



City of Columbus

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

Legislation Text

File #: 2139-2012, **Version:** 1

BACKGROUND: The City of Columbus entered into a Job Creation Tax Credit Agreement (hereinafter "Agreement") with Exel Inc. (referred to as "Grantee") effective September 7, 2007. Columbus City Council approved the Agreement by Ordinance 0906-2007, adopted June 11, 2007, and granted a non-refundable tax credit allowed against the tax imposed under Article 9, Chapter 361 of the Columbus City Codes (the "City Tax Credit") of sixty-five percent (65%) of the new income tax revenue received by the City for a taxable year from New Employees, as that term was defined in Section 4 of the Agreement, commencing January 1, 2008 and for eight (8) consecutive years thereafter based on an investment of \$600,500 in real and personal property at 1650 Watermark Drive, the creation of 45 new permanent full-time positions and the retention of 22 full-time positions.

Annual reporting documents for Report Year (RY) 2011 were sent to the Grantee via certified mail on June 12, 2012. The annual report for RY 2010 was incomplete and no monitoring fee was received. The request for RY 2011 annual reporting included a request for the submission of the missing documents and monitoring fee for RY 2010. For RY 2011 no annual report submission has been received by the City. In an undated letter received by the City via U.S. Postal Service from Elaine Darr, Director, Economic Incentives, Exel Inc., agent for the Grantee which read in part, "Exel Inc. would like to withdraw from our tax incentive agreement with the City of Columbus related to our Exel Direct facility at 1650 Watermark Drive, in the City of Columbus." This legislation is to dissolve the Agreement between the City of Columbus and Exel Inc.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Exel Inc.; and to direct the Director of the Department of Development to notify as necessary the local and state tax authorities.

WHEREAS, Columbus City Council approved a Job Creation Tax Creation Agreement ("Agreement") with Exel, Inc. (together also referred to as "Grantee") by Ordinance 0906-2007 on June 11, 2007; and

WHEREAS, the Agreement grants a non-refundable tax credit allowed against the tax imposed under Article 9, Chapter 361 of the Columbus City Codes (the "City Tax Credit") of sixty-five percent (65%) of the new income tax revenue received by the City for a taxable year from New Employees commencing January 1, 2008 and for eight (8) consecutive years thereafter; and

WHEREAS, in the Agreement, Grantee commits to making an investment of \$600,500 in real and personal property at 1650 Watermark Drive in Columbus, the creation of 45 new permanent full-time positions and the retention of 22 full-time positions; and

WHEREAS, annual reporting documents for Report Year (RY) 2011, were sent to the Grantee via certified mail on June 12, 2012. The annual report for RY 2010 was incomplete and no monitoring fee was received. The request for RY 2011 annual reporting included a request for the submission of the missing documents and monitoring fee for RY 2010. For RY 2011 no annual report submission has been received by the City. In an undated letter received by the City via U.S. Postal Service from Elaine Darr, Director, Economic Incentives, Exel Inc., agent for the Grantee which read in part, "Exel Inc., would like to withdraw from our tax incentive agreement with the City of Columbus related to our Exel Direct facility at 1650 Watermark Drive, in the City of Columbus." This legislation is to dissolve the Agreement between the

City of Columbus and Exel Inc., **NOW, THEREFORE,**

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

Section 1. That Columbus City Council hereby dissolves the Exel Inc. Job Creation Tax Credit Agreement effective January 1, 2010 thereby effectively eliminating any remaining tax years for the incentive.

Section 2. That the Director of Development is hereby directed to notify the necessary local and state tax authorities of any changes to the Exel Inc. Job Creation Tax Credit Agreement.

Section 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.