 33 Section 3359.03 downtown district boundary.

Section 3. As provided in the proposal to Glimcher dated March 30, 2007 the proposed 10 year lease at 180 East Broad Street

qualifies Glimcher Properties Limited Partnership for an eight (8) year incentive term capped at \$720,000 over the term of the agreement. The term beginning in calendar year 2007, 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 Glimcher Properties Limited Partnership 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

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.