



Legislation Text

File #: 1288-2010, **Version:** 1

BACKGROUND: The need exists to enter into a Job Creation Tax Credit Agreement with Resource Interactive. Section 718.15 of the Ohio Revised Code requires the City to enter a Council-approved agreement between the City and a participating company.

The Department of Development proposes to enter into a Job Creation Tax Credit Agreement with Resource Interactive for 60% for a period of 5 years in consideration of the company's investment of approximately \$2,000,000.00 in machinery and equipment, retention of 247 full-time positions and the creation of approximately 50 full-time permanent positions with an annual payroll of \$4,250,000.00 million.

Resource Interactive is a privately held digital marketing agency in Columbus Ohio, working with Fortune 500 companies to develop digital strategy, website creative and interactive technology solutions. Resource Interactive is recognized for its aptitude in consumer insights and strategy, interactive design and technological innovation. Nancy Kramer founded the company in 1981 with its first marketing relationship with Apple. Resource Interactive has since expanded its partnerships with clients to include Procter & Gamble, Hewlett Packard, Walmart, Coca-Cola, Victoria's Secret, Sherwin-Williams and L.L.Bean, among others.

With offices in Columbus, Cincinnati, and Palo Alto, California, Resource Interactive is the largest independent, women-owned agency in the nation. The company's increased growth is due to securing a number of new clients and the need for service to the new clients. Resource Interactive is currently opening new offices in San Francisco and considering additional satellite offices in Seattle, London and New York.

Resource Interactive received a Downtown Office Incentive of 50% in 2006 from the City of Columbus. This incentive will expire in 2011. To date, the company has exceeded their job creation goal. The company is expanding business operations and creating an additional 50 jobs. The Job Creation Tax Credit will not begin until 2012 after the Downtown Office Incentive has expired.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a 5-year, 60% Job Creation Tax Credit agreement with Resource Interactive.

WHEREAS, pursuant to Section 122.17 of the Ohio Revised Code, the State of Ohio is authorized to establish the Tax Credit Authority and to execute agreement with taxpayers of the State for the purpose of granting taxpayers a job creation tax credit (the "State Credit") to be applied against their corporation franchise tax and commercial activity tax liability, which tax credits are provided to create new jobs in the State; and

WHEREAS, pursuant to Section 718.15 of the Ohio Revised Code (the "City Act"), the City is authorized to grant local income tax credits (the "Local Credit") to taxpayers who have received State Credits; and

WHEREAS, contingent on the City granting a Job Creation Tax Credit, Resource Interactive plans to invest approximately \$2,000,000 in machinery and equipment in the City (the "Project"), which will allow Resource Interactive to retain 247 full-time positions, create approximately 50 new permanent full-time jobs with an annual payroll of \$4,250,000 million and increase job opportunities and strengthen the economy of the City; and

WHEREAS, on January 22, 2007, the Ohio Tax Credit Authority approved a 55%/7 year State Credit for the Project, the credit was extended February 22, 2010 to 60% for 8 years; and

WHEREAS, the City Act requires the City to enter into a formal and binding agreement in order to provide a Local Credit to Resource Interactive; and

WHEREAS, receiving the State Credit and the Local Credit is a critical factor in Resource Interactive' decision to go forward with the Project in the City; and

WHEREAS, Resource Interactive received a Downtown Office Incentive of 50% in 2006 from the City of Columbus. This incentive will expire in 2011. To date, the company has exceeded their job creation. The company is expanding business operations and creating an additional 50 jobs. The Job Creation Tax Credit will not begin until 2012 after the Downtown Office Incentive has expired. **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the City hereby finds and determines that (1) the Project will create jobs in the State and City; (2) the Project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax credits is a critical factor in Resource Interactive' decision to go forward with the Project.

Section 2. That the City Council hereby finds and determines that the Project meets all the requirements of the City Act.

Section 3. That the Director of the Department of Development is hereby authorized and directed to enter into and execute a 5-year, 60%, City Job Creation Tax Credit Agreement with Resource Interactive.

Section 4. That the City Job Creation Tax Credit Agreement must be signed by Resource Interactive within 90 days of receiving the Agreement for signature, or this Ordinance and the Local Credit provided herein shall be null and void.

Section 5. That this Ordinance shall take effect at the earliest time allowed by law.