



Legislation Text

File #: 1136-2015, **Version:** 1

BACKGROUND: The City of Columbus (City) entered into a Downtown Office Incentive Agreement (hereinafter “Agreement”) with PeopleToMySite.com, LLC, dba The Shipyard, (also referred to as the “Grantee”) effective May 22, 2014. Columbus City Council approved the Agreement by Ordinance 0449-2014, approved March 10, 2014, and granted a financial incentive based on an amount equal to fifty percent (50%) of the new Columbus withholding tax paid by the new employees at the project site, to commence on January 1, 2015 for a period of five (5) consecutive taxable years based on an investment of approximately \$200,000 in stand-alone computers and leasehold improvements, the retention of fifty (50) full-time permanent positions and the creation of 50 new permanent full-time positions at 580 North Fourth Street, Suite 500, Columbus, OH 43215 in downtown Columbus, the Project Site.

Section 8 of Resolution 0088X-2007, adopted June, 4, 2007, the most recent City Council Resolution supporting the continuation of the Columbus Downtown Office Incentive Program, describes the determination of program term eligibility and states that the term of the incentive for qualifying employers occupying leased space shall be two (2) years less than the lease term not to exceed five (5) years, so to qualify for a five (5) year incentive term, the Grantee would need to have entered into a seven (7) year lease at the Project Site. The background section of Ordinance 0449-2014 (the authorizing legislation) indicated that the Grantee was proposing to extend their lease to seven (7) years, and by doing so would qualify for a five (5) year term. Following the execution of the Agreement, the City found that the term of the lease was not for seven (7) years but for five (5) years and three (3) months. Through correspondence with the Grantee, it was agreed that the Grantee would amend their lease to run through the end of 2018 and that the agreement would be amended to reduce the term of the incentive from five (5) years to two (2) years, to begin January 1, 2015 and to run through December 31, 2016 for a two (2) year term. As such, the need exists to amend the Agreement so that the incentive term will be to commence January 1, 2015 and for two (2) consecutive years thereafter (i.e. January 1, 2015 through December 31, 2016).

This legislation is requested to be considered as an emergency in order to amend the Agreement so that the incentive term will commence January 1, 2015 and for two (2) consecutive years thereafter (i.e. January 1, 2015 through December 31, 2016) so that the Agreement will be brought into compliance with the terms of Resolution 0088X-2007 and so that the Grantee can continue to create new permanent full-time positions during this first year of the two (2) year incentive term.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Downtown Office Incentive Agreement with PeopleToMySite.com, LLC, dba The Shipyard for the purpose of changing the incentive term; and to declare an emergency.

WHEREAS, Columbus City Council approved a Downtown Office Incentive Agreement (the “Agreement”) with PeopleToMySite.com, LLC, dba The Shipyard (also referred to as the “Grantee”) by Ordinance 0449-2014 on March 10, 2014; and

WHEREAS, the Agreement granted a financial incentive based on an amount equal to fifty percent (50%) of the new Columbus withholding tax paid at the project site, to commence on January 1, 2015 for a period of five (5) consecutive

taxable years; and

WHEREAS, in the Agreement, Grantee committed to making an investment of approximately \$200,000 in stand-alone computers and leasehold improvements, the retention of fifty (50) full-time permanent positions and the creation of 50 new permanent full-time positions at 580 North Fourth Street, Suite 500, Columbus, OH 43215 (the Project Site); and

WHEREAS, Resolution 0088X-2007, the most recent City Council Resolution supporting the Downtown Office Incentive program, dictates that the term of the incentive for qualifying employers occupying leased space shall be two (2) years less than the lease term not to exceed five (5) years; and

WHEREAS, as of the date the Agreement was made and entered into, the term of the lease held by the Grantee at the Project Site was for only five (5) years and three (3) months, not for seven (7) years which would have allowed for a five (5) year incentive term; and

WHEREAS, the Grantee has agreed that the Agreement would be amended to reduce the term of the incentive from five (5) years to two (2) years, to begin January 1, 2015 and to run through December 31, 2016 for a two (2) year term; and

WHEREAS, an amendment is needed so that the incentive term will be to commence January 1, 2015 and for two (2) consecutive years thereafter (i.e. January 1, 2015 through December 31, 2016); and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek an amendment to the Downtown Office Incentive Agreement with PeopleToMySite.com, LLC, dba The Shipyard for the purpose of changing the incentive term from commencing January 1, 2015 and for five (5) consecutive years thereafter to commencing January 1, 2015 and for two (2) consecutive years thereafter (i.e. January 1, 2015 through December 31, 2016); thereby preserving the public health, peace, property and safety, **NOW, THEREFORE**,

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

SECTION 1. That the Director of Development is hereby authorized to amend the Downtown Office Incentive Agreement with PeopleToMySite.com, LLC, dba The Shipyard for the purpose of changing the incentive term from commencing January 1, 2015 and for five (5) consecutive years thereafter to commencing January 1, 2015 and for two (2) consecutive years thereafter (i.e. January 1, 2015 through December 31, 2016).

SECTION 2. That the amendment to the City of Columbus Downtown Office Incentive Agreement be signed by PeopleToMySite.com, LLC, dba The Shipyard within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 3. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the 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 the passage if the Mayor neither approves nor vetoes the same.