



Legislation Text

File #: 2860-2018, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Diversity Search Group, LLC (hereinafter “Diversity Search Group”) 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.

Founded in 2005, Diversity Search Group is one of the largest project-based human resources and recruiting firms in Ohio. Headquartered in Columbus, Diversity Search Group specializes in providing staffing, call center, and training services to public sector entities, non-profit organizations, and corporations nationwide.

Diversity Search Group is the workplace solutions leader with a comprehensive service offering. Diversity Search Group is a registered minority vendor for the City of Columbus, a certified minority business enterprise (MBE), a Disadvantaged Business Enterprise (DBE), and a woman-owned small business.

Diversity Search Group is proposing to relocate their operations from 2600 Corporate Exchange Drive, Suite 120, Columbus, Ohio 43231 to another site located in the city of Columbus, 2550 Corporate Exchange Drive, Columbus, Ohio 43231 (“Project Site”) to proceed with an expansion of an on-site, contract-based call center operation to support the needs of the firm’s clients. As part of that relocation, Diversity Search Group is expected to lease, renovate, and equip approximately 7,477 square feet of commercial office space at the Project Site.

In total, Diversity Search Group is expected to invest approximately \$370,000 to ready, furnish, and equip the Project Site to support this expansion of operations. Furthermore, Diversity Search Group anticipates retaining and relocating 4 existing full-time permanent positions with an associated annual payroll of approximately \$239,200 and expects to create 120 net new full-time permanent positions by December 31, 2021 with an associated new annual payroll of approximately \$3,806,400.

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 Diversity Search Group, LLC for a term of up to five (5) consecutive years in consideration of investing an estimated \$370,000.00, retaining 4 full-time permanent positions, and creating 120 new full-time permanent positions.

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 Diversity Search Group, and

WHEREAS, Diversity Search Group will relocate operations from 2600 Corporate Exchange Drive, Suite 120, Columbus, Ohio 43231 to 2550 Corporate Exchange Drive, Columbus, Ohio 43231 after leasing and equipping approximately 7,477 square feet of commercial office space; and

WHEREAS, Diversity Search Group will retain 4 existing full-time permanent positions with an associated annual payroll of approximately \$239,200 and create 120 new full-time permanent positions with an associated new annual payroll of approximately \$3,806,400; and

WHEREAS, Diversity Search Group is expected to lease, renovate, and equip the Project Site for a total investment of approximately \$370,000; and

WHEREAS, Diversity Search Group has indicated that a Jobs Growth Incentive is crucial to its decision to expand operations in the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Diversity Search Group 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 Diversity Search Group, LLC (hereinafter “Diversity Search Group”) 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 Diversity Search Group is 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 Diversity Search Group, 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 Diversity Search Group 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 Diversity Search Group 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.