



Legislation Text

File #: 2417-2016, **Version:** 1

BACKGROUND: The City of Columbus (“CITY”) entered into a Jobs Growth Incentive Agreement (hereinafter “AGREEMENT”) with JPMorgan Chase Bank, National Association and JPMorgan Chase & Co., (also referred to as the “GRANTEE”) effective November 9, 2010. Columbus City Council approved the AGREEMENT by Ordinance Number 0709-2009, adopted May 18, 2009, and granted a financial incentive based on an amount equal to thirty-five percent (35%) of the withholding tax paid by the new employees at the project site, to commence on January 1, 2010 and for a period of eight (8) consecutive taxable years based on an investment of approximately \$16 million in real and personal property, the retention of 10,850 full-time positions and the creation of 1,000 new permanent full-time positions at any or all of the buildings at 1111 Polaris Parkway, 3415 Vision Drive and 3401 Morse Crossing in the City of Columbus, Ohio (the “PROJECT SITE”). The AGREEMENT was subsequently authorized to be amended for the first time to add Chase Home Finance LLC, JPMorgan Investment Management Inc., and Chase Investment Services Corp. as additional GRANTEES to the AGREEMENT as well as to expand the PROJECT SITE to include all JPMorgan Chase non-retail locations throughout the City of Columbus by Ordinance No. 2105-2011, passed December 5, 2011, with the amendment entered into effective January 1, 2010.

Following considerable discussion between the CITY and GRANTEE, a letter dated June 30, 2016 from the GRANTEE was received by the CITY which requested that several additional entities be added to the AGREEMENT as their inclusion was “the intent behind the original filing of the application” and that they believed “the original offer letter was to include all non-branch employees at the agreed upon project sites.”

Additionally, it was agreed upon during the aforementioned discussions to add language to the AGREEMENT to clarify the method by which new employees will be selected to replace terminated retained employees in order to maintain a level of 10,850 retained employees.

As such, the need exists to amend the AGREEMENT to add the following entities as additional GRANTEES to the AGREEMENT: Chase Bankcard Services, Inc.; J.P. Morgan Securities LLC; Paymentech, LLC; JPMorgan Funds Management, Inc.; Chase Insurance Agency, Inc. and JPMorgan Treasury Tech Corp. The need also exists to clarify the method by which new employees will be selected to replace terminated retained employees in order to maintain a level of 10,850 retained employees.

This legislation is requested to be considered as an emergency in order to amend the AGREEMENT so that the incentive payment for Report Year 2015 can be made and to prepare in a timely fashion for Report Year 2016 and beyond.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Jobs Growth Incentive Agreement with JPMorgan Chase Bank, National Association; JPMorgan Chase & Co.; Chase Home Finance LLC; JPMorgan Investment Management Inc.; and Chase Investment Services Corp. to (1) add Chase Bankcard Services, Inc.; J.P. Morgan Securities LLC; Paymentech, LLC; JPMorgan Funds Management, Inc.; Chase Insurance Agency, Inc. and JPMorgan Treasury Tech Corp. as additional Grantees to the Agreement and to (2) clarify the method by which new employees will be selected to replace terminated retained employees in order to maintain a level of 10,850 retained employees; and to declare an emergency.

WHEREAS, Columbus City Council approved a Jobs Growth Incentive Agreement (the “AGREEMENT”) with JPMorgan Chase Bank, National Association and JPMorgan Chase & Co. (also referred to as the “GRANTEE”) by Ordinance No. 0709-2009 on May 18, 2009, made and entered into effective

November 9, 2010; and

WHEREAS, the AGREEMENT granted a financial incentive based on an amount equal to thirty-five percent (35%) of the withholding tax paid by the new employees at the project site, to commence on January 1, 2010 for a period of eight (8) consecutive taxable years; and

WHEREAS, in the AGREEMENT, GRANTEE committed to making an investment of approximately \$16 million in real and personal property, the retention of 10,850 full-time positions and the creation of 1,000 new permanent full-time positions at any or all of the buildings at 1111 Polaris Parkway, 3415 Vision Drive and 3401 Morse Crossing in the City of Columbus, Ohio (the "PROJECT SITE"); and

WHEREAS, the AGREEMENT was subsequently authorized to be amended for the first time to add Chase Home Finance LLC, JPMorgan Investment Management Inc., and Chase Investment Services Corp. as additional GRANTEES to the AGREEMENT as well as to expand the PROJECT SITE to include all JPMorgan Chase non-retail locations throughout the City of Columbus by Ordinance No. 2105-2011, passed December 5, 2011, with this First Amendment entered into effective January 1, 2010; and

WHEREAS, a letter from the GRANTEE received by the CITY dated June 20, 2016 requested that several additional entities be added to the AGREEMENT as their inclusion was "the intent behind the original filing of the application" and that they believed "the original offer letter was to include all non-branch employees at the agreed upon project sites;" and

WHEREAS, the CITY and GRANTEE have also agreed that the need exists to add language to the AGREEMENT to clarify the method by which new employees will be selected to replace terminated retained employees in order to maintain a level of 10,850 retained employees; and

WHEREAS, an amendment is needed to effect these changes to the AGREEMENT; 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 Jobs Growth Incentive Agreement so that the incentive payment for Report Year 2015 can be made and to prepare in a timely fashion for Report Year 2016 and beyond thereby preserving the public health, peace, property and safety; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

Section 1. That the Director of Development is hereby authorized to amend the Jobs Growth Incentive Agreement with JPMorgan Chase Bank, National Association; JPMorgan Chase & Co.; Chase Home Finance LLC; JPMorgan Investment Management Inc.; and Chase Investment Services Corp. to add Chase Bankcard Services, Inc.; J.P. Morgan Securities LLC; Paymentech, LLC; JPMorgan Funds Management, Inc.; Chase Insurance Agency, Inc. and JPMorgan Treasury Tech Corp. as additional GRANTEES to the AGREEMENT.

Section 2. That the Director of Development is hereby authorized to amend the Jobs Growth Incentive Agreement with JPMorgan Chase Bank, National Association; JPMorgan Chase & Co.; Chase Home Finance LLC; JPMorgan Investment Management Inc.; and Chase Investment Services Corp. to clarify the method by which new employees will be selected to replace terminated retained employees in order to maintain a level of 10,850 retained employees.

Section 3. That the amendment to the City of Columbus Jobs Growth Incentive Agreement be signed by JPMorgan Chase Bank, National Association; JPMorgan Chase & Co.; Chase Home Finance LLC; JPMorgan Investment Management Inc.; and Chase Investment Services Corp.; Chase Bankcard Services, Inc.; J.P. Morgan Securities LLC; Paymentech, LLC; JPMorgan Funds Management, Inc.; Chase Insurance Agency, Inc. and JPMorgan Treasury Tech Corp. within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

Section 4. 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