



Legislation Text

File #: 2825-2014, **Version:** 1

BACKGROUND: The City of Columbus (“City”) entered into a Job Creation Tax Credit Agreement (hereinafter “Agreement”) with Manta Media, Inc. (also referred to as the “Grantee”) effective November 22, 2011. Columbus City Council approved the Agreement by Ordinance 1095-2011, approved July 18, 2011, and granted a non-refundable tax credit in an amount of sixty percent (60%) of the new municipal income tax revenues generated by new employees at the project site for six (6) years, to commence January 1, 2012 and for six (6) consecutive years thereafter based on the retention of 63 full-time positions, the creation of 130 new permanent full-time positions jobs with an annual payroll of approximately \$11.6 million and an investment of approximately \$1.0 million in improvements to the existing building, machinery, equipment and furniture at 8760 Orion Place, Columbus, Ohio 43240 (the “Project Site”).

In a letter from the Grantee dated November 3, 2014 and received by the City shortly thereafter, the City was advised that “due to economic pressures and the need to reengineer the product strategy,” the Grantee “does not anticipate that it will fulfill the job creation commitment” and so “respectfully requests that the City of Columbus cancel its Job Creation Tax Credit agreement.” This legislation is to dissolve the Agreement between the City of Columbus and Manta Media, Inc.

This legislation is presented as an emergency measure in order for this dissolution to be legislated prior to the beginning of the 2014 Job Creation Tax Credit reporting cycle eliminating any need for annual reporting documentation.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Job Creation Tax Credit Agreement between the City of Columbus and Manta Media, Inc.; to direct the Director of the Department of Development to notify the necessary local and state agencies; and to declare an emergency.

WHEREAS, Columbus City Council approved a Job Creation Tax Credit Agreement (the “Agreement”) with Manta Media, Inc. (also referred to as the “Grantee”) by Ordinance 1095-2011 on July 18, 2011 with the Agreement having been made and entered into effective November 22, 2011; and

WHEREAS, the Agreement granted a non-refundable tax credit in an amount of sixty percent (60%) of the new municipal income tax revenues generated by new employees at the project site, to commence January 1, 2012 and for a period of six (6) consecutive years thereafter; and

WHEREAS, in the Agreement, Grantee committed to retain 63 full-time positions, create 130 new permanent full-time positions jobs with an annual payroll of approximately \$11.6 million and invest approximately \$1.0 million in improvements to the existing building, machinery, equipment and furniture at 8760 Orion Place, Columbus, Ohio 43240 (the “Project Site”); and

WHEREAS, in a letter from the Grantee dated November 3, 2014, the City was advised that “due to economic pressures and the need to reengineer the product strategy,” the Grantee “does not anticipate that it will fulfill the job creation commitment” and so “respectfully requests that the City of Columbus cancel its Job Creation Tax Credit agreement;” which has led to this legislation to dissolve the Agreement between the City of Columbus and Manta Media effective January 1, 2014; 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 beginning of the 2014 Job Creation Tax Credit reporting cycle eliminating any need for annual reporting documentation, to report the dissolution to the necessary local and state agencies 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 Manta Media, Inc. Job Creation Tax Credit Agreement effective January 1, 2014 thereby making 2013 having been the final reporting tax year for the incentive and effectively eliminating any remaining tax years for the incentive.

SECTION 2. That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the Manta Media, Inc. Job Creation Tax Credit Agreement.

SECTION 3. 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.