



## Legislation Text

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**File #:** 3112-2015, **Version:** 1

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**BACKGROUND:** The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Nationwide Children's Hospital Inc. and its affiliated entities, including but not limited to, Pediatric Academic Association (hereinafter Nationwide Children's Hospital), equal to thirty percent (30%) of the amount of personal income tax withheld above the baseline on new employees to Columbus as of December 31, 2015, for a term of up to fifteen (15) years, capped annually, not to exceed \$15 million.

Nationwide Children's Hospital is a pediatric health care facility founded in 1894 and has grown to occupy more than six blocks with 1.5 million square feet at its downtown hospital and research campus. In recent years, US News & World Report, ranked the hospital as one of America's Best Children's Hospitals, with 1,170 medical staff and nearly 10,000 total employees. It is also the pediatric teaching hospital for The Ohio State University College of Medicine.

Beginning in early 2016 Nationwide Children's Hospital is planning a second major expansion, following up on their 2008 investment, which will include an investment of approximately \$189 million. Nationwide Children's Hospital will perform interior renovations to existing buildings; construct a community ambulatory center and 1,000 space parking garage at the corner of Grant and Livingston Avenue; construct a central energy plant for all Nationwide Children's Hospital facilities west of Parsons Avenue; construct interior roadways; a small park; and a clinical building with an adjoining parking garage.

Nationwide Children's Hospital is also embarking on a community strategic plan that includes the following investments: \$2.8 million to the City's Infant Mortality efforts over no more than five (5) years; \$2.2 million toward FutureReady Columbus over no more than five (5) years; and \$750,000 toward housing development within the Healthy Neighborhoods, Healthy Families Zone, with special attention to the Southside.

Nationwide Children's Hospital further commits to new income tax revenue to the City through increased employment opportunities that will raise its employment levels to 11,000 by 2019 and 12,000 total employees by 2024.

**FISCAL IMPACT:** No funding is required for this legislation.

To authorize the Director of Development to enter into a Jobs Growth Incentive Agreement with Nationwide Children's Hospital equal to thirty percent (30%) of the amount of new income tax withheld above the baseline on new employees to Columbus as of December 31, 2015, for a term of up to fifteen (15) years, capped annually, not to exceed \$15 million in consideration of investing approximately \$189 million and the creation of 1500 permanent new full-time jobs by increasing employment to 11,000 by 2019 and 12,000 total employees by 2024 and also investing an additional \$5,750,000 in several community based initiatives. **AMENDED BY ORD. 2049-2017; PASSED 7/31/2017**

**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,** Nationwide Children's Hospital 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**, Nationwide Children’s Hospital will continue to expand operations at 700 Children’s Drive and/or other Downtown locations; and

**WHEREAS**, Nationwide Children’s Hospital will invest a total of approximately \$5,750,000 through the following community based initiatives: \$2.8 million to the City’s Infant Mortality efforts over no more than five (5) years; \$2.2 million toward FutureReady Columbus over no more than five (5) years; and \$750,000 toward housing development within the Healthy Neighborhoods, Healthy Families Zone, with special attention to the Southside.

**WHEREAS**, beginning in early 2016 Nationwide Children’s Hospital is planning a second major expansion, following up on their 2008 investment, which will include an investment of approximately \$189 million. Nationwide Children’s Hospital will perform interior renovations to existing buildings; construct a community ambulatory center and 1,000 space parking garage at the corner of Grant and Livingston Avenue; construct a central energy plant for all Nationwide Children’s Hospital facilities west of Parsons Avenue; construct interior roadways; a small park; and a clinical building with an adjoining parking garage.

**WHEREAS**, Nationwide Children’s Hospital has indicated that a Jobs Growth Incentive is crucial to its decisions to expand their operation within the City of Columbus; and

**WHEREAS**, the City of Columbus desires to facilitate the future growth of Nationwide Children’s Hospital at the project sites 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 Jobs Growth Incentive Agreement with Nationwide Children’s Hospital, Inc. and its affiliated entities, including but not limited to, Pediatric Academy Association, equal to thirty percent (30%) of the amount of personal income tax withheld above the baseline on new employees to Columbus as of December 31, 2015, for a term of up to fifteen (15) years, capped annually.

**SECTION 2.** That each year of the term of the agreement with Nationwide Children’s Hospital, 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 Nationwide Children’s Hospital within 120 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

**SECTION 4.** That this Council hereby extends authority to the Director of Development to amend the Nationwide Children’s Hospital 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.