



## Legislation Text

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**File #:** 1516-2017, **Version:** 1

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**BACKGROUND:** The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with devVenture, LLC and devVenture Holdings, LLC 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.

Starting in 2007, devVenture, LLC, doing business as AutoSweet, has been developing, maintaining, and selling its proprietary software to help thousands of car dealerships market their inventory online. In one *Sweet* of software, AutoSweet's Inventory Marketing Hub bundles everything dealers need to effectively market and manage new and pre-owned inventory in a simple-to-use interface. The software provides features to collect, manage, and publish inventory to every marketing channel dealers work with (e.g. classifieds, local, and social selling sites like Craigslist, Backpage, YouTube, and Facebook). The company also offers related services including on-lot inventory services and an automated, strategic e-mail marketing campaign service. Due to its success, the company has operations in Columbus, Houston (TX), and New Orleans (LA), with the majority of its workforce located in Columbus.

devVenture, LLC intends to relocate the operations from 3240 W. Henderson Road, Suite C Columbus, Ohio 43220 in the coming months to support projected employment growth as the current site is at capacity. An affiliated company, devVenture Holdings, LLC, will lease and renovate approximately 8,083 square feet of now warehouse space into creative, tech-friendly office space to be occupied by devVenture, LLC, at 2260 W. Henderson Road, Suite 220 Columbus, Ohio 43220 ("Project Site"), where the company is expected to enter into an 8-year lease agreement. devVenture Holdings, LLC will invest approximately \$40,000 related to leasehold improvements at the Project Site while devVenture, LLC will retain and relocate 24 full-time permanent positions with an associated annual payroll of approximately \$1,594,000, create 35 new full-time permanent positions with an associated annual payroll of approximately \$2,581,000, and invest approximately \$200,000 related to the acquisition of machinery and equipment, furniture and fixtures, and information technology equipment.

**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 devVenture, LLC and devVenture Holdings, LLC for a term of up to five (5) consecutive years in consideration of investing a combined \$240,000.00 to improve and equip new office space, retaining and relocating 24 full-time permanent positions, and creating 35 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 devVenture, LLC and devVenture Holdings, LLC; and

**WHEREAS**, devVenture, LLC intends to relocate the operations from 3240 W. Henderson Road, Suite C Columbus, Ohio 43220

**WHEREAS**, devVenture Holdings, LLC will lease and renovate approximately 8,083 square feet of now warehouse space into creative, tech-friendly office space to be occupied by devVenture, LLC, at 2260 W. Henderson Road, Suite 220 Columbus, Ohio 43220; and

**WHEREAS**, devVenture Holdings, LLC will invest approximately \$40,000 related to leasehold improvements and devVenture, LLC will retain and relocate 24 full-time permanent positions with an associated annual payroll of approximately \$1,594,000, create 35 new full-time permanent positions with an associated annual payroll of approximately \$2,581,000, and invest approximately \$200,000 related to the acquisition of machinery and equipment, furniture and fixtures, and information technology equipment; and

**WHEREAS**, devVenture, LLC and devVenture Holdings, LLC have indicated that a Jobs Growth Incentive is crucial to the decision to relocate and expand operations in the City of Columbus; and

**WHEREAS**, the City of Columbus desires to facilitate the future growth of devVenture, LLC and devVenture Holdings, LLC at the project site by providing a Jobs Growth Incentive; 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 dual-rate Jobs Growth Incentive Agreement with devVenture, LLC and devVenture Holdings, LLC 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.** If devVenture, LLC or devVenture Holdings, LLC are 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.** Each year of the term of the agreement with devVenture, LLC and devVenture Holdings, LLC, 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 devVenture, LLC and devVenture Holdings, LLC within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.
- SECTION 5.** The City Council hereby extends authority to the Director of Development to amend the devVenture, LLC, devVenture Holdings, LLC, and 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.