Legislation Details (With Text)

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Type:	Ordinance	**Status:**	Passed
File created:	6/29/2017	**In control:**	Economic Development Committee
On agenda:	7/24/2017	**Final action:**	7/26/2017
Title:	To authorize the Director of Department of Development to enter into a dual-rate Jobs Growth Incentive Agreement with King Memory, LLC for a term of up to five (5) consecutive years in consideration of the company's proposed investment of $100,000.00 and the creation of 40 new full-time permanent positions.		
Sponsors:			
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Attachments:	1. ORD1822-2017 King Memory - Site Map (JGI), 2. ORD1822-2017 King Memory - Fact Sheet (JGI)		

Date	Ver.	Action By	Action	Result
7/26/2017	1	CITY CLERK	Attest	
7/25/2017	1	ACTING MAYOR	Signed	
7/24/2017	1	COUNCIL PRESIDENT	Signed	
7/24/2017	1	Columbus City Council	Approved	Pass
7/17/2017	1	Columbus City Council	Read for the First Time	

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with King Memory, LLC in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.

King Memory, LLC is a computer hardware company that sells, recycles and manufactures computer hardware, specializing in computer random access memory (RAM), e-Commerce and in-house software development. The company was founded 2009 by Chad Crnkovich and Darryl Tanner, formal college roommates, but formalized their partnership and made a serious sales push beginning in 2012. King Memory, LLC also offers custom IT systems, including advanced logistics, fulfillment processing, customer service, shipping, security, product listing and inventory management. One of the fastest growing companies in Columbus, King Memory, LLC is on Delotte's Technology Fast 500 list.

King Memory, LLC is proposing to invest approximately $100,000, which includes $50,000 in computer equipment and $50,000 in furniture and fixtures, to expand its corporate headquarters and operation facility. With this expansion, the company plans to globalize its memory business and expand its supply chain as well as hire additional support staff to accommodate the company's strategic growth plan. King Memory, LLC will renew its current lease agreement of their existing office warehouse space consisting of approximately 18,000 sq. ft. +/- at 380 Morrison Road, Suite A Columbus, Ohio 43213, retain 26 full-time jobs with an annual payroll of approximately $1.10 million and create 40 new full-time permanent positions with an annual payroll of approximately $2.0 million.

King Memory, LLC is requesting a Jobs Growth Incentive from the City of Columbus to assist in the expansion of this project. This legislation is presented as 30 day legislation.

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FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of Department of Development to enter into a dual-rate Jobs Growth Incentive Agreement with King Memory, LLC for a term of up to five (5) consecutive years in consideration of the company's proposed investment of $100,000.00 and the creation of 40 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 King Memory, LLC; and

WHEREAS, King Memory, LLC proposes to expand its corporate headquarters and operation facility consisting of approximately 18,000 sq. ft. +/- at 380 Morrison Road, Suite A Columbus, Ohio 43213

WHEREAS, King Memory, LLC is proposing to invest a total project cost of approximately $100,000 related to the acquisition of computer equipment, furniture and fixtures, and create 40 new full-time permanent positions in support of this project with an associated new annual payroll of approximately $2.0 million; and
WHEREAS, King Memory, LLC has indicated that a Jobs Growth Incentive is crucial to its decisions to expand its corporate headquarters and operation facility within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of King Memory, LLC at the project site 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 dual-rate Jobs Growth Incentive Agreement with King Memory, LLC equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.

SECTION 2. Should King Memory, LLC not be able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).

SECTION 3. Each year of the term of the agreement with King Memory, LLC 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 4. That the City of Columbus Jobs Growth Incentive Agreement is signed by King Memory, LLC within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 5. The City Council hereby extends authority to the Director of the Department of Development to amend the King Memory, LLC's 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 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

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