



Legislation Text

File #: 0582-2019, **Version:** 1

BACKGROUND: The City of Columbus (“CITY”) entered into a Job Creation Tax Credit Agreement (hereinafter “FIRST AGREEMENT”) with ADS Alliance Data Systems, Inc. (GRANTEE) effective October 13, 2006. Columbus City Council (COUNCIL) approved the FIRST AGREEMENT by Ordinance No. 1369-2006, adopted July 31, 2006, and granted a non-refundable tax credit in an amount of sixty-five percent (65%) of the new municipal income tax revenues generated by new employees at the project site for fifteen (15) years, commencing July 31, 2006 and for fifteen (15) consecutive full taxable years thereafter in consideration of an investment of \$1.05 million, the relocation and retention of 529 permanent full-time employees and the creation of 54 permanent positions related to the long-term lease of a new 200,000 square foot building at 3100 Easton Square Place, Columbus, Ohio 43219 (the “PROJECT SITE”).

A subsequent and separate Job Creation Tax Credit Agreement (hereinafter “SECOND AGREEMENT”) by and between the CITY and the GRANTEE related to a separate project was made and entered into effective November 4, 2014, whereby all of the relocated and retained employees and the newly created positions related to the FIRST AGREEMENT would necessarily become the retained positions of the SECOND AGREEMENT. The SECOND AGREEMENT was to commence January 1, 2015 and run for ten (10) consecutive years thereafter which created an overlap of effective years between the FIRST and SECOND AGREEMENT resulting in the need to dissolve the FIRST AGREEMENT.

In a letter from the GRANTEE dated February 4, 2019, the CITY received a request that “the Jobs Tax Credit Agreement entered into between the City of Columbus and ADS Alliance Data Systems, Inc. dated as of October 13, 2006 for the property located at 3100 Easton Square Place be dissolved.” This legislation is to dissolve the FIRST AGREEMENT between the City of Columbus and ADS Alliance Data Systems, Inc.

This legislation is presented as an emergency measure in order for this dissolution to be legislated prior to the beginning of the 2018 Job Creation Tax Credit reporting cycle eliminating any need for annual reporting documentation.

FISCAL IMPACT: No funding is required for this legislation.

To dissolve the Job Creation Tax Credit Agreement dated October 13, 2006 between the City of Columbus and ADS Alliance Data Systems, Inc.; and to declare an emergency.

WHEREAS, Columbus City Council approved a Job Creation Tax Credit Agreement (the “FIRST AGREEMENT”) with ADS Alliance Data Systems, Inc. (GRANTEE) by Ordinance No. 1369-2006 on July 31, 2006 with the FIRST AGREEMENT having been made and entered into effective October 13, 2006; and

WHEREAS, the AGREEMENT granted a non-refundable tax credit in an amount of sixty-five percent (65%) of the new municipal income tax revenues generated by new employees at the project site for fifteen (15) years, commencing July 31, 2006 and for fifteen (15) consecutive full taxable years thereafter; and

WHEREAS, in the FIRST AGREEMENT, GRANTEE committed to relocate and retain 529 permanent full-time employees and create 54 new permanent positions and invest approximately \$1.05 million related to their lease of a new 200,000 square foot building at 3100 Easton Square Place, Columbus, Ohio 43219 (the “PROJECT SITE”); and

WHEREAS, a subsequent and separate Job Creation Tax Credit Agreement (hereinafter “SECOND AGREEMENT”) by and between the CITY and the GRANTEE related to a separate project was made and entered into effective November 4, 2014, whereby all of the relocated and retained employees and the newly created positions related to the FIRST AGREEMENT would necessarily become the retained positions of the SECOND AGREEMENT; and

WHEREAS, the SECOND AGREEMENT was to commence January 1, 2015 and run for ten (10) consecutive years thereafter which created an overlap of effective years between the FIRST and SECOND AGREEMENT resulting in the need to dissolve the FIRST AGREEMENT; and

WHEREAS, in a letter from the GRANTEE dated February 4, 2019, the CITY received a request that “the Jobs Tax Credit Agreement entered into between the City of Columbus and ADS Alliance Data Systems, Inc. dated as of October 13, 2006 for the property located at 3100 Easton Square Place be dissolved” which has led to this legislation to dissolve the FIRST AGREEMENT between the City of Columbus and ADS Alliance Data Systems, Inc. with the dissolution to be effective as of January 1, 2016; 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 the FIRST AGREEMENT in order for the dissolution to be legislated prior to the beginning of the 2018 Job Creation Tax Credit reporting cycle eliminating any need for annual reporting documentation, to report the dissolution to the necessary local and state agencies and to preserve the public health, property, safety and welfare;

NOW, THEREFORE

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That Columbus City Council hereby dissolves the ADS Alliance Data Systems, Inc. Job Creation Tax Credit Agreement (authorized by Ordinance Number 1369-2006; adopted July 31, 2006; made and entered into effective October 13, 2006) effective January 1, 2016 thereby making 2015 having been the final reporting tax year for the incentive and effectively eliminating any remaining tax years for the incentive.

SECTION 2. That the Director of Development is hereby directed to notify the necessary local and state agencies of any changes to the ADS Alliance Data Systems, Inc. Job Creation Tax Credit Agreement.

SECTION 3. For the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.