



Legislation Text

File #: 2983-2016, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with BDO USA, LLP 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 seven (7) consecutive years.

BDO USA, LLP (“BDO”) is a global accounting, tax, and advisory firm. As of 2016, BDO has member firms in 154 counties, employs approximately 64,000 partners and staff in more than 1,400 offices throughout the world and is the fifth largest accounting network globally.

BDO is proposing to establish a shared services center at 8101 N. High Street Columbus, Ohio 43235, a site where the company is expected to enter into a lease to assume 33,000 square feet. This center will employ individuals who will be assisting the professional staff in BDO offices throughout the United States in performing various tasks. The project involves a total investment of approximately \$515,000 related to the acquisition of machinery/equipment and leasehold improvements. As part of this project, BDO may expand operations at their existing Columbus office located at 300 Spruce Street, Suite 100 Columbus, OH 43215, depending on their pace of growth and office space availability.

Between both project sites, BDO anticipates retaining 45 full-time permanent positions with an annual payroll of approximately \$3,541,954 and creating 235 new full-time permanent positions with a new annual payroll of approximately \$7,990,000 within the next three years. Within the next five years, the project is expected to create 400 new full-time permanent positions with a new annual payroll of approximately \$13,600,000.

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 BDO USA, LLP for a term of up to seven (7) consecutive years in consideration of investing an estimated \$515,000.00, retaining 45 full-time permanent positions, and creating 235 new full-time permanent positions within the next three years.

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, 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 for any 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, the Department of Development received a completed Jobs Growth Incentive Application from BDO USA, LLP; and

WHEREAS, BDO USA, LLP will establish a shared services center at 8101 N. High Street Columbus, Ohio 43235, a site where the company is expected to enter into a lease to assume 33,000 square feet; and

WHEREAS, as part of this project, BDO USA, LLP may expand operations at their existing Columbus office located at 300 Spruce Street, Suite 100 Columbus, OH 43215, depending on their pace of growth and office space availability; and

WHEREAS, BDO USA, LLP will invest a total of approximately \$515,000 related to the acquisition of machinery/equipment and leasehold improvements, retain 45 full-time permanent positions with an annual payroll of approximately \$3,541,954 and create 235 new full-time permanent positions with a new annual payroll of approximately \$7,990,000 within the next three years; and

WHEREAS, within the next five years, BDO USA, LLP is projecting to create 400 new full-time permanent positions with a new annual payroll of approximately \$13,600,000; and

WHEREAS, BDO USA, LLP has indicated that a Jobs Growth Incentive is crucial to its decision to establish a shared services center in the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of BDO USA, LLP 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 BDO USA, LLP 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 seven (7) consecutive years.

SECTION 2. If BDO USA, LLP 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 BDO USA, LLP, 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 BDO USA, LLP 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 BDO USA, LLP 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.