



Legislation Text

File #: 1396-2014, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with The Crimson Cup, Inc. (Crimson Cup) equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees for a term up to five (5) years for the purposes of job creation and retention of an emerging business located in the Southeast business corridor.

Crimson Cup roasts, manufactures and distributes specialty coffee. The company was founded in 1991 by Greg Ubert, President. With a modest investment from his parents and a couple of friends, Greg rented a small 1200 square foot office and purchased a small blue coffee roaster. He began experimenting; mixing Colombian beans with African, Mexican beans with Sumatran. When he finally had a few blends he felt good about, he started selling to Columbus businesses and coffeehouses. The business name "Crimson Cup," was derived from the ripe red berry of the coffee tree and in honor of Harvard's official color, crimson, which is Greg's alma mater. Today, Crimson Cup distributes coffee, tea, sauces, syrups, equipment and other coffee house related items to its customers across 28 states.

Crimson Cup is proposing to invest approximately \$1.15 million, which includes acquisition cost, real property improvements, machinery, equipment, furniture and fixtures, to expand and renovate its corporate headquarters including its R&D training facility at 700 Alum Creek Drive. In addition, the company is proposing to acquire a vacant commercial property located at 1925 Alum Creek Drive to relocate and expand its manufacturing operation. Crimson Cup will create 20 new full-time permanent positions between both project sites with an estimated annual payroll of approximately \$1.05 million and retain 17 full-time jobs with an annual payroll of approximately \$981,000, 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 The Crimson Cup, Inc. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) years in consideration of the company's proposed investment of \$1.15 million and the creation of 20 new full-time permanent positions.

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 The Crimson Cup, Inc.; and

WHEREAS, The Crimson Cup, Inc. is proposing to invest approximately \$1.15 million to expand and renovate its corporate headquarters at 700 Alum Creek Drive, and relocate and expand its manufacturing operation by acquiring a vacant commercial property located at 1925 Alum Creek Drive; and

WHEREAS, the company will create 20 new full-time permanent positions with an estimated annual payroll of approximately \$1.05 million and retain 17 full-time jobs; and

WHEREAS, The Crimson Cup, Inc. has indicated that a Jobs Growth Incentive is crucial to its decision to relocate the aforementioned operation in Columbus; and

WHEREAS, the City of Columbus desires to facilitate The Crimson Cup, Inc.'s future growth at the project site; 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 The Crimson Cup, Inc. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) years.

SECTION 2. Each year of the term of the agreement with The Crimson Cup, 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 3. That the City of Columbus Jobs Growth Incentive Agreement is signed by The Crimson Cup, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. The City Council hereby extends authority to the Director of the Department of Development to amend The Crimson Cup, Inc.'s City of Columbus Jobs Growth Incentive Agreement for non-substantive modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these non-substantive 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 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.