



Legislation Text

File #: 3415-2018, **Version:** 1

BACKGROUND: The need exists to amend the Jobs Growth Incentive Agreement with OhioHealth Corporation and affiliated entities (hereinafter collectively the “GRANTEE”). Ordinance No. 2200-2016, approved by Columbus City Council on September 20, 2016, granted the benefits of the Jobs Growth Incentive in an amount equal to (i) thirty-five percent (35%) of the City of Columbus income tax withheld on the Columbus payroll of eligible new employees and (ii) forty-five percent (45%) of the City of Columbus income tax withheld on the Columbus payroll of eligible new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of ten (10) consecutive years.

The Jobs Growth Incentive Agreement was legislated in support of the GRANTEE’S commitments to: invest an estimated \$89,000,000 in order construct approximate 240,000 square feet of administrative office space and associated parking at what is now near the intersection of OhioHealth Parkway and Health Community Way (hereinafter the “PROJECT SITE”); retain and relocate 1,180 full-time non-clinical jobs with an associated annual payroll of approximately \$101,731,173 to the PROJECT SITE from other sites within the city of Columbus; retain and relocate 155 full-time non-clinical jobs with an associated annual payroll of approximately \$7,262,060 to the PROJECT SITE from other sites outside of the city of Columbus; create 256 net new full-time non-clinical jobs at the PROJECT SITE with an annual payroll of approximately \$15,100,000 all by December 31, 2019; and create an additional 900 net new full-time, non-contingent, non-seasonal jobs, a mix of both clinical and non-clinical positions, within a defined geographic area along Olentangy River Road and on Chatham Lane (hereinafter the “OLENTANGY RIVER ROAD CORRIDOR”) with an associated annual payroll of approximately \$53,300,000 by December 31, 2024.

In a letter to the City of Columbus from the GRANTEE dated October 31, 2018, a request was made to amend both the start date and the termination date of the Jobs Growth Incentive as a consequence of the complexity of the development of the PROJECT SITE and the consolidation of operations to the OLENTANGY RIVER ROAD CORRIDOR. The request was also made to more closely align the term of the incentive with the revised time by which the majority of employees will be employed at the new administrative office campus.

An amendment to the Jobs Growth Incentive Agreement is now required to: adjust the starting date of the incentive from January 1, 2018 to January 1, 2019; adjust the termination date of the incentive from December 31, 2027 to December 31, 2028; amend the definition of a New Employee to conform with the adjusted incentive term; amend the definition of a New & Relocated Employee to conform with the adjusted incentive term; and amend the definition of a Retained Employee to conform with the adjusted incentive term.

This legislation is presented as an emergency measure in order for this amendment to be legislated as quickly as possible so that the subsequent First Amendment to the Jobs Growth Incentive Agreement can be executed, allowing OhioHealth Corporation, and affiliated entities, to remain compliant with the terms of the agreement.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Jobs Growth Incentive Agreement with OhioHealth Corporation and affiliated entities for the purpose of: adjusting the starting date of the incentive from January 1, 2018 to January 1, 2019; adjusting the termination date of the incentive from December 31, 2027 to December 31, 2028; amending the definition of a New Employee to conform with the adjusted incentive term; amending the definition of a New & Relocated Employee to conform with the adjusted incentive term; amending the definition of a Retained Employee to conform with the adjusted incentive term; and to declare an emergency.

WHEREAS, on September 20, 2016, Columbus City Council passed Ordinance No. 2200-2016 which granted a Jobs Growth Incentive in an amount equal to (i) thirty-five percent (35%) of the City of Columbus income tax withheld on the Columbus payroll of eligible new employees and (ii) forty-five percent (45%) of the City of Columbus income tax withheld on the Columbus payroll of eligible new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of ten (10) consecutive years; and

WHEREAS, in a letter to the City of Columbus from the GRANTEE dated October 31, 2018, a request was made to amend both the start date and the termination date of the Jobs Growth Incentive as a consequence of the complexity of the development of the PROJECT SITE and the consolidation of operations to the OLENTANGY RIVER ROAD CORRIDOR; and

WHEREAS, the request was also made to more closely align the term of the incentive with the revised time by which the majority of employees will be employed at the new administrative office campus; and

WHEREAS, the need exists to amend the Jobs Growth Incentive Agreement with OhioHealth Corporation and affiliated entities for the purpose of: adjusting the starting date of the incentive from January 1, 2018 to January 1, 2019; adjusting the termination date of the incentive from December 31, 2027 to December 31, 2028; amending the definition of a New Employee to conform with the adjusted incentive term; amending the definition of a New & Relocated Employee to conform with the adjusted incentive term; amending the definition of a Retained Employee to conform with the adjusted incentive term; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to take action on this agreement in order for this amendment to be legislated in as expedient manner as possible so that this amendment to the agreement can be executed without unnecessary delay, thereby preserving 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 Development is hereby authorized to amend the Jobs Growth Incentive Agreement with OhioHealth Corporation and affiliated entities for the purpose of: adjusting the starting date of the incentive from January 1, 2018 to January 1, 2019; adjusting the termination date of the incentive from December 31, 2027 to December 31, 2028; amending the definition of a New Employee to conform with the adjusted incentive term; amending the definition of a New & Relocated Employee to conform with the adjusted incentive term; and amending the definition of a Retained Employee to conform with the adjusted incentive term.

SECTION 2. That the remaining terms of the Jobs Growth Incentive Agreement not be modified by this amendment.

SECTION 3. That the First Amendment to the Jobs Growth Incentive Agreement be signed by OhioHealth Corporation within 180 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. For the reasons stated in the preamble hereto, which is 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 (10) days after passage if the Mayor neither approves nor vetoes the same.