Legislation Details (With Text)

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On agenda:	5/13/2019	**Final action:**	5/16/2019
Title:	To dissolve the Downtown Office Incentive Agreement between the City and Root, Inc.		
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Date	Ver.	Action By	Action	Result
5/16/2019	1	CITY CLERK	Attest	
5/14/2019	1	ACTING MAYOR	Signed	
5/13/2019	1	COUNCIL PRESIDENT	Signed	
5/13/2019	1	Columbus City Council	Approved	Pass
5/6/2019	1	Columbus City Council	Read for the First Time	

BACKGROUND: The City of Columbus ("CITY") entered into a Downtown Office Incentive Agreement (hereinafter "AGREEMENT") with Root, Inc. (also referred to as the "GRANTEE") effective February 4, 2019. Columbus City Council approved the AGREEMENT by Ordinance No. 1355-2018, adopted May 21, 2018, amended by Ordinance No. 3271-2018 on December 3, 2018, and granted a financial incentive based on an amount equal to fifty percent (50%) of the new Columbus withholding tax paid by new employees at the project site, to commence January 1, 2019 for a period of four (4) consecutive taxable years based on the retention of 79 full-time positions, the creation of 463 net new permanent full-time positions with an estimated annual payroll of $38.8 million and an investment of approximately $1.03 million related to leasehold improvements and the acquisition of equipment at 80 E. Rich Street, Columbus, Ohio 43215 (the "PROJECT SITE").

In a letter from the GRANTEE to the CITY dated April 2, 2019, it was requested that the Downtown Office Incentive be cancelled for Root, Inc. as the company is accepting a multi-site Jobs Growth Incentive from the City of Columbus instead related to additional job growth and job sites. This legislation is to dissolve the Downtown Office Incentive AGREEMENT between the City of Columbus and Root, Inc. Calendar year 2019 would have been the first reporting year for the GRANTEE and the GRANTEE has not received any benefit under the terms of the existing AGREEMENT.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Downtown Office Incentive Agreement between the City and Root, Inc.

WHEREAS, Columbus City Council approved a Downtown Office Incentive Agreement (the "AGREEMENT") with Root, Inc. (also referred to as the "GRANTEE") by Ordinance No. 1355-2018 on May 21, 2018, amended by Ordinance No. 3271-2018 on December 3, 2018 with the AGREEMENT having been made and entered into effective February 4, 2019; and

WHEREAS, the AGREEMENT granted a financial incentive based on an amount equal to fifty percent (50%) of the new Columbus withholding tax paid at the project site, to commence January 1, 2019 and for a period of four (4)

consecutive taxable years thereafter; and

WHEREAS, in the AGREEMENT, GRANTEE committed to retain 79 full-time positions, create 463 net new permanent full-time positions with an annual payroll of approximately $38.8 million and invest approximately $1.03 million related to leasehold improvements and the acquisition of equipment at 80 E. Rich Street, Columbus, Ohio 43215 (the "PROJECT SITE"); and

WHEREAS, in a letter from the GRANTEE to the CITY dated April 2, 2019, it was requested the Downtown Office Incentive be cancelled for Root, Inc. as the company is accepting a multi-site Jobs Growth Incentive from the City of Columbus; which has led to this legislation to dissolve the Downtown Office Incentive AGREEMENT between the City of Columbus and the GRANTEE effective January 1, 2019; now, therefore,

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

SECTION 1. That the Downtown Office Incentive Agreement between the City and Root, Inc. is hereby dissolved effective January 1, 2019 thereby eliminating any and all reporting years for the incentive.

SECTION 2. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

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