



Legislation Text

File #: 2907-2015, Version: 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Heartland Bank equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees for a term up to five (5) consecutive years for the purposes of job creation and employment opportunities for the citizens of the Columbus community.

Tiney M. McComb formed Heartland BancCorp in 1988 with purchased shares of Croton Bank. Heartland Bank is a subsidiary of Heartland BancCorp, a registered Ohio bank holding company. The financial institution is a state-chartered bank, a member of the Federal Reserve and Federal Deposit Insurance Corporation. Heartland Bank offers a complete line of loan and deposit products that include: package checking accounts, savings accounts, business express, investments, retirement products, home equity loans, construction, lot and mortgage loans, Intranet banking, money market accounts, individual retirement accounts and certificates of deposit. Other personal banking services include wire transfers, money orders, safe deposit boxes and travelers checks.

Heartland Bank is proposing to invest approximately \$7.871 million, which includes \$7.016 million in new construction and real property improvements and \$855,000 in machinery, equipment, stand-alone computers, furniture and fixtures to renovate, redevelop and reuse the old vacant Port Columbus Terminal and hangar (which opened in 1929, and is listed on the National Register of Historic Places). Heartland Bank plans to relocate its corporate headquarters and operations center from the City of Gahanna to the Columbus community. The old terminal, consisting of approximately 11,222 square feet, will be renovated, redeveloped, and reused as Heartland Bank's corporate headquarters while the hangar will be used as the company's operations center, expanding the hangar from 41,637 square feet to approximately 50,905 square feet. In addition, Heartland Bank will create 16 new full-time permanent positions with an estimated annual payroll of approximately \$831,000, and retain and relocate 72 full-time jobs with an estimated annual payroll of approximately \$4.14 million, consolidating five locations to 4920 E. Fifth Avenue and 575 N. Hamilton Road, Columbus, Ohio 43219.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with Heartland Bank equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) consecutive years in consideration of the company's total proposed investment of approximately \$7.871 million and the creation of 16 new full-time permanent positions.

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

WHEREAS, the Department of Development has received a completed Jobs Growth Incentive Application from Heartland Bank; and

WHEREAS, Heartland Bank is proposing to invest approximately \$7.871 million, which includes \$7.016 in new construction and real property improvements and \$855,000 in machinery, equipment, stand-alone computers, furniture and fixtures to renovate, redevelop and reuse the old vacant Port Columbus Terminal and hangar at 4920 E. Fifth Avenue and 575 N. Hamilton Road Columbus, Ohio 43219, to relocate its corporate headquarters and operations from the City of Gahanna to the Columbus community; and

WHEREAS, the company will create 16 new full-time permanent positions with an estimated annual payroll of approximately \$831,000; and

WHEREAS, the company will retain and relocate 72 full-time jobs from the City of Gahanna, and the surrounding communities to

the project sites, with an estimated annual payroll of approximately \$4.14 million; and

WHEREAS, Heartland Bank has indicated that a Jobs Growth Incentive is crucial to its decision to expand the aforementioned operation in Columbus; and

WHEREAS, the City of Columbus desires to facilitate Heartland Bank's future growth at the project sites; 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 Jobs Growth Incentive Agreement with Heartland Bank equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term up to five (5) consecutive years.

SECTION 2. Each year of the term of the agreement with Heartland Bank the City's obligation to pay the incentive is expressly contingent upon the passage 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 Jobs Growth Incentive Agreement is signed by Heartland Bank within 120 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 Heartland Bank's City of Columbus Jobs Growth Incentive Agreement for certain 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.