



Legislation Text

File #: 2216-2014, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive with RTTW, LTD dba treetree (treetree).

During the lowest months of the economic recession in 2009, Becca Apfelstadt and Tiffany Wise quit their jobs and started treetree. The day they started the company a dead bonsai tree that Becca had nicknamed “treetree,” came back to life. The two were inspired by this revived tree and made it the agency’s namesake. The company specializes in advertising, brand strategy and development, digital marketing, and qualitative and quantitative market research. In 2011, they decided to do for treetree what they do for their clients by developing a new market position and strategy. In formulating this new position, they recognized a need in the market that fell between design shops and larger agencies that are going after contracts to be the Agency of Record. The Agency of Special Projects was born, and it falls between the two ends of the industry spectrum (design shops and larger agencies). The company successfully carved out a unique niche in the industry that ignited the agency’s rapid growth. Treetree’s client roster includes well-known regional brands such as Alliance Data, Nationwide, and OhioHealth, among others. Most recently, treetree was named #506 on the 2014 INC 5000 list and was the fifth highest ranking Columbus-area company to make the list.

Treetree is proposing to invest approximately \$270,000, which includes leasehold improvements, stand-alone computers, furniture and fixtures, to expand and relocate its corporate headquarters into a vacant office space consisting of approximately 7,900 square feet inside “The Battleship Building” on the corner of N. Front and Vine Streets. In addition, the company will retain 18 full-time jobs and create 35 new full-time permanent positions with an estimated annual salary of approximately \$2.29 million within the Downtown Business District. Treetree would qualify for the Columbus Downtown Office Incentive in an amount equal to fifty percent (50%) of the payroll taxes paid on the new positions or approximately \$86,137.00 over a term of three (3) years. The Development Department recommends granting the Columbus Downtown Office Incentive program to RTTW, LTD dba treetree.

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 RTTW, LTD dba treetree 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 treetree; and

WHEREAS, treetree is proposing to relocate its corporate headquarters from East First Avenue into the Downtown

Business District by entering into a lease agreement on a vacant office space consisting of approximately 7,900 square feet inside “The Battleship Building” located on the corner of N. Front and Vine Streets; and

WHEREAS, treetree plans to invest approximately \$270,000.00, which includes leasehold improvements, stand-alone computers, furniture and fixtures, retain 18 full-time jobs and create 35 new full-time permanent positions with an estimated annual payroll of approximately \$2.29 million to relocate and expand its corporate headquarters into the Columbus Downtown Business District; more specifically, 444 N. Front Street, Unit 101, Columbus, Ohio 43215, generating approximately \$57,425 annually in new City of Columbus income tax revenue; 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 Columbus Downtown Office Incentive Agreement with the RTTW, LTD dba treetree, pursuant to Columbus City Council Resolution 088X-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 of three (3) years on the estimated job creation of 35 new full-time permanent positions located at 444 N. Front Street, Unit 101 Columbus, Ohio 43215.

SECTION 2. Each year of the term of the agreement with RTTW, LTD dba treetree 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 RTTW, LTD dba treetree 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 RTTW, LTD dba treetree City of Columbus Downtown Office Incentive Agreement for 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 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.