



City of Columbus

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

Legislation Text

File #: 0160-2009, **Version:** 2

BACKGROUND: The need exists to enter into a Jobs Creation Tax Credit Agreement with Dot Two Entertainment, Inc. and Guardian Business Services, Inc. The Ohio Tax Credit Legislation (Section 718.15 of the Ohio Revised Code) authorizing such agreements became effective January 14, 1993 and requires the City to enter a Council-approved agreement between the City and a participating company.

The Department of Development is proposing to enter into a Jobs Creation Tax Credit Agreement with Dot Two Entertainment, Inc. and Guardian Business Services, Inc. Contingent on the City granting a Jobs Creation Tax Credit, Dot Two Entertainment, Inc. and Guardian Business Services, Inc. will expand and renovate its corporate headquarters and launch its' new digital network by investing \$4.0 million in leasehold improvements and personal property, retain 35 full-time employees, create 13 new permanent full-time positions with an annual payroll of \$526,500, and increase job opportunities as well as strengthen the economy of the city.

Dot Two Entertainment, Inc., founded in 2001, is a digital broadcast television company. Guardian Business Services, Inc. is a professional employer organization that serves as a HR outsourcing solution, mainly to small (less than 150 employees) companies. Both entities are subsidiaries of the parent company, Guardian Enterprise Group Inc., which is a privately held company headquartered in Columbus Ohio. The company's founder is Ricard Schilg, current President and CEO. The company is proposing to renovate and expand its corporate headquarters to accommodate the launch of the .2Network, a nationwide digital network station and to expand its' studio operations, which will manage content production, creating commercials and original televisions programs.

The State has offered a Jobs Creation Tax Credit of forty-five (45%) for five (5) years and a \$20,000 Rapid Outreach Grant for Dot Two Entertainment, Inc. and Guardian Business Services, Inc.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an agreement with Dot Two Entertainment, Inc. and Guardian Business Services, Inc. for a Jobs Creation Tax Credit of sixty percent (60%) for a period of five (5) years in consideration of the company's investment of \$4.0 million in leasehold improvements and personal property, the retention of 35 full-time positions and the creation of 13 new permanent full-time jobs.

WHEREAS, pursuant to Section 122.17 of the Ohio Revised Code, the State of Ohio is authorized to establish the Tax Credit Authority and to execute agreements with taxpayers of the State of Ohio for the purpose of granting these tax payers job creation tax credits against their corporate franchise tax or income tax, which tax credits are provided to create new jobs in the State of Ohio; and

WHEREAS, the Tax Credit Authority of the Ohio Department of Development approved a 45%/5-year Jobs Creation Tax Credit for Dot Two Entertainment, Inc. and Guardian Business Services, Inc. on December 9, 2009; and

WHEREAS, pursuant to Section 718.15 of the Ohio Revised Code (the "City Act") a municipal corporation is authorized to grant local income tax credits to taxpayers who have received tax credits from the State; and

WHEREAS, contingent on the City granting a Job Creation Tax Credit, Dot Two Entertainment, Inc. and Guardian Business Services, Inc. will expand and renovate its corporate headquarters and launch its' new digital network by investing \$4.0 million in leasehold improvements and personal property, retain 35 full-time employees, create 13 new permanent full-time positions with an annual payroll of \$526,500, and increase job opportunities as well as strengthen the economy of the city; and

WHEREAS, receiving these tax credits from the State and the City is a critical factor in Dot Two Entertainment, Inc. and Guardian Business Services, Inc. decision to go forward with the project in Columbus; and

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth; **NOW THEREFORE**,

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

Section 1. That the City hereby finds and determines that the project will (1) create jobs in the State and City; (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax credits is a critical factor in the decision by Dot Two Entertainment, Inc. and Guardian Business Services, Inc. to go forward with the project.

Section 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

Section 3. That the Director of the Department of Development is hereby authorized and directed to enter into and execute a 5-year, 60%, Jobs Creation Tax Credit Agreement with Dot Two Entertainment, Inc. and Guardian Business Services, Inc.

Section 4. That the City of Columbus Jobs Creation Tax Credit Agreement is signed by Dot Two Entertainment, Inc. and Guardian Business Services, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 5. That the ordinance shall take effect and be in force from and after the earliest period allowed by law.