



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 6/30/2015 **In control:** Development Committee

On agenda: 7/27/2015 **Final action:** 7/30/2015

Title: To authorize the Director of the Department of Finance and Management to enter into an agreement with Columbus 2020 for economic development activities associated with community direct air service performance incentive program; to authorize and direct the City Auditor to transfer \$1,200,000.00 within the general fund; to authorize the expenditure of \$1,200,000.00 from the General Fund; and to declare an emergency. (\$1,200,000.00)

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|-----------------------------------|--------|
| 7/30/2015 | 2 | CITY CLERK | Attest | |
| 7/29/2015 | 2 | MAYOR | Signed | |
| 7/27/2015 | 2 | COUNCIL PRESIDENT | Signed | |
| 7/27/2015 | 1 | Columbus City Council | Amended as submitted to the Clerk | Pass |
| 7/27/2015 | 1 | Columbus City Council | Approved as Amended | Pass |

Background: This ordinance authorizes the Director of the Department of Finance and Management to enter into contract with Columbus 2020 to fund a community direct air service performance incentive program. Understanding the importance of direct air service for economic development of the community, this program is designed to allow the community to provide incentives to companies partnering with the community to provide new direct flight service to key markets.

This community direct air service performance incentive program is the centerpiece of the efforts of the Jobs Expansion and Transportation (“JET”) Task Force, created by Mayor Coleman in 2014. Guided by the JET Task Force efforts, Columbus 2020 led a community effort to secure a commitment by Southwest Airlines to begin non-stop service to Oakland, California in August, 2015. This commitment will be supported by a community partnership among The City of Columbus, Franklin County, and Columbus 2020. It is anticipated that this new daily air service route to the West Coast could generate \$20 million in economic impact to the Columbus Region.

Under this community partnership, the City has committed \$1,200,000.00, and Franklin County has pledged \$500,000 toward this program. Columbus 2020 will use these funds, under an agreement with the City and County, to enter into performance-based contracts with participating airlines. The City anticipates that the first contract will be with Southwest Airlines.

The \$1.2 million City commitment is budgeted and available within the 2015 General Fund. Columbus 2020 was chosen to administer this program given its role in providing economic development strategies to the City of Columbus and its role in negotiating the commitment with Southwest Airlines in partnership with the JET Task Force.

Columbus 2020, Contract Compliance Number: 27-1509190, Expiration Date: 03/19/2016

Emergency action is requested in order to facilitate the resulting creation and retention of jobs.

Fiscal Impact: Funding for this contract (\$1,200,000.00) is budgeted and available within the 2015 General Fund operating budget.

To authorize the Director of the Department of Finance and Management to enter into an agreement with Columbus 2020 for economic development activities associated with community direct air service performance incentive program; to authorize and direct the City Auditor to transfer \$1,200,000.00 within the general fund; to authorize the expenditure of \$1,200,000.00 from the General Fund; and to declare an emergency. (\$1,200,000.00)

WHEREAS, Port Columbus International Airport is an important community asset with an annual economic impact of nearly \$4 billion and airport-related employment totals over 33,000 employees; and

WHEREAS, Port Columbus, with 150 daily flights, new direct flights to key markets, growing passenger counts, and its central location not only serves our Community, but continues to emerge as Ohio's Airport; and

WHEREAS, Mayor Michael B. Coleman, in his 2014 State of the City Address, challenged the community to build upon this important asset and examine how to enhance direct air service from Port Columbus International Airport and to strengthen the airport area as an economic hub and regional transportation center; and

WHEREAS, in April 2014, Mayor Coleman formed the Jobs Expansion and Transportation (JET) Task Force to meet this call and the Task Force met over the course of the year, and issued its Final Report of Findings and Recommendations on February 25, 2015; and

WHEREAS, the Final Report calls upon the community to compete for and invest in new direct flight service in key markets on the West Coast of the United States and in Europe; and

WHEREAS, the Final Report further calls upon the community to approach direct air service like other job centers and economic development targets, identify markets best positioned for new service, understand the economic impact new air service to such markets provide our community, and to partner with the public and private sectors to develop direct air service incentives; and

WHEREAS, in conjunction with the JET Task Force, community leaders, mindful of the above guidance, secured a commitment by Southwest Airlines to provide new direct air service to the San Francisco Bay area, through Oakland, beginning in August, 2015;

WHEREAS, the Columbus Regional Airport Authority estimates this new service to the San Francisco Bay area will generate an annual economic impact of more than \$20 million for our region; and

WHEREAS, to help secure this commitment for new air service the City and Franklin County and the private sector pledged a community performance incentive for the flight;

WHEREAS, Columbus 2020 is a public-private partnership that will leverage Central Ohio's diverse industries, research and academic institutions, and entrepreneurship to position Columbus to become the fastest growing economy in the country and one of the nation's leaders in economic development; and

WHEREAS, the Columbus 2020 initiative, an aggressive economic development strategy, will grow our economy by ensuring that our existing companies are growing and thriving, attract new companies to the community, and encourage innovation; and

WHEREAS, Columbus 2020 was chosen to administer this community direct air service performance incentive program, given its experience in providing economic development services to the City of Columbus; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Finance and Management in that it is immediately necessary to enter into contract with Columbus 2020 in order to facilitate the resulting creation and retention of jobs, such immediate action being necessary for the preservation of the public health, peace, property and safety;
NOW, THEREFORE,

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

SECTION 1. That the Director of the Department of Finance and Management is authorized to enter into an agreement with Columbus 2020 for economic development activities associated with community direct air service performance incentive program.

SECTION 2. That the City Auditor be and is hereby authorized and directed to transfer \$1,200,000.00 within the general fund as follows:

From: Department of Finance & Management, Financial Management Division
Dept/Div: 45-01
Fund 10
Object Level One: 05
Object Level Three: 5501
OCA Code: 904508
Amount: \$1,200,000.00

TO: Department of Finance & Management, Director's Office
Dept/Div: 45-50
Fund: 10
Object Level One: 03
Object Level Three: 3336
OCA Code: 450035
Amount: \$1,200,000.00

SECTION 3. That the expenditure of \$1,200,000.00, or so much thereof as may be necessary in regard to the action authorized in ~~Section 2~~ **Section 1**, be and is hereby authorized as follows:

Div: 45-50
Fund: 10
OCA Code: 450035
Obj. Level One: 03
Obj. Level Three: 3336
Amount: \$1,200,000.00.

SECTION 4. That this agreement is awarded in accordance with the relevant provisions of Columbus City Code, Chapter 329 relating to not-for-profit service contracts.

SECTION 5. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 6. For the reasons stated in the Preamble hereto, which is hereby made a part hereof, this 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 the passage if the Mayor neither approves nor vetoes the same.