



Legislation Text

File #: 1646-2020, **Version:** 1

BACKGROUND: The City of Columbus (“CITY”) entered into a Job Creation Tax Credit Agreement (hereinafter the “AGREEMENT”) with Quantum Health, Inc. (GRANTEE) effective August 1, 2012. Columbus City Council (COUNCIL) approved the AGREEMENT by Ordinance No. 0821-2012, adopted April 30, 2012, and granted a non-refundable tax credit in an amount of sixty-five percent (65%) of the new municipal income tax revenues generated by new employees at the project site for eight (8) years, commencing January 1, 2013 and for eight (8) consecutive years thereafter in consideration of an investment of \$3.4 million in furniture and equipment, the retention of 230 permanent full-time employees and the creation of 525 permanent positions related to the lease of an additional 41,888 square feet, expanding their footprint to 95,288 square feet at 7450 Huntington Park Drive, Columbus, Ohio 43235 (the “PROJECT SITE”).

In a letter from the GRANTEE dated February 20, 2020, the GRANTEE advised the CITY that “with this letter, we are voluntarily requesting termination of the Job Creation Tax Credit Agreement” and noted that additionally they “hereby waive the rights to any unused tax credit certificates.” This legislation is to dissolve the AGREEMENT between the City of Columbus and Quantum Health, Inc.

This legislation is presented as an emergency measure in order for this dissolution to be legislated in the most expedient manner as possible so that this dissolution of the AGREEMENT can be reported to the necessary local and state agencies without further delay.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Quantum Health, Inc., and to declare an emergency.

WHEREAS, Columbus City Council approved a Job Creation Tax Credit Agreement (the “AGREEMENT”) with Quantum Health, Inc. (GRANTEE) by Ordinance No. 0821-2012 on April 30, 2012 with the AGREEMENT having been made and entered into effective August 1, 2012; and

WHEREAS, the AGREEMENT granted a non-refundable tax credit in an amount of sixty-five percent (65%) of the new municipal income tax revenues generated by new employees at the project site for eight (8) years, commencing January 1, 2013 and for eight (8) consecutive years thereafter; and

WHEREAS, in the AGREEMENT, GRANTEE committed to retain 230 permanent full-time employees and create 525 new permanent positions and invest approximately \$3.4 million in furniture and equipment related to the lease of an additional 41,888 square feet to expand their footprint to 95,288 square feet at 7450 Huntington Park Drive, Columbus, Ohio 43235 (the “PROJECT SITE”); and

WHEREAS, in a letter from the GRANTEE dated February 20, 2020, the GRANTEE advised the CITY that “with this letter, we are voluntarily requesting termination of the Job Creation Tax Credit Agreement” and noted that additionally they “hereby waive the rights to any unused tax credit certificates;” and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to dissolve the AGREEMENT between the City of Columbus and Quantum Health, Inc. in the most expedient manner as possible, to report the dissolution to the necessary local and state agencies and to preserve the

public health, property, safety and welfare;

NOW, THEREFORE

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS

SECTION 1. That Columbus City Council hereby dissolves the Quantum Health, Inc. Job Creation Tax Credit Agreement (authorized by Ordinance Number 0821-2012; adopted April 30, 2012; made and entered into effective August 1, 2012) effective January 1, 2019 thereby making calendar year 2018 having been the final reporting tax year for the incentive and effectively eliminating any remaining tax years for the incentive.

SECTION 2. That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the Quantum Health, Inc. Job Creation Tax Credit Agreement.

SECTION 3. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.