



Legislation Text

File #: 1503-2021, **Version:** 1

BACKGROUND: The need exists to amend and restate the Jobs Growth Incentive Agreement (**JGI AGREEMENT**) between the City of Columbus (**CITY**) and Northwest Bank (**GRANTEE**). The **JGI AGREEMENT** was entered into under Ordinance 0442-2020, which was approved by Columbus City Council on March 2, 2020. The Ordinance authorized the Director of the Department of Development to enter into a **JGI AGREEMENT** with the **GRANTEE** for an annual cash payment equal to twenty-five percent (25%) of the new Columbus resident or thirty percent (30%) of new non-Columbus resident tax withheld on new employees for a term of up to five (5) consecutive years on the estimated job creation of 50 new full-time permanent positions to be located at 1 Easton Oval, Columbus, Ohio 43219 (**JGI PROJECT SITE**).

Additionally, the **CITY** entered into a Downtown Office Incentive Agreement (**DOI AGREEMENT**) with the **GRANTEE** effective June 30, 2020. Columbus City Council approved the **DOI AGREEMENT** by Ordinance No. 0443-2020, passed March 2, 2020, and granted a financial incentive based on an amount equal to fifty percent (50%) of new employee withholding tax paid at the project site, to commence on January 1, 2021 for a period of five (5) consecutive taxable years based on an investment of approximately \$50,000 and the creation of 10 new full-time permanent positions with a cumulative estimated annual payroll of approximately \$1,385,000 and retain 1 full-time permanent position with an annual payroll of \$310,000 at 401 N. Front Street, Columbus Ohio 43215 (**DOI PROJECT SITE**).

Per an offer letter from the **CITY** dated October 29, 2020 and an acceptance letter to the **CITY** from the **GRANTEE** dated January 7, 2021 and through additional correspondence, the **GRANTEE** indicated they planned to expand their original commitment by moving their full headquarters operations from Warren, PA to the **JGI PROJECT SITE** location, dissolve the **DOI AGREEMENT** and consolidate to the **JGI PROJECT SITE**.

Under the **JGI AGREEMENT**, the **GRANTEE** committed to an investment of approximately \$20,000 in technology, \$100,000 in furniture and fixtures and the hiring 50 new full-time permanent employees with an associated annual payroll of \$3,192,317 to establish operations at the **JGI PROJECT SITE**. The relocation of headquarters operations from Warren, PA would increase that commitment by an additional 41 existing full-time permanent positions with an associated annual payroll of approximately \$7,056,731. The dissolution of the **DOI AGREEMENT** consolidates an investment of approximately \$50,000 and the creation of 10 new full-time permanent positions with an estimated annual payroll of approximately \$1,385,000 and retain 1 full-time permanent position with an annual payroll of \$310,000 to the **PROJECT SITE**.

The amended and restated **JGI AGREEMENT** will reflect a total investment of \$170,000 and a commitment to 101 new full-time permanent positions with an associated annual payroll of \$13,019,048 and 1 retained full-time permanent employee with an associated annual payroll of \$310,000 by December 31, 2025 at the **JGI PROJECT SITE**.

As a result of this expansion and consolidation, the City has dissolved the **DOI AGREEMENT** and will extend the existing term of the Jobs Growth Incentive an additional one (1) year for a total of six (6) years and as the **JGI AGREEMENT** will be amended and restated, the amended and restated **JGI AGREEMENT** will be based on the current "JGI Agreement March 2021" template.

This legislation is being presented as an emergency measure because it is necessary to clarify the project scope to allow the grantee to move forward with their relocation to Columbus as quickly as possible.

FISCAL IMPACT: No funding is required for this legislation.

To amend and restate the JGI AGREEMENT between the CITY and Northwest Bank, for the purpose of increasing the amount of private investment to approximately \$170,000.00, increasing the job creation commitment to 101 new positions with an associated annual payroll of \$13,019,048.00 by December 31, 2025, the retention of 1 full-time permanent employee with an associated annual payroll of \$310,000.00 and increasing the term of the incentive to six (6) years; and to declare an emergency.

WHEREAS, Columbus City Council approved the **JGI AGREEMENT** with the Northwest Bank (GRANTEE) by Ordinance Number 0442-2020 on March 2, 2020 with the **JGI AGREEMENT** having been made and entered into effective June 30, 2020; and

WHEREAS, the **JGI AGREEMENT** granted a financial incentive based on an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of New Employees at the Project Site and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of those New Employees at the Project Site who are also City of Columbus residents at the end of each calendar year, to commence on January 1, 2020 and for five (5) consecutive years thereafter, with the Project Site located at 1 Easton Oval, Columbus, Ohio 43219 (**JGI PROJECT SITE**); and

WHEREAS, additionally, the **CITY** also entered into a Downtown Office Incentive Agreement (**DOI AGREEMENT**) with the **GRANTEE** which granted a financial incentive also to commence on January 1, 2021 for a period of five (5) consecutive taxable years based on an investment of approximately \$50,000 and the creation of 10 new full-time permanent positions with a cumulative estimated annual payroll of approximately \$1,385,000 and the retention of 1 full-time permanent position with an annual payroll of \$310,000 at 401 N. Front Street, Columbus Ohio 43215 (**DOI PROJECT SITE**); and

WHEREAS, per an offer letter from the **CITY** dated October 29, 2020 and an acceptance letter to the **CITY** from the **GRANTEE** dated January 7, 2021 and through additional correspondence, the **GRANTEE** indicated they planned to expand their original commitment by moving their full headquarters operations from Warren, PA to the **JGI PROJECT SITE** location, dissolve the **DOI AGREEMENT** and consolidate to the **JGI PROJECT SITE**; and

WHEREAS, the relocation of headquarters operations from Warren, PA would increase the new full-time permanent positions commitment by relocating 41 existing full-time permanent positions with an associated annual payroll of approximately \$7,056,731; and

WHEREAS, the dissolution of the **DOI AGREEMENT** consolidates an investment of approximately \$50,000 and the creation of 10 new full-time permanent positions with a cumulative estimated annual payroll of approximately \$1,385,000 and retain 1 full-time permanent position with an annual payroll of \$310,000 to the **PROJECT SITE**; and

WHEREAS, the amended and restated **JGI AGREEMENT** will be based on the current “JGI Agreement March 2021” template and will reflect a total investment of \$170,000 and a commitment to 101 new full-time permanent positions with an associated annual payroll of \$13,019,048 and 1 retained full-time permanent employee with an associated annual payroll of \$310,000 by December 31, 2025 at the **JGI PROJECT SITE**; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the amendment of the **AGREEMENT** to allow the Grantee to move forward with their relocation to Columbus as quickly as possible, and to preserve the public health, property, safety and welfare; and **NOW THEREFORE,**

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

SECTION 1. That the Jobs Growth Incentive Agreement entered into by the City of Columbus and Northwest Bank under Ordinance 0442-2020 is hereby authorized to be Amended and Restated to (1) increase the private investment to approximately \$170,000, increase new full-time employee commitment to 101 new full-

time permanent employees with an associated annual payroll of \$13,019,048 and add 1 retained full-time employee with an associated annual payroll of \$310,000, (2) increase the length of the term from five (5) to six (6) years and (3) that the Amended and Restated Agreement will be based on the current “JGI Agreement March 2021” template.

SECTION 2. That the remaining terms of the Jobs Growth Incentive Agreement remain in full effect relative to the Ordinance.

SECTION 3. That the Amended and Restated Jobs Growth Incentive Agreement be signed by Northwest Bank within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.