



Legislation Text

File #: 1242-2018, **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. The AGREEMENT was subsequently authorized to be amended for the second time 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 by Ordinance No. 2417-2016, passed October 3, 2016, with the amendment entered into effective January 24, 2017.

Following discussion between the CITY and GRANTEE, a letter dated January 22, 2018 from the GRANTEE requested that one additional entity be added to the AGREEMENT with this addition being consistent with the intent behind the original filing of the application.

As such, the need exists to amend the AGREEMENT to add JPMorgan Distribution Services, Inc. as an additional GRANTEE to the AGREEMENT.

This legislation is requested to be considered as an emergency in order to amend the AGREEMENT so that the incentive payments for Reporting Years 2016 and 2017 can be made in a timely fashion.

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.; 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. to add JPMorgan Distribution Services, Inc. as an additional grantee to the agreement; 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, the AGREEMENT was subsequently authorized to be amended for the second time 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 by Ordinance No. 2417-2016, passed October 3, 2016, with the amendment entered into effective January 24, 2017; and

WHEREAS, a letter from the GRANTEE received by the CITY dated January 22, 2018 requested that one additional entity be added to the AGREEMENT with this addition being consistent with “the intent behind the original filing of the application;” and

WHEREAS, an amendment is needed to effect this change 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 with JPMorgan Chase Bank, National Association; JPMorgan Chase & Co.; Chase Home Finance LLC; JPMorgan Investment Management Inc.; 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. to add JPMorgan Distribution Services, Inc. as an additional GRANTEE to the AGREEMENT; 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.; 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. to add JPMorgan Distribution Services, Inc. as an additional GRANTEE to the AGREEMENT.

Section 2. 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.; Chase Investment Services Corp.; Chase Bankcard Services, Inc.; J.P. Morgan Securities LLC; Paymentech, LLC; JPMorgan Funds Management, Inc.; Chase Insurance Agency, Inc. JPMorgan Treasury Tech Corp. and JPMorgan Distribution Services, Inc. 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.