



Legislation Text

File #: 1355-2018, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Downtown Office Incentive Agreement with IBOD Company, Inc. the parent company of Root Insurance Company.

The primary line of business for Root Insurance Company ("Root"), headquartered in Columbus, Ohio, is providing property and casualty insurance, in particular personal passenger auto insurance. Root relies on telematics and a customer's smartphone to deliver rates for good drivers based on their current driving data. Root was formed by a veteran of the insurance industry that saw a need to provide good drivers an insurance product that rewards them with low insurance premiums based on their driving ability. The company's auto insurance products are sold, administered, and monitored through a smartphone app. Root does not employ agents to sell or administer its products.

Root is a subsidiary of IBOD Company, Inc. which was founded in 2015. IBOD Company, Inc. will be the employer of record for all positions created and retained as it recently severed a relationship with its former professional employer organization (PEO), Sequent, Inc. IBOD Company, Inc. intends to lease, renovate, and occupy approximately 65,000 square feet of office space at 80 E. Rich Street, Columbus, Ohio 43215 ("Project Site") near the Columbus Commons. The expansion of the company's headquarters and growth of their executive and customer support operation will support projected growth and provide access to a diverse and talented pool of prospective employees.

IBOD Company, Inc. will invest approximately \$1.03 million related to leasehold improvements and equipping the Project Site. IBOD Company, Inc. anticipates retaining and relocating 79 existing full-time permanent positions with an associated annual payroll of approximately \$8,407,464 from their current headquarters located at 34 W. Gay Street, Suite 2A, Columbus, Ohio 43215, and expects to create approximately 463 new full-time permanent positions with an associated annual payroll of approximately \$38.8 million.

IBOD Company, Inc. is requesting a Downtown Office Incentive from the City of Columbus to assist in the relocation and expansion of operations in Columbus.

Emergency action is requested in order to allow for the execution of a time-sensitive lease agreement.

FISCAL IMPACT: No funding is required for this legislation

To authorize the Director of the Department of Development to enter into a Downtown Office Incentive Agreement with IBOD Company, Inc.; and to declare an emergency.

WHEREAS, the City desires to increase employment opportunities and encourage establishment of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, Resolution 0088X-2007, adopted June 4, 2007, authorized the Department of Development to establish the Columbus Downtown Office Incentive Program as amended; and

WHEREAS, the Department of Development has received a completed application for the Downtown Office Incentive from IBOD Company, Inc.; and

WHEREAS, IBOD Company, Inc. intends to lease, renovate, and occupy approximately 65,000 square feet of office space at 80 E. Rich Street, Columbus, Ohio 43215; and

WHEREAS, IBOD Company, Inc. will invest approximately \$1.03 million related to leasehold improvements and equipping the Project Site, anticipates retaining and relocating 79 existing full-time permanent positions with an associated annual payroll of approximately \$8,407,464, and expects to create approximately 463 new full-time permanent positions with an associated annual payroll of approximately \$38.8 million; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Director to execute the agreement with the company to allow for the execution of a time-sensitive lease agreement, all for the immediate preservation of the public health, peace, property, safety and welfare;
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 Downtown Office Incentive Agreement, pursuant to Columbus City Council Resolution 0088X-2007, with IBOD Company, Inc. for an annual cash payment equal to fifty percent (50%) of the amount of City withholding tax withheld on new employees for a term of up to five (5) consecutive years on the estimated job creation of 463 new full-time permanent positions to be located at 80 E. Rich Street, Columbus, Ohio 43215.
- SECTION 2.** Each year of the term of the agreement with IBOD Company, Inc. that a payment is due, the City's obligation to pay the incentive is expressly contingent upon the passing 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 3.** That the City of Columbus Downtown Office Incentive Agreement is signed by IBOD Company, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.
- SECTION 4.** That the Director of the Department of Development is hereby authorized to amend the Downtown Office Incentive Agreement with IBOD Company, Inc. 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 5.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.