



Legislation Text

File #: 1630-2014, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive with Jeni's Splendid Ice Creams, LLC.

Jeni's Splendid Ice Creams, LLC (Jeni's) is a family owned artisan ice-cream company with national distribution. It is known for its creative flavors and its high-quality ingredients. The company was founded by Jeni Britton Bauer and her husband Charley Bauer. Tom Bauer, Charley's brother, became a partner in 2003, and CEO John Lowe joined the company in 2009. In 1996, the first prototype store opened in the North Market area of Columbus called Scream Ice Creams. While Scream Ice Creams closed soon after it opened, it taught Jeni a lot about running a business. She then put herself through Penn State's renowned Ice Cream Short Course, where Jeni learned the science of ice cream. She opened Jeni's Splendid Ice Creams in 2002, again in the North Market. Drawing on the practices of a traditional pastry kitchen, Jeni created her own techniques to make American ice creams that are less sweet and more flavorful. The company has received renowned recognition and numerous awards for its flavored ice creams, i.e. Gold Award for Outstanding Product Line, Gold Award for Outstanding Dessert. Currently, there are 16 "Scoop Shop" locations in 5 states: Georgia, Illinois, Ohio, South Carolina and Tennessee. Jeni's is also distributed in high-end groceries and markets nationwide.

Jeni's Splendid Ice Creams, LLC is proposing to relocate its corporate headquarters from Clinton Township to Columbus by investing approximately \$200,000 in leasehold improvements, which includes machinery, equipment, furniture and fixtures. The company will enter into a long-term lease agreement on a vacant office space consisting of approximately 17,000 square feet, relocate 40 full-time jobs (which will be new to Columbus) with an estimated annual payroll of approximately \$2.43 million and create 15 new full-time permanent positions with annual payroll of approximately \$1.5 million into the Downtown Business District. Jeni's Splendid Ice Creams, LLC would qualify for the Columbus Downtown Office Incentive in an amount equal to fifty percent (50%) of the payroll taxes paid on the relocated positions and new positions, or approximately \$245,812 over a term up to five (5) years. The Development Department recommends granting the Columbus Downtown Office Incentive program to Jeni's Splendid Ice Creams, LLC.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Columbus Downtown Office Incentive Agreement with Jeni's Splendid Ice Creams, LLC as provided in Columbus City Council Resolution 0088X-2007, adopted June 4, 2007.

WHEREAS, the City desires to increase employment opportunities and encourage establishment of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, Resolution 0088X-2007, adopted June 4, 2007, authorized the Department of Development to establish the Columbus Downtown Office Incentive program as amended; and

WHEREAS, the Department of Development has received a completed application for the Columbus Downtown Office Incentive program from Jeni's Splendid Ice Creams, LLC; and

WHEREAS, Jeni's Splendid Ice Creams, LLC is proposing to relocate its corporate headquarters from Clinton Township to Columbus by entering into a long-term lease agreement on a vacant office space consisting of approximately 17,000 square feet; and

WHEREAS, Jeni's Splendid Ice Creams, LLC plans to moved its corporate headquarters by investing approximately \$200,000 in leasehold improvements, which includes machinery, equipment, furniture and fixtures, relocate 40 full-time jobs (which will be new to Columbus) from Clinton Township and create 15 new full-time permanent positions in Columbus Downtown Business District; more specifically, 401 N. Front Street Columbus, Ohio 43215, generating approximately \$98,325 annually in new City of Columbus income tax revenue; **NOW, THEREFORE**,

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

SECTION 1. Columbus City Council authorizes the Director of Development to enter into a Columbus Downtown Office Incentive Agreement with Jeni's Splendid Ice Creams, LLC pursuant to Columbus City Council Resolution 0088X-2007, for an annual cash payment equal to fifty percent (50%) of the amount of City withholding tax withheld on new employees for a term up to five (5) years on the estimated job creation and relocation of 55 full-time permanent positions located at 401 N. Front Street, Columbus, Ohio 43215.

SECTION 2. Each year of the term of the agreement with Jeni's Splendid Ice Creams, LLC that a payment is due, the City's obligation to pay the incentive is expressly contingent upon the passing 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 3. That the City of Columbus Downtown Office Incentive Agreement is signed by Jeni's Splendid Ice Creams, LLC within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. The City Council hereby extends authority to the Director of the Department of Development to amend the Jeni's Splendid Ice Creams, LLC City of Columbus Downtown Office Incentive Agreement for non-substantive modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these non-substantive 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 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.