



Legislation Details (With Text)

File #: 0034-2008 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 1/2/2008 **In control:** Development Committee

On agenda: 1/14/2008 **Final action:** 1/16/2008

Title: To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive agreement with Abercrombie & Fitch Management Co. equal to 30% of the amount of personal income tax withheld on new employees for a term of five years in consideration a proposed investment of \$5.8 million and the creation of 70 permanent full-time jobs; and to declare an emergency. (AMENDED BY ORD. 0596-2008 PASSED 4/7/2008)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
1/16/2008	1	CITY CLERK	Attest	
1/15/2008	1	MAYOR	Signed	
1/14/2008	1	Columbus City Council	Approved	Pass
1/14/2008	1	COUNCIL PRESIDENT	Signed	
1/2/2008	1	Dev Drafter	Sent for Approval	
1/2/2008	1	DEVELOPMENT DIRECTOR	Reviewed and Approved	
1/2/2008	1	Dev Drafter	Sent for Approval	
1/2/2008	1	CITY ATTORNEY	Reviewed and Approved	
1/2/2008	1	Dev Drafter	Sent to Clerk's Office for Council	

Background: The Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Abercrombie & Fitch Management Co. (Abercrombie & Fitch) equal to thirty percent (30%) of the amount of personal income tax withheld on new employees for a term of 5 years.

Abercrombie & Fitch was founded in 1892 in New York City and for many decades was an outfitter of quality sporting and excursion goods. The company struggled financially from the late 1960s until it was purchased by The Limited in 1988 and repositioned under the management of Michael S. Jeffries, the current Chairman & CEO, as the "Casual Luxury" lifestyle brand in present day.

Headquartered in New Albany, Ohio, Abercrombie & Fitch operates 362 same brand name stores and a total of 1004 stores across four brands, located throughout the United States except Wyoming. With six stores in Canada and one international flagship store in London, the company plans to continue expansion outside the United States.

Abercrombie & Fitch is proposing to purchase a building in the Rickenbacker area to open a distribution facility and is requesting a Jobs Growth Incentive.

Emergency action is necessary in order to allow Abercrombie & Fitch to begin investing and creating jobs as quickly as possible.

Fiscal Impact: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive agreement with Abercrombie & Fitch Management Co. equal to 30% of the amount of personal income tax withheld on new employees for a term of five years in consideration a proposed investment of \$5.8 million and the creation of 70 permanent full-time jobs; and to declare an emergency.
(AMENDED BY ORD. 0596-2008 PASSED 4/7/2008)

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 has received a completed application for the Jobs Growth Incentive from Abercrombie & Fitch Management Co.; and

WHEREAS, Abercrombie & Fitch Management Co. is proposing to purchase a building at 6600 Eisele Street to accommodate expansion; and

WHEREAS, Abercrombie & Fitch Management Co. has indicated that a Jobs Growth Incentive is crucial to its decision to go forward with the project in Columbus; and

WHEREAS, the City of Columbus desires to facilitate Abercrombie & Fitch Management Co.'s future growth at the project site by the creation of new jobs; and

WHEREAS, in consideration of Abercrombie & Fitch Management Co.'s creation of 70 new positions with an annual payroll of \$1.7 million; and

WHEREAS, emergency action is necessary in order to allow Abercrombie & Fitch to begin investing and creating jobs as quickly as possible; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, Economic Development Division, in that it is immediately necessary to enter into a Jobs Growth Incentive agreement with Abercrombie & Fitch Management Co., thereby preserving the public health, peace, property, safety, and welfare; 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 equal to thirty percent (30%) of the amount of personal income tax withheld on new employees for a term of five (5) years with Abercrombie & Fitch Management Co. to begin no later than January 1, 2009.

Section 2. Each year of the term of the agreement with Abercrombie & Fitch Management Co. 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 for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.