



Legislation Details (With Text)

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Title: To authorize the Director of the Department of Development to amend the Job Creation Tax Credit Agreement with Ascena Retail Group, Inc. to add Lane Bryant, Inc. and Lane Bryant Purchasing Corp. as additional grantees to the Agreement, modify the capital expenditure investment from \$200,000.00 to \$1.2 million, change the new job creation goal from 15 full-time permanent positions to 50, increase the annual payroll for those new positions from \$1.93 to \$5.0 million and add a retention goal of 274 full-time jobs; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
10/7/2016	1	CITY CLERK	Attest	
10/6/2016	1	MAYOR	Signed	
10/3/2016	1	COUNCIL PRESIDENT	Signed	
10/3/2016	1	Columbus City Council	Approved	Pass

BACKGROUND: The City of Columbus (“**CITY**”) entered into a Job Creation Tax Credit Agreement (hereinafter “**AGREEMENT**”) with Ascena Retail Group, Inc., (also referred to as the “**GRANTEE**”) effective September 26, 2013. Columbus City Council approved the **AGREEMENT** by Ordinance No. 1517-2013, adopted July 1, 2013 and granted a non-refundable tax credit allowed against the tax imposed under Section 361.09, “New Profits” of the Columbus City Codes (the “City Tax Credit”) of sixty percent (60%) of the new income tax revenue received by the **CITY** for a calendar year for New Employees, as defined in Section 4 of the **AGREEMENT**, commencing January 1, 2014 and for seven (7) consecutive years thereafter (January 1, 2014 through December 31, 2020), based on a proposed investment of approximately \$200,000 to relocate its shared services real estate professionals division from out-of-state to Columbus creating 15 new full-time permanent positions with an estimated annual payroll of approximately \$1.93 million (the “**PROJECT**”) at 3344 Morse Crossing Columbus, Ohio 43219, (the “**PROJECT SITE**”).

In a letter from the **GRANTEE** received by the **CITY** and through ensuing correspondence, the **GRANTEE** indicated that the aforementioned expansion project was restructured and realigned with a new corporate strategy. The **GRANTEE** has requested from the **CITY** to add Lane Bryant, Inc. and Lane Bryant Purchasing Corp. as additional grantees to the **AGREEMENT**. Subsequent to signing the **AGREEMENT**, a reconfigured corporate strategy created additional entities to correspond to the company’s overall strategy and those employees, both retained and new, will receive payroll compensation through these related entities. This restructuring and realignment includes an investment of approximately \$1.2 million in leasehold improvements, which includes computer hardware and software upgrades, creating 50 new full-time permanent positions with an annual payroll of approximately \$5.0 million and retaining 274 full-time jobs.

As such, the need exists to amend the **AGREEMENT** to add Lane Bryant, Inc. and Lane Bryant Purchasing Corp. as additional grantees to the **AGREEMENT**, change the aforementioned capital expenditure investment from approximately \$200,000 to approximately \$1.2 million, change the job creation goal from 15 new full-time permanent positions to 50, increase the estimated annual payroll for those new positions from \$1.93 million to \$5.0 million, and add

a retention goal of 274 full-time jobs to the **PROJECT** as described in the **AGREEMENT**.

This legislation is requested to be considered as an emergency in order to amend the **GRANTEE's** initial capital expenditure investment, add two additional entities as grantees, modify the job creation goal and add a job retention goal component to the **PROJECT** as described in the **AGREEMENT** in as expedient a manner as possible so as to allow for the inclusion of the employees located at these additional entities for the reporting and compliance purposes.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of the Department of Development to amend the Job Creation Tax Credit Agreement with Ascena Retail Group, Inc. to add Lane Bryant, Inc. and Lane Bryant Purchasing Corp. as additional grantees to the Agreement, modify the capital expenditure investment from \$200,000.00 to \$1.2 million, change the new job creation goal from 15 full-time permanent positions to 50, increase the annual payroll for those new positions from \$1.93 to \$5.0 million and add a retention goal of 274 full-time jobs; and to declare an emergency.

WHEREAS, Columbus City Council approved a Job Creation Tax Credit Agreement (the “**AGREEMENT**”) with Ascena Retail Group, Inc. (also referred to as the “**GRANTEE**”) by Ordinance No. 1517-2013 on July 1, 2013 with the **AGREEMENT** having been made and entered into effective September 26, 2013; and

WHEREAS, the **AGREEMENT** granted a non-refundable tax credit allowed against the tax imposed under Section 361.09, “Net Profits” of the Columbus City Codes (the “City Tax Credit”) of sixty percent (60%) of the new income tax revenue received by the **CITY** for a calendar year from New Employees, as defined in Section 4 of the **AGREEMENT**, commencing January 1, 2014 and for seven (7) consecutive years thereafter, January 1, 2014 through December 31, 2020; and

WHEREAS, in the **AGREEMENT**, **GRANTEE** committed to invest approximately \$200,000, in capital expenditures and create 15 new full-time permanent positions with an estimated annual payroll of approximately \$1.93 million at 3344 Morse Crossing, Columbus, Ohio 43219 the **PROJECT SITE** to relocate its shared services real estate division from out-of-state to the **GRANTEE's** existing operation; and

WHEREAS, in a letter from the **GRANTEE** received by the **CITY** and through ensuing correspondence, the **GRANTEE** indicated that the aforementioned expansion project was restructured and realigned with a new corporate strategy. The **GRANTEE** has requested from the **CITY** to add Lane Bryant, Inc. and Lane Bryant Purchasing Corp. as additional grantees to the **AGREEMENT**. Subsequent to signing the **AGREEMENT**, a reconfigured corporate strategy created additional entities to correspond to the company's overall strategy and those employees, both retained and new, will receive payroll compensation through these related entities. This restructuring and realignment includes an investment of approximately \$1.2 million in leasehold improvements, which includes computer hardware and software upgrades, creating 50 new full-time permanent positions with an estimated annual payroll of approximately \$5.0 million and retaining 274 full-time jobs; and

WHEREAS, an amendment to the **AGREEMENT** is now needed to change the proposed capital expenditure investment from \$200,000 to \$1.2 million, increase the proposed job creation goal from 15 new full-time permanent positions to 50, increase the estimated annual payroll for those new positions from \$1.93 million to \$5.0 million, add a retention goal 274 full-time jobs and add Lane Bryant, Inc. and Lane Bryant Purchasing Corp. as additional grantees to the **AGREEMENT**; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek an amendment to the **AGREEMENT** with Ascena Retail Group, Inc. to revise the project scope related to the **GRANTEE's** capital expenditure investment, job creation goal, retention goal and to add additional entities as grantees to the **AGREEMENT**; thereby preserving 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 Development is hereby authorized to amend the Job Creation Tax Credit Agreement with Ascena Retail Group, Inc. to add Lane Bryant, Inc. and Lane Bryant Purchasing Corp. as additional grantees to the Job Creation Tax Credit Agreement, to change the estimated capital expenditure investment from \$200,000 to \$1.2 million, the proposed job creation goal from 15 new full-time permanent positions to 50, the estimated annual payroll for those new positions from \$1.93 million to \$5.0 million and to add a retention goal of 274 full-time jobs.

Section 2. That the amendment to the City of Columbus Job Creation Tax Credit Agreement be signed by Ascena Retail Group, Inc., Lane Bryant, Inc. and Lane Bryant Purchasing Corp. within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

Section 3. That for the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance. That this ordinance shall take effect and be in force from and after the earliest period allowed by