



Legislation Text

File #: 1972-2014, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive with PrivIT, Inc.

A subsidiary of a Canadian company with sales offices in London, Ontario and corporate operations in Columbus, PrivIT, Inc. has developed patented web-based technology for the collection, distribution and analysis of personal health information with the aim of improving the health and safety of all those involved in organized sports and activities. The company's web-based system is designed for ease of use to assist athletes, parents, children, administrators, and other professionals along one of four initial tracts: e-PPE, MiFitness Health Record, MiChilds Health Record, and MiCamper Health Record.

Currently, PrivIT, Inc. occupies approximately 3,300 square feet of office space at 330 W. Spring Street, Suite 250 Columbus, Ohio 43215 and is under a lease agreement until July 31, 2018 but anticipates needing approximately 15,000 square feet as the Columbus operation grows. PrivIT, Inc. intends to grow at the current site, but is evaluating a variety of location options to accommodate their expected future growth. Once the final location is selected, PrivIT, Inc. will then determine the cost related to leasehold improvements. PrivIT, Inc. will invest approximately \$48,000 related to the acquisition of furniture and fixtures and stand-alone computers at a project location in downtown Columbus, retain 6 full-time permanent positions with an estimated annual payroll of approximately \$555,003, and create 30 new full-time permanent positions with an estimated new annual payroll of approximately \$2,005,000.

PrivIT, Inc. qualifies for the Columbus Downtown Office Incentive in an amount equal to fifty percent (50%) of the amount of new employee city income tax withholding, or approximately \$75,188, over the incentive term of three (3) years with the possibility of receiving two additional cash payments totaling approximately \$50,125 (five year total of approximately \$125,313), should PrivIT, Inc. exercise its lease renewal option to extend the lease term by a minimum of two (2) years or execute a new lease at another location within the downtown business district, resulting in a total lease term of at least seven (7) years and a total incentive term of five (5) years. The Columbus Department of Development recommends granting the Columbus Downtown Office Incentive to PrivIT, Inc.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Columbus Downtown Office Incentive Agreement with PrivIT, Inc. as provided 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, authorized the Department of Development to establish the Columbus Downtown Office Incentive Program as amended; and

WHEREAS, the Department of Development has received a completed application for the Columbus Downtown Office Incentive from PrivIT, Inc.; and

WHEREAS, PrivIT, Inc. currently occupies approximately 3,300 square feet of office space at 330 W. Spring Street,

Suite 250 Columbus, Ohio 43215 and is under a lease agreement until July 31, 2018 but anticipates needing approximately 15,000 square feet as the Columbus operation continues to grow at the current site; and

WHEREAS, PrivIT, Inc. is evaluating a variety of location options to accommodate their expected future growth; and

WHEREAS, PrivIT, Inc. will invest approximately \$48,000 related to the acquisition of furniture and fixtures and stand-alone computers at a project location in downtown Columbus, retain 6 full-time permanent positions with an estimated annual payroll of approximately \$555,003, and create 30 new full-time permanent positions with an estimated new annual payroll of approximately \$2,005,000; 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 Columbus Downtown Office Incentive Agreement, pursuant to Columbus City Council Resolution 0088X-2007, with PrivIT, Inc. for an annual cash payment equal to fifty percent (50%) of the amount of City withholding tax withheld on new employees for a term of three (3) years with the option to increase the term by two (2) years, should PrivIT, Inc. exercise its lease renewal option to extend the lease term by a minimum of two (2) years or execute a new lease at another location within the downtown business district, resulting in a total lease term of at least seven (7) years, on the estimated job creation of 30 new full-time permanent positions to be located within the downtown business district.

SECTION 2. Each year of the term of the agreement with PrivIT, Inc. 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 Charter.

SECTION 3. That the City of Columbus Downtown Office Incentive Agreement is signed by PrivIT, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. That the Director of the Department of Development is hereby authorized to amend the Columbus Downtown Office Incentive Agreement with PrivIT, Inc. 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 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.