



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 0088X-2007, **Version:** 1

BACKGROUND: On May 20, 2002, Council adopted Resolution 092x-02 to support the creation of the Columbus Downtown Office Incentive Program as one of the development tools needed to implement the Downtown Business Plan. On July 22, 2002 Council adopted Resolution 144X-02 providing a job creation component to the Columbus Downtown Office Incentive program to assist with expansion and retention of downtown employers. A second revision was enacted on March 29, 2004 with the passage of resolution 075X-04 allowing larger employers to qualify for a longer term incentive based on larger employment numbers.

As a result of Resolution 075X-04 GatesMcDonald relocated to 215 North Front Street anticipating job creation of 480 employees and \$19.2 million in annual payroll. In 2006 they reported 568 employees with a payroll of nearly \$24 million annually. Since the adoption of this program in 2002 35 companies have used this incentive creating an estimated 2,360 jobs with over \$158 million in annual payroll. The City of Columbus Downtown office vacancy rate has made a significant reduction from the high of 26% to a current rate of 18.7%. This reduction of the office vacancy rate can be partially attributed to the Columbus Downtown Office incentive.

Section 5 of Resolution 075X-04 established the termination of this program on July 22, 2007 unless extended by Council action. It is the recommendation of the Columbus Downtown Development Office that the program be extended an additional five (5) years at which time it will be evaluated by this office for effectiveness and further extension.

FISCAL IMPACT: No funding is required for this legislation.

To support the continued operation of the Columbus Downtown Office Incentive Program for an additional five (5) years; and to declare an emergency.

WHEREAS, the City desires to increase employment opportunities and encourage creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, to carry out this public purpose the City seeks to pursue all reasonable and legitimate incentives to accomplish downtown development and redevelopment; and

WHEREAS, the Columbus Downtown Office Incentive Program has proved to be a vital part of the cities Downtown development effort; and

WHEREAS, since the adoption of this program in 2002 35 companies have used this incentive creating an estimated 2,360 jobs with over \$158 million in annual payroll; and

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to adopt this resolution to continue operation of the program, all for the immediate preservation of the public health, property, safety and welfare; **NOW, THEREFORE**,

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

Section 1. That this Council with the full support of the Mayor of the City of Columbus, does hereby support the continued

operation of the Columbus Downtown Office Incentive Program for an additional five (5) years as one of the development tools needed to implement the Downtown Business Plan in accordance with the principles expressed herein above.

Section 2. That the City of Columbus continue the Columbus Downtown Office Incentive (CDOI) program incentive equal to 50% of the municipal income tax paid through withholding for the new jobs created by an employer in downtown as defined in Section 3 below.

Section 3. For the purpose of this resolution, the boundaries of downtown are defined in Columbus City Code Title 33 Section 3359.03 downtown district boundary.

Section 4. At the end of 5 years from the time this resolution is adopted by City Council the Downtown Development Office will evaluate further need for the program.

Section 5. The minimum employment requirement to qualify for this incentive is 10 new employees (net job creation). The jobs must be newly created positions or moved from outside the city of Columbus to the downtown as defined in Section 3 above.

Section 6. Only private sector employees qualify for this incentive.

Section 7. This program will be applied on a case-by-case basis and when criteria are met, legislation will be prepared and forwarded to Council to approve the incentive.

Section 8. Program term eligibility will be determined by qualifying under either paragraph A or B of this Section:

- A) The term of the incentive for qualifying employers occupying leased space shall be two (2) years less than the lease term not to exceed five (5) years term; for employers using owner occupied space the term is five (5) years.
- B) The term of the incentive based on new to Columbus jobs shall be:
 - 1.) 10 to 49 new employees - one (1) year,
 - 2.) 50 to 149 new employees - two (2) years,
 - 3.) 150 to 249 new employees - three (3) years,
 - 4.) 250 to 399 new employees - five (5) years,
 - 5.) 400 plus new employees - eight (8) years

Section 9. The availability of this incentive is contingent on the one time approval of the incentive for a company by City Council and the City's obligation to pay the incentive each year 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 10. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this Resolution is declared to be an emergency measure and shall take effect and be in force from and after its adoption and approval by the Mayor, or ten days after adoption if the Mayor neither approves nor vetoes the same.