



Legislation Text

File #: 2877-2015, Version: 1

BACKGROUND: Columbus City Council, by Ordinance 0795-2008, passed May 12, 2008, authorized the Director of the Department of Development to enter into a Job Creation Tax Credit (JCTC) Agreement of sixty-five percent (65%) for a period of eight (8) years with Express, LLC and Express Holding, LLC, collectively known as “Express” and referred to as the “Grantee”, based on the company’s commitment to expand its corporate headquarters by investing approximately \$7.9 million in leasehold improvements and personal property, the retention of 368 jobs and the creation of 120 new full-time permanent positions with an annual payroll of approximately \$7.8 million.

After several amendments, the JCTC Agreement now reflects the Grantee’s restructuring of its organization, which added and removed various affiliates. As a result, Express, LLC, Express Holding, LLC, Express Topco, LLC, Express Inc. and Express Fashion Operations, LLC are now collectively known as “Express” and hereinafter referred to as the “Grantee”.

In a written letter dated October 16, 2015, the Grantee has requested the Department of Development amend its current JCTC Agreement to accommodate the company’s new proposed expansion project. The Grantee proposes to invest approximately \$53.3 million for the purposes of developing and expanding its IT division along with infrastructure build-out (which includes employee training). In addition, the Grantee will create 30 net new full-time permanent positions (above the employee count at year-end, December 31, 2015), with an associated new annual payroll of approximately \$2.66 million. The Grantee will enter into discussions with its current landlord during the spring of 2016. The end result will be a written addendum renewing the Grantee’s lease by September 2016, extending its current lease term from September 30, 2017 to April 30, 2021 or beyond; therefore, allowing the Grantee the opportunity to complete the aforementioned expansion project and job creation.

Now, the need exists to amend the JCTC Agreement with the Grantee for the purpose of extending the incentive term by two (2) additional years, from December 31, 2015 to December 31, 2017, to assist with the company’s proposed expansion project.

This legislation is requested to be considered as an emergency in order to allow the Grantee to begin the aforementioned expansion project and job creation.

FISCAL IMPACT: No funding is required for this legislation.

To amend the Job Creation Tax Credit Agreement with Express, LLC, Express Holding, LLC, Express Topco, LLC, Express Inc. and Express Fashion Operations, LLC for the purpose of extending the incentive term by two (2) additional years; and to declare an emergency.

WHEREAS, contingent on the City granting an amendment to the JCTC Agreement, the Grantee will maintain its corporate headquarters at 1 Limited Parkway Columbus, Ohio; and

WHEREAS, on May 12, 2008, Columbus City Council passed Ordinance 0795-2008 approving a 8-year, 65% Job Creation Tax Credit Incentive for Express, LLC and Express Holding, LLC in connection with the project; and furthermore, the JCTC Agreement was previously amended to accommodate the removal and addition of several affiliates; and

WHEREAS, the Grantee has invested approximately \$7.9 million to establish their corporate headquarters and originally committed to hire approximately 120 new full-time employees, and retain 368 employees at the project site; and

WHEREAS, an amendment is now required to extend the Grantee's termination date from December 31, 2015 to December 31, 2017 (adding two additional years), for the company's new proposed investment of \$53.3 million in IT development and build-out (including employee training), and the creation of thirty (30) net new full-time permanent positions with an estimated annual payroll of \$2.66 million; 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 from Columbus City Council for the purpose of extending the Grantee's expiration term date from December 31, 2015 to December 31, 2017 to allow the Grantee to begin the aforementioned expansion project and job creation, 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 the Department of Development is hereby authorized to amend the Job Creation Tax Credit Agreement for the purpose of extending the Grantee's expiration date from December 31, 2015 to December 31, 2017 (adding two (2) additional years), related to the company's proposed plan to invest \$53.3 million in IT development and infrastructure build-out, and the creation of thirty (30) new full-time permanent positions with an estimated annual payroll of approximately \$2.66 million.

SECTION 2. That the City of Columbus Job Creation Tax Credit Amendment is signed by Express, LLC, Express Holding, LLC, Express Topco, LLC, Express, Inc. and Express Fashion Operations, LLC within 120 days of passage of this ordinance, or this ordinance and the credit 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.