



Legislation Text

File #: 3116-2016, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with The Huntington National Bank, a banking association, Huntington Bancshares, Inc. Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc. (collectively known as and hereinafter referred to as “Huntington National Bank”) equal to thirty-five percent (35%) of the amount of personal income tax withheld above the baseline on new employees to Columbus as of December 31, 2016, for a term up to six (6) consecutive years, capped annually, not to exceed \$15 million for the purposes of job creation and employment opportunities for the citizens of Columbus.

P. W. Huntington formed and opened the first Huntington National Bank in downtown Columbus in 1866. Today, Huntington National Bank is an affiliate of Huntington Bancshares Inc. with \$101 billion of assets, a network of 1,103 branches and 1,979 ATMs across eight Midwestern states: Indiana, Kentucky, Michigan, Ohio, Pennsylvania, and West Virginia; its 2016 acquisition of FirstMerit Corporation expands its presence into Illinois and Wisconsin. Huntington National Bank provides full-service commercial and consumer banking services, mortgage banking services, equipment leasing, investment management, trust services, brokerage services, customized insurance service program, and other financial products and services.

Huntington National Bank proposes to invest approximately \$19.5 million, which includes \$1.5 million in acquisition cost, to consolidate, expand and relocate its operations center from Morse Road (Northland Center) into a larger vacant commercial facility that consists of approximately 212,000 sq. ft. (the old Meijer grocery store) at 5555 Cleveland Avenue, Columbus, Ohio 43231. In addition, Huntington National Bank will also consolidate its Crosswoods facility into the proposed project site; whereas, both facilities are currently leased with both lease terms set to expire simultaneously. Huntington National Bank will create 1,000 new full-time permanent positions with an estimated new annual payroll of approximately \$60 million (an average annual salary of \$60,000), exclusive of benefits and retain employees, the total of which will be determined as of calendar year ending December 31, 2016. The proposed new job creation, along with the retained jobs include sites located at 5555 Cleveland Avenue, the corporate headquarters at 41 S. High Street, 37 W. Broad Street and all other non-retail locations situated in the City of Columbus.

Huntington National Bank is also embarking on a community strategic plan that includes the following lending commitment: \$175 million in small business lending in Columbus low-to-moderate income census tracts (LMIT) with focused outreach in Linden and Northland, \$25 million in LMIT mortgage lending with waived closing costs and including small home improvements unsecured borrowing opportunities of up to \$3,000, \$100 million in community development loans and investment throughout Columbus LMIT.

Huntington National Bank is requesting a Jobs Growth Incentive from the City of Columbus to assist in the expansion of this project. This legislation is presented as 30 day legislation.

Fiscal Impact = \$0

To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with The Huntington National Bank, a banking association, Huntington Bancshares, Inc., Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc. equal to thirty-five percent (35%) of the amount of new income tax withheld above the baseline on new employees to Columbus as of December 31, 2016 for a term up to six (6) consecutive years, capped annually, and not to exceed \$15 million in consideration of the company’s proposed investment of \$19.5 million and the creation of 1,000 new full-time permanent positions by 2024 and also investing an additional \$300 million in community based lending initiatives.

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 Huntington National Bank; and

WHEREAS, Huntington National Bank has an existing Jobs Growth Incentive with the City and the aforementioned incentive will not begin until the existing Jobs Growth Incentive has reached its 1) expiration term or 2) its not to exceed total; and

WHEREAS, Huntington National Bank will invest a total of approximately \$300 million through the following community based initiative: \$175 million in small business lending in Columbus low-to-moderate income census tracts (LMIT) with focused outreach in Linden and Northland, \$25 million in LMIT mortgage lending with waived closing costs including small home improvement unsecured borrowing opportunities of up to \$3,000, \$100 million in community development loans and investment throughout Columbus LMIT; and

WHEREAS, P. W. Huntington formed and opened the first Huntington National Bank in downtown Columbus in 1866. Today, Huntington National Bank is an affiliate of Huntington Bancshares Inc. with \$101 billion of assets, a network of 1,103 branches and 1,979 ATMs across eight Midwestern states: Indiana, Kentucky, Michigan, Ohio, Pennsylvania, and West Virginia; its 2016 acquisition of FirstMerit Corporation expands its presence into Illinois and Wisconsin; and

WHEREAS, Huntington National Bank provides full-service commercial and consumer banking services, mortgage banking services, equipment leasing, investment management, trust services, brokerage services, customized insurance service program, and other financial products and service; and

WHEREAS, Huntington National Bank proposes to invest approximately \$19.5 million, which includes \$1.5 million is acquisition cost and \$18.0 million in real property improvements, to consolidate, expand and relocate its operations center from Morse Road into a larger vacant commercial facility that consists of approximately 212,000 sq. ft. (the old Meijer grocery store) at 5555 Cleveland Avenue, Columbus, Ohio 43231. In addition, Huntington National Bank will also consolidate its Crosswoods facility into the proposed project site; whereas, both facilities are currently leased with both lease terms set to expire simultaneously; and

WHEREAS, Huntington National Bank will create 1,000 new full-time permanent positions with an estimated new annual payroll of approximately \$60 million (an average annual salary of \$60,000), exclusive of benefits and retain employees, the total of retained jobs and existing baseline payroll will be determined as of calendar year ending December 31, 2016. The proposed new job creation, along with the retained jobs include sites located at 5555 Cleveland Avenue, the corporate headquarters at 41 S. High Street, 37 W. Broad Street and all other non-retail locations situated in the City of Columbus; and

WHEREAS, Huntington National Bank we receive an tax incentive equal to thirty-five percent (35%) of the amount of personal income tax withheld above the baseline on new employees to Columbus as of December 31, 2016, for a term up to six (6) consecutive years, capped annually, not to exceed \$15 million; and

WHEREAS, per City of Columbus policy as set forth by Columbus City Council, only new full-time permanent positions compensated at an hourly wage rate of at least \$12.00 will be eligible for City incentive support; the incentive will be applied toward new full-time employee hired as a result of the project so long as they meet the minimum hourly wage requirement during the incentive term; and

WHEREAS, Huntington National Bank has indicated that a Jobs Growth Incentive is crucial to its decision to expand the aforementioned operation in Columbus; and

WHEREAS, the City of Columbus desires to facilitate Huntington National Bank future growth at the project site;
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 Huntington National Bank, a banking association, Huntington Bancshares, Inc., Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc. equal to thirty-five percent (35%) of the amount of new income tax withheld on employees for a term up to six (6) consecutive years.

SECTION 2. That each year of the term of the agreement with The Huntington National Bank, a banking association, Huntington Bancshares, Inc., Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, 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 Huntington National Bank, a banking association, Huntington Bancshares, Inc., Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc. within one hundred eighty (180) days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. That City Council hereby extends authority to the Director of the Department of Development to amend The Huntington National Bank, a banking association, Huntington Bancshares, Inc., Huntington Insurance, Inc., Huntington Investment Company, and Huntington Technology Finance, Inc.'s 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 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.