



Legislation Text

File #: 0547-2019, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Vantage Point Logistics, Inc. 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, for a term of up to five (5) consecutive years.

Vantage Point Logistics, Inc. (VPL) is an Ohio based IT company and the pioneer of a simple and proven method to reduce inbound package freight costs. Formed by principals Scott Crow and Eric McGlade, the company has developed a suite of software that engages in active freight management services to the Healthcare industry. The technology works exclusively with universities and colleges, helping them navigate through the stages of managing freight costs, from the initial savings on existing pre-pay and add freight charges. As a result, VPL's customers can follow and track a product from the original shipper into their network and then track it until it arrives at the final point of patient care. With this technology, it provides VPL's customers with the ability to calculate the true landed cost of any product, regardless of the number of times it moves from location-to- location.

Vantage Point Logistics, Inc. is proposing to invest a total project cost of approximately \$275,000, which includes \$50,000 in lease-hold improvements, \$75,000 in stand-alone computers, and \$150,000 in furniture and fixtures to expand its corporate headquarters at 1105 Schrock Road, Columbus, Ohio 43229. With this expansion, the company plans to increase its existing office space by 9,000 square feet, hire additional staff to meet its increased sales growth and consumer demands, and to continue growing its software platform. Additionally, Vantage Point Logistics, Inc. will retain 30 full-time jobs with an annual payroll of approximately \$2.0 million and create 70 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$4.2 million to support its strategic growth initiative.

Vantage Point Logistics, Inc. is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist in the expansion 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 dual-rate Jobs Growth Incentive Agreement with Vantage Point Logistics, Inc. for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$275,000.00, the retention of 30 jobs and the creation of 70 net new full-time permanent positions with an estimated annual payroll of approximately \$4.2 million.

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 Vantage Point Logistics, Inc.; and

WHEREAS, Vantage Point Logistics, Inc. proposes to expand its corporate headquarters by investing a total project cost of approximately \$275,000, which includes \$50,000 in leasehold improvements, \$75,000 in stand-alone computers, and \$150,000 in furniture and fixtures. With this expansion, the company plans to increase its existing office space by 9,000 square feet, hire additional staff to meet its increased sales growth and consumer demands, and to continue growing its software platform at 1105 Schrock Road, Columbus, Ohio, 43229 parcel number 610-191455; and

WHEREAS, Vantage Point Logistics, Inc. will retain 30 full-time jobs with an estimated annual payroll of approximately \$2.0 million and create 70 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$4.2 million to support its strategic growth initiative; and

WHEREAS, Vantage Point Logistics, Inc. has indicated that a Jobs Growth Incentive is crucial to its decision to expand its corporate headquarters within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Vantage Point Logistics, Inc. 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 Vantage Point Logistics, Inc. 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, for a term of up to five (5) consecutive years.

SECTION 2. Should Vantage Point Logistics, Inc. not be 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 Vantage Point Logistics, Inc. 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 Vantage Point Logistics, Inc. 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 the Department of Development to amend Vantage Point Logistics, Inc.'s 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.