



Legislation Text

File #: 2934-2015, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Chute Gerdeman, Inc. equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees to Columbus for a term of up to five (5) years.

Chute Gerdeman is a global leader in retail innovation, insight and design. Founded in 1989 by visionary leaders Elle Chute and Denny Gerdeman, Chute Gerdeman has created and transformed customer experiences for hundreds of the world's top restaurant, retail, and hospitality brands.

Chute Gerdeman is proposing to expand operations at their existing corporate headquarters located at 455 South Ludlow Alley, Columbus, Ohio 43215 in the Brewery District. Chute Gerdeman, in partnership with their building owner, will renovate and equip approximately 4,000 square feet of currently vacant office space on the 2nd and 4th floors of the project site, construct an outdoor patio addition, construct a parking garage on the west end of the building to accommodate additional parking needs, and renovate the firm's existing 19,200-square-foot offices. The company will invest approximately \$197,000 related to leasehold improvements with the remainder of the real property improvements being paid for by the property owner. Chute Gerdeman will retain 66 full-time permanent positions with an annual payroll of approximately \$5,145,218 and create 41 new full-time permanent positions with a new annual payroll of approximately \$2,519,190.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into a Jobs Growth Incentive Agreement with Chute Gerdeman, Inc. equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of up to five (5) years in consideration of investing approximately \$197,000 related to leasehold improvements, retaining 66 full-time permanent positions, and creating 41 new full-time permanent positions.

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, the Department of Development received a completed Jobs Growth Incentive Application from Chute Gerdeman, Inc.; and

WHEREAS, Chute Gerdeman, Inc. will expand operations at their existing corporate headquarters located at 455 South Ludlow Alley, Columbus, Ohio 43215 and lease, renovate, and equip a total of approximately 23,200 square feet of office space as they expand client service operations; and

WHEREAS, Chute Gerdeman, Inc. will invest a total of approximately \$197,000 related to leasehold improvements, the retention of 66 full-time permanent positions with an annual payroll of approximately \$5,145,218 and the creation of 41 new full-time permanent positions with a new annual payroll of approximately \$2,519,190; and

WHEREAS, Chute Gerdeman, Inc. 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 Chute Gerdeman, Inc. at the project sites by providing a Jobs Growth Incentive; and **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 Chute Gerdeman, Inc. equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees to Columbus for a term of up to five (5) years.

SECTION 2. Each year of the term of the agreement with Chute Gerdeman, Inc., 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 Chute Gerdeman, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. The City Council hereby extends authority to the Director of Development to amend the Chute Gerdeman, Inc. 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.