



Legislation Text

File #: 0448-2017, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Total System Services, Inc. in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of up to five (5) consecutive years.

Total System Services, Inc. ("TSYS"), a publically traded corporation on the New York Stock Exchange, provides payment processing and other services to card-issuing and merchant acquiring institutions in the United States and internationally. TSYS has roots dating back to 1888 and supports financial institutions, businesses, governments, and customers with payment tools for credit, debit, prepaid, mobile, chip, healthcare, and merchant acceptance.

TSYS is proposing to establish a credit card production facility with operational capacity to produce 67 million credit cards at 1500 Boltonfield Street Columbus, Ohio 43228, a site where the company is expected to enter into a 10-year lease to assume approximately 200,000 square feet. The establishment of operations in Columbus would be TSYS's first operations site in the State of Ohio. The project involves a total investment of approximately \$24,500,000 related to building improvements and the acquisition of machinery/equipment and information technology equipment.

TSYS anticipates creating 140 new full-time permanent positions with a new annual payroll of approximately \$5,046,745 within the next three years.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of Development to enter into a dual-rate Jobs Growth Incentive with Total System Services, Inc. for a term of up to five (5) consecutive years in consideration of investing an estimated \$24,500,000.00 and creating 140 new full-time permanent positions within the next three years.

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 received a completed Jobs Growth Incentive Application from Total System Services, Inc. dba TSYS; and

WHEREAS, Total System Services, Inc. will establish a credit card production facility with operational capacity to produce 67 million credit cards at 1500 Boltonfield Street Columbus, Ohio 43228, a site where the company is expected to enter into a 10-year lease to assume approximately 200,000 square feet; and

WHEREAS, Total System Services, Inc. will invest a total of approximately \$24,500,000 related to building improvements and the acquisition of machinery/equipment and information technology equipment and create 140 new full-time permanent positions with a new annual payroll of approximately \$5,046,745 within the next three years; and

WHEREAS, Total System Services, Inc. has indicated that a Jobs Growth Incentive is crucial to its decision to establish a credit card production facility in the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Total System Services, Inc. at the project site by providing a Jobs Growth Incentive; **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 dual-rate Jobs Growth Incentive Agreement with Total System Services, Inc. equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of up to five (5) consecutive years.
- SECTION 2.** That if Total System Services, Inc. is not able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).
- SECTION 3.** That each year of the term of the agreement with Total System Services, Inc., 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 4.** That the City of Columbus Jobs Growth Incentive Agreement is signed by Total System Services, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.
- SECTION 5.** That City Council hereby extends authority to the Director of Development to amend the Total System Services, Inc. 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 6.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.