



Legislation Text

File #: 1815-2017, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with FacilitySource, LLC in an amount 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, both for a term of up to four (4) consecutive years.

FacilitySource, LLC (“FacilitySource”) is a national facilities management company and partner for facility management software, maintenance and support. Many of the world’s leading brands rely on the company to find innovative ways to streamline maintenance processes, automate workflows, and reduce their overall maintenance spending. Each year, FacilitySource answers over 2 million service calls, processes 3.6 million work orders, and manages \$2.7 billion dollars in facilities spend across multiple business sectors, but primarily large retail chains.

FacilitySource, LLC is proposing to expand their operations at 200 East Campus View Blvd., Suite 301 Columbus, Ohio 43235 (“Project Site”), a commercial office building in which the company already has existing operations which occupies approximately 33,000 square feet, in support of its facility management business. As part of this expansion, FacilitySource is expected to enter into a 6-year lease agreement for an additional 13,562 square feet on multiple floors within the building.

Improvements to FacilitySource’s existing offices and the build out of the newly-leased office space will be a sizeable investment for the company to accommodate the expected headcount growth. The project involves a total investment of approximately \$1,538,000 related to building improvements and the acquisition of machinery and equipment, furniture/fixtures, and computers. FacilitySource, LLC anticipates retaining 317 existing full-time permanent positions with an associated annual payroll of approximately \$15,929,473 and creating 272 new full-time permanent positions with an associated new annual payroll of approximately \$13,549,952.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of Development to enter into a dual-rate Jobs Growth Incentive with FacilitySource, LLC for a term of up to four (4) consecutive years in consideration of investing an estimated \$1,538,000.00, retaining 317 full-time permanent positions, and creating 272 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 received a completed Jobs Growth Incentive Application from FacilitySource, LLC; and

WHEREAS, FacilitySource, LLC will expand operations at an existing office site located at 200 East Campus View Blvd., Suite 301 Columbus, Ohio 43235 by leasing an additional 13,562 square feet on multiple floors within the building; and

WHEREAS, FacilitySource, LLC will invest approximately \$1,538,000 related to building improvements and the acquisition of machinery and equipment, furniture/fixtures, and computers, retain 317 full-time permanent positions with an associated annual payroll of approximately \$15,929,473, create 272 new full-time permanent positions with an associated annual payroll of approximately \$13,549,952; and

WHEREAS, FacilitySource, LLC has indicated that a Jobs Growth Incentive is crucial to its decision to expand operations in the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of FacilitySource, LLC at the project site by providing a Jobs Growth Incentive; **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 FacilitySource, LLC 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, both for a term of up to four (4) consecutive years.
- SECTION 2.** If FacilitySource, LLC is not 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 FacilitySource, LLC, 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 FacilitySource, LLC 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 Development to amend the FacilitySource, LLC and 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 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.