File #: 3121-2018, **Version:** 1

BACKGROUND: The need exists to enter into a Job Creation Tax Credit Agreement with Fortuity Holding, LLC and Fortuity Calling, LLC. The Ohio Tax Credit Legislation (Section 718.15 of the Ohio Revised Code) authorizing such agreements became effective January 14, 1993 and requires the City to enter a Council-approved agreement between the City and a participating company.

Headquartered in the City of Columbus, Fortuity Holding, LLC is a real estate holding company established in the fall of 2017. Fortuity Calling, LLC is a wholly owned subsidiary of Fortuity Holding, LLC, and will launch in mid-to-late 2018 as a full-service outsourced call center providing a range of customer support services to local and national companies including phone, chat, social media support, sms/text, email and mail/fax. Fortuity Calling, LLC will provide domestic inbound, overflow and back-office call center support for corporate clients that want on-shore agents speaking English as their first language. Both entities are owned and operated by an experienced management team that includes Fred Brothers, Katie Robinson, and others.

Fortuity Holding, LLC proposes to invest a total project cost of approximately $12.44 million, which includes $4.56 million in acquisition cost, $5.38 million in real property improvements, $2.0 million in inventory, $300,000 in equipment, and $200,000 in furniture and fixtures to acquire, own, expand, renovate and redevelop Mt. Carmel's old medical office facility into a new Class A commercial office and rehabilitate the associated attached parking garage at 750 Mt. Carmel Mall, Columbus, Ohio, 43222, parcel number 010-000814 in West Franklinton. The proposed redevelopment will convert a 54,805 sq. ft. three-story medical office facility into a four-story commercial office space containing approximately 71,900 sq. ft. Additionally, the company also proposes to rehabilitate a two-story parking garage that will support the commercial office. The 92,204 sq. ft. parking garage contains approximately 300 parking spaces, of which, 150 spaces will be used for public parking. Fortuity Calling, LLC will be one of the office tenants and employer of record, and will enter into a lease agreement with Fortuity Holding, LLC, retain 2 full-time positions with an annual payroll of approximate $320,700 and create 125 new full-time permanent positions with an estimated annual payroll of approximately $3.62 million at the proposed project site.

Fortuity Holding, LLC and Fortuity Calling, LLC are requesting a Job Creation Tax Credit from the City of Columbus to assist in the redevelopment 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 the Department of Development to enter into a Job Creation Tax Credit Agreement with Fortuity Holding, LLC and Fortuity Calling, LLC for a tax incentive of sixty percent (60%) for a period of six (6) consecutive years in consideration of a total proposed capital investment of approximately $12.44 million, retention of 2 full-time jobs and the creation of 125 new full-time permanent positions with an estimated annual payroll of approximately $3.62 million.

WHEREAS, contingent on the City granting a Job Creation Tax Credit, Fortuity Holding, LLC proposes to invest a total project cost of approximately $12.44 million, which includes $4.56 million in acquisition cost, $5.38 million in real property improvements, $2.0 million in inventory, $300,000 in equipment, and $200,000 in furniture and fixtures to acquire, own, expand, renovate and redevelop Mt. Carmel's soon-to-be vacant medical office facility and rehabilitate a two-story structured parking garage at 750 Mt. Carmel Mall, Columbus, Ohio, 43222, parcel number 010-000814 in West Franklinton; and

WHEREAS, the proposed redevelopment will convert a 54,805 sq. ft. three-story medical office facility into a four-story commercial office space containing approximately 71,900 total sq. ft. Additionally, the company proposes to rehabilitate a two-story parking garage that will support the commercial office. The 92,204 sq. ft. parking garage contains approximately 300 parking spaces, of which, 150 spaces will be used for public parking; and

WHEREAS, Fortuity Calling, LLC will be one of the office tenants and employer of record, and enter into a lease agreement with Fortuity Holding, LLC, create 125 new full-time permanent positions with an estimated annual payroll of approximately $3.62 million and retain 2 full-time jobs with an annual payroll of approximately $320,700, to increase employment opportunities and strengthen the economy of the city; and

WHEREAS, receiving this tax credit from the City is a critical factor in Fortuity Holding, LLC and Fortuity Calling, LLC's decision to go forward with the aforementioned project in Columbus; and

WHERESAS, 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, Fortuity Holding, LLC and Fortuity Calling, LLC has indicated that a Job Creation Tax Credit is crucial to its decision to locate the proposed project in Columbus; and

WHEREAS, the City of Columbus desires to facilitate Fortuity Holding, LLC and Fortuity Calling, LLC's growth at the project site; and **NOW THEREFORE:**

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

Section 1. That the City hereby finds and determines that the project will (1) create jobs in the State and City; (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax credit is a critical factor in the decision for Fortuity Holding, LLC and Fortuity Calling, LLC to go forward with the proposed project.

Section 2. That the Director of the Department of Development is hereby authorized and directed to enter into and execute a Job Creation Tax Credit of sixty percent (60%) of the amount of personal income tax withheld on new employees for a term up to six (6) consecutive years with Fortuity Holding, LLC and Fortuity Calling, LLC.

Section 3. That the City of Columbus Job Creation Tax Credit Agreement is signed by Fortuity Holding, LLC and Fortuity Calling, LLC within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 4. The City Council hereby extends authority to the Director of the Department of Development to amend the Fortuity Holding, LLC and Fortuity Calling, LLC City of Columbus Job Creation Tax Credit 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 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

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