



Legislation Text

File #: 1202-2008, **Version:** 1

BACKGROUND: This legislation authorizes the Director of Development to disburse \$137,689.01 from the 2008 General Fund Budget to Ohio State University Physicians, Inc. (OSUP) for the payment of the 2007 Technology Growth Incentive. Columbus City Council, per Ordinance Number 1163-2006, authorized the Director of the Department of Development to enter into a Technology Growth Incentive Agreement with Ohio State University Physicians. The authorized agreement allowed a ten year cash incentive for job retention and creation. The Technology Growth Incentive is equal to 30% of the growth of the company's City of Columbus withholding tax paid by the retention of existing employees and new employees over a ten year period of time.

As a result of entering into this agreement, the City of Columbus has received an additional \$204,678.70 in income tax withholding from Ohio State University Physicians for 2007. Ohio State University Physicians has met all the requirements to satisfy the agreement for 2007 and qualifies for a payment of \$137,689.01. This is the second disbursement of the ten year incentive. The 2008 General Fund Budget includes funding for this payment.

FISCAL IMPACT: \$137,689.01 is available from the 2008 General Fund Budget.

To authorize the Director of the Department of Development to disburse \$137,689.01 from the 2008 General Fund Budget to the Ohio State University Physicians for payment of the 2007 Technology Growth Incentive; and to declare an emergency. (\$137,689.01)

WHEREAS, Columbus City Council, on June 26, 2006, per Ordinance Number 1163-2006, authorized the Director of Development to enter into a Technology Growth Incentive Agreement with Ohio State University Physicians, Inc. (OSUP) and;

WHEREAS, the Technology Growth Incentive, authorized by Columbus City Council, is equal to thirty percent (30%) of the growth of the company's City of Columbus withholding tax paid by the retention of existing employees and for new employees for a period of ten years; and

WHEREAS, the Technology Growth Incentive was calculated based on the increase of the 2005 payroll of \$1,292,635.00 and

WHEREAS, the City of Columbus reviewed the objectives and performance of the agreement to verify that OSUP was in compliance with the terms of the agreement: and

WHEREAS, OSUP'S income tax to the City of Columbus for 2005 was \$1,292,635.00; and

WHEREAS, OSUP'S income tax to the City of Columbus for 2006 was \$1,546,919.60; and

WHEREAS, OSUP'S income tax to the City of Columbus for 2007 was \$1,751,598.38; and

WHEREAS, the City of Columbus received an additional \$204,678.70 in income tax from OSUP; and

WHEREAS, OSUP, per the agreement, will receive 30% of the additional payroll which is \$137,689.01 (increase of the base income for 2005); and

WHEREAS, the City of Columbus desires to disburse the 2007 Technology Growth Incentive payment to OSUP; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to make the 2007 Technology Growth Incentive payment to OSUP to be in compliance with the agreement, all for the immediate

preservation of the public health, peace, safety and welfare; **NOW THEREFORE,**

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

Section 1. That the Director of Development is hereby authorized to disburse the 2007 Technology Growth Incentive payment of \$137,689.01 to Ohio State University Physicians in compliance with the City of Columbus Technology Growth Incentive Agreement.

Section 2. That the payment totaling \$137,689.01 is hereby authorized from the General Fund, Fund 010, Department of Development, Economic Development Division No. 44-02, Object Level One 05, Object Level Three 5513, OCA Code 440314.

Section 3. That for 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 passage if the Mayor neither approves nor vetoes the same.