



Legislation Text

File #: 2253-2017, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc. 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, for a term of up to five (5) consecutive years.

Founded in 2007, Valhalla Holdings, Inc. is the parent holding company for a family of affordable housing companies specializing in the development, design, construction and property management of affordable rental housing in rural, suburban and urban communities throughout 14 different states. Valhalla Holdings, Inc. is currently headquartered in Westerville, Ohio and operates an extension office in the City of Columbus with 30 full-time employees. The organization primarily operates in the apartment building construction business industry within the Construction - General Contractors & Operative Builders sectors. Valhalla Holdings, Inc. affiliates includes: Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc.

Valhalla Holdings, Inc. is proposing to invest approximately \$2.5 million, which includes \$1.5 million in building improvements and \$1.0 million in furniture and fixtures, to consolidate, relocate and expand its corporate headquarters. With this expansion, the company will combine its Westerville and Columbus offices to improve efficiencies and productivity, and to accommodate the company's continued growth. The company began in 3 states and now they're currently in 14 different states. Valhalla Holdings, Inc. will enter into a lease agreement on a vacant commercial office space consisting of approximately 26,000 sq. ft. +/- at 500 S. Front Street Columbus, Ohio 43215. In addition, the company will retain 60 full-time jobs with an annual payroll of approximately \$3.7 million and create 100 new full-time permanent positions with an estimated annual payroll of approximately \$5.15 million.

Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc. are requesting a Jobs Growth Incentive from the City of Columbus to assist in the expansion of this project. This legislation is presented as 30-day legislation.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of Department of Development to enter into a dual-rate Jobs Growth Incentive Agreement with Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc. for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$2.5 million, the retention of 60 jobs and the creation of 100 new full-time permanent positions with an annual payroll of approximately \$5.15 million.

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 Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc.; and

WHEREAS, Valhalla Holdings, Inc. Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc. proposes to consolidate and expand its corporate headquarters by entering into a lease agreement on a vacant commercial office space consisting of approximately 26,000 sq. ft. +/- at 500 S. Front Street Columbus, Ohio 43215, in the Brewery District; and

WHEREAS, Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc. are proposing to invest a total project amount of approximately \$2.5 million, which includes \$1.5 million in building improvements and \$1.0 million in furniture and fixtures, retain 60 full-time jobs with an annual payroll of approximately \$3.7 million and create 100 new full-time permanent positions with an estimated new annual payroll of approximately \$5.15 million; and

WHEREAS, Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc. has indicated that a Jobs Growth Incentive is crucial to its decisions to expand its corporate headquarters and operation facility within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc. 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 Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, 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, for a term of up to five (5) consecutive years.

SECTION 2. Should Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. or The Woda Group, Inc. not be 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 Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, 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 Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc. 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 the Department of Development to amend the Valhalla Holdings, Inc., Woda Constructions, Inc., Valhalla Personnel, Inc. and The Woda Group, Inc.'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 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.