



Legislation Text

File #: 1301-2017, **Version:** 1

BACKGROUND: The City of Columbus (“CITY”) entered into a Job Creation Tax Credit Agreement (hereinafter “AGREEMENT”) with Safelite Group, Inc., (also referred to as the “GRANTEE”) effective July 30, 2013. Columbus City Council approved the AGREEMENT by Ordinance Number 0989-2013, adopted May 6, 2013, and granted a non-refundable tax credit in an amount of sixty-five percent (65%) of the new municipal income tax revenues generated by new employees at the project site to commence on January 1, 2014 for a period of eight (8) consecutive taxable years based on an investment of approximately \$48.4 million in the renovation and reconfiguration of existing office space, the retention of 1,064 full-time positions and the creation of 350 new permanent full-time positions at its corporate headquarters at 2400/2500 Farmers Drive, Columbus, OH 43235 (the PROJECT SITE). The AGREEMENT was subsequently authorized to be amended for the first time to expand the PROJECT SITE to include two additional addresses, namely 2231 Schrock Road, Columbus, OH 43229 and 760 Dearborn Park Lane, Columbus, OH 43085 (as many of the jobs to be created related to the project were associated with these additional addresses), by Ordinance No. 2121-2014, passed September 22, 2014, with this First Amendment entered into effective as of the date and year first written in the AGREEMENT.

In a letter from the GRANTEE received by the CITY on May 1, 2017, the GRANTEE indicated that “when the agreement was drafted only Safelite Group, Inc., the parent company for Safelite Group, Inc., & Subsidiaries, was included in the scope of the agreement,” that “Safelite Fulfillment, Inc. and Safelite Solutions, LLC are not currently party to the agreement as originally structured,” that “both of these entities have substantial jobs and payroll within the City of Columbus,” that the scope of the project was “intended to include the two entities” and “without these entities being party to the agreement Safelite would not be able to meet the baseline jobs and payroll necessary for the agreement.” As such, the need exists to amend the AGREEMENT to add Safelite Fulfillment, Inc. and Safelite Solutions, LLC as additional GRANTEES to the AGREEMENT.

This legislation is requested to be considered as an emergency in order to add Safelite Fulfillment, Inc. and Safelite Solutions, LLC as additional GRANTEES to the AGREEMENT so that the AGREEMENT will be amended prior to the end of the reporting cycle for Report Year 2016.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Job Creation Tax Credit Agreement with Safelite Group, Inc. to add Safelite Fulfillment, Inc. and Safelite Solutions, LLC as additional grantees to the agreement; and to declare an emergency.

WHEREAS, this Council approved a Job Creation Tax Credit Agreement (the “AGREEMENT”) with Safelite Group, Inc. (also referred to as the “GRANTEE”) by Ordinance No. 0989-2013 on May 6, 2013, made and entered into effective July 30, 2013; and

WHEREAS, the AGREEMENT granted a non-refundable tax credit in an amount of sixty-five percent (65%) of the new municipal income tax revenues generated by new employees at the project site to commence on January 1, 2014 for a period of eight (8) consecutive taxable years; and

WHEREAS, in the AGREEMENT, GRANTEE committed to making an investment of approximately \$48.4 million to renovate and reconfigure existing office space, retain 1,064 full-time positions and create 350 new permanent full-time positions at its corporate headquarters at 2400/2500 Farmers Drive, Columbus, OH 43235 (the “PROJECT SITE”); and

WHEREAS, the AGREEMENT was subsequently authorized to be amended for the first time to expand the PROJECT SITE to include two additional addresses, namely 2231 Schrock Road, Columbus, OH 43229 and 760 Dearborn Park Lane, Columbus, OH 43085 (as many of the jobs to be created related to the project were associated with these additional addresses), by Ordinance No. 2121-2014, passed September 22, 2014, with this First Amendment entered into effective as of the date and year first written in the AGREEMENT; and

WHEREAS, a letter from the GRANTEE received by the CITY on May 1, 2017 indicated that “when the agreement was drafted only Safelite Group, Inc., the parent company for Safelite Group, Inc., & Subsidiaries, was included in the scope of the agreement,” that “Safelite Fulfillment, Inc. and Safelite Solutions, LLC are not currently party to the agreement as originally structured,” that “both of these entities have substantial jobs and payroll within the City of Columbus,” that the scope of the project was “intended to include the two entities” and “without these entities being party to the agreement Safelite would not be able to meet the baseline jobs and payroll necessary for the agreement;” and

WHEREAS, an amendment is needed to add Safelite Fulfillment, Inc. and Safelite Solutions, LLC as additional GRANTEES to the AGREEMENT; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to seek an amendment to the Jobs Growth Incentive Agreement with Safelite Group, Inc. for the purpose of adding Safelite Fulfillment, Inc. and Safelite Solutions, LLC as additional GRANTEES to the AGREEMENT; 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 Job Creation Tax Credit Agreement with Safelite Group, Inc. to add Safelite Fulfillment, Inc. and Safelite Solutions, LLC as additional GRANTEES to the AGREEMENT.

SECTION 2. That the amendment to the City of Columbus Job Creation Tax Credit Agreement be signed by Safelite Group, Inc., Safelite Fulfillment, Inc. and Safelite Solutions, LLC 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.