



Legislation Text

File #: 0634-2012, **Version:** 1

BACKGROUND: The City of Columbus entered into a Downtown Office Incentive Agreement (hereinafter "Agreement") with Gates McDonald & Company (Grantee) effective November 2, 2004. Columbus City Council approved the Agreement by Ordinance 0636-2004, adopted April 19, 2004 and granted a tax incentive based on an amount equal to 50% of the new Columbus withholding tax paid by new employees, as that term was defined in Section 4 of the Agreement, to commence no later than January 1, 2005 and for a period of eight (8) consecutive taxable years thereafter based on the relocation, retention and/or creation of approximately 480 jobs with an annual payroll of approximately \$19.2 million within a leased spaced of approximately 100,000 square feet at 215 North Front Street, Columbus, Ohio 43215 (the "Project Site").

In a letter dated February 20, 2012 and received by the City on February 24, 2012, the City was advised that Gates McDonald & Company had been sold and that they "will not be seeking reimbursement for 2011 nor 2012." Section 9-E (Assignment) of the Agreement states, "This Agreement is specifically entered into for the sole benefit of the Grantee and is not assignable." This legislation is to dissolve the Agreement between the City of Columbus and Gates McDonald & Company.

This legislation is presented as an emergency measure in order for this dissolution to be legislated prior to the end of the Reporting Year 2011 Jobs Growth Incentive reporting period to eliminate any need for annual reporting documentation.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Downtown Office Incentive Agreement between the City of Columbus and Gates McDonald & Company; and to declare an emergency.

WHEREAS, Columbus City Council approved a Downtown Office Incentive Agreement ("Agreement") with Gates McDonald & Company by Ordinance 0636-2004 on April 19, 2004; and

WHEREAS, the Agreement granted a tax incentive based on an amount equal to 50% of the new Columbus withholding tax paid by new employees, as that term was defined in Section 4 of the Agreement, to commence no later than January 1, 2005 and for a period of eight (8) consecutive taxable years thereafter; and

WHEREAS, in the Agreement, Gates McDonald & Company, committed to employ 480 people at 215 North Front Street (the "Project Site") within the City of Columbus; and

WHEREAS, in a letter dated February 20, 2012 and received by the city on February 24, 2012, the city was advised that Gates McDonald & Company had been sold and that they "will not be seeking reimbursement for 2011 nor 2012." Section 9-E (Assignment) of the Agreement states, "This Agreement is specifically entered into for the sole benefit of the Grantee and is not assignable," which has led to this legislation to dissolve the Agreement between the City of Columbus and Gates McDonald effective January 1, 2011; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, in that it is immediately necessary to take action on this agreement in order for this dissolution to be legislated prior to the end of the Reporting Year 2011 Jobs Growth Incentive reporting period to eliminate any need for annual reporting documentation,

and to preserve the public health, property, safety and welfare; **NOW, THEREFORE,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS

Section 1. That Columbus City Council hereby dissolves the Gates McDonald & Company Downtown Office Incentive Agreement effective January 1, 2011 thereby making 2010 the final reporting tax year for the incentive.

Section 2. 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.