



Legislation Text

File #: 1938-2019, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive Agreement with CMG Strategy Co., LLC, Chipotle Mexican Grill of Colorado, LLC, Chipotle Services, LLC and CMGGC, LLC.

CMG Strategy Co., LLC, Chipotle Mexican Grill of Colorado, LLC, Chipotle Services, LLC and CMGGC, LLC (collectively, and hereinafter referred to as “**Chipotle**”) are all wholly owned subsidiaries of Chipotle Mexican Grill, Inc. The company was founded by Steve Ells with a single restaurant in 1993 as a brand committed to serving real, responsibly sourced ingredients. Chipotle now has more than 2,500 restaurants in the United States, United Kingdom, France, Canada and Germany. It is the only restaurant company of its size that owns and operates all of its restaurants.

Chipotle is proposing to invest a total project cost of approximately \$3,750,000, which includes \$375,000 in leasehold improvements, \$1,500,000 in stand-alone computers, and \$1,875,000 in furniture and fixtures to expand its corporate presence in downtown Columbus. The company will occupy approximately 80,000 sq. ft. in a building to be constructed on a site that includes four parcels (010-024120, 010-066049, 010-076770 and 010-010967) on Spruce Street (Project Site). Until the new facility is completed, the retained and new employees will be housed in various temporary spaces in downtown Columbus. Additionally, Chipotle will create 274 net new full-time permanent positions with an annual payroll of approximately \$21,553,518 and retain 90 full-time positions with an annual payroll of approximately \$5,976,928 at the Project Site.

Chipotle is requesting a Downtown Office 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 Columbus Downtown Office Incentive Agreement with CMG Strategy Co., LLC, Chipotle Mexican Grill of Colorado, LLC, Chipotle Services, LLC and CMGGC, LLC.

WHEREAS, the City desires to increase employment opportunities and encourage establishment of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and,

WHEREAS, Resolution Number 0088X-2007, adopted June 4, 2007, authorized the Department of Development to establish the Columbus Downtown Office Incentive program as amended; and,

WHEREAS, the Department of Development has received a completed application for the Columbus Downtown Office Incentive program from Chipotle; and,

WHEREAS, CMG Strategy Co., LLC, Chipotle Mexican Grill of Colorado, LLC, Chipotle Services, LLC and CMGGC, LLC (collectively, and hereinafter known as “**Chipotle**”) are all wholly owned subsidiaries of Chipotle Mexican Grill, Inc., which was founded by Steve Ellis with a single restaurant in 1993 as a brand committed to wholesome and responsibly sourced ingredients.

WHEREAS, Chipotle is proposing to invest a total project cost of approximately \$3,750,000, which includes \$375,000 in leasehold improvements, \$1,500,000 in stand-alone computers, and \$1,875,000 in furniture and fixtures to expand its corporate presence in downtown Columbus. The company will occupy approximately 80,000 sq. ft. in a building to be

constructed on a site that includes four contiguous parcels on Spruce Street (“**Project Site**”). Until the new facility is completed, the retained and new employees will be housed in various temporary spaces in downtown Columbus.

WHEREAS, with this expansion, Chipotle will create 274 net new full-time permanent positions with an annual payroll of approximately \$21,553,518 and retain 90 full-time positions with an annual payroll of approximately \$5,976,928 at the **Project Site**.

WHEREAS, Chipotle has indicated that a Downtown Office Incentive is crucial to its decision to move forward with the expansion of its corporate HQ within the City; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Chipotle at the Project Site by providing a Downtown Office Incentive; and **NOW THEREFORE**,

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

SECTION 1. Columbus City Council authorizes the Director of the Department of Development to enter into a Columbus Downtown Office Incentive Agreement with CMG Strategy Co., LLC, Chipotle Mexican Grill of Colorado, LLC, Chipotle Services, LLC and CMGGC, LLC pursuant to Columbus City Council Resolution Number 0088X-2007, for an annual cash payment equal to fifty percent (50%) of the amount of City withholding tax withheld on new employees for a term up to five (5) consecutive years on the estimated job creation of 274 net new full-time permanent positions with an annual payroll of approximately \$21,553,518 to occupy approximately 80,000 sq. ft. in a building to be constructed on a site that includes four contiguous parcels on Spruce Street (the “Project Site”).

SECTION 2. Each year of the term of the agreement with CMG Strategy Co., LLC, Chipotle Mexican Grill of Colorado, LLC, Chipotle Services, LLC and CMGGC, LLC that a payment is due, the City's obligation to pay the incentive is expressly contingent upon the passing 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 3. That the City of Columbus Downtown Office Incentive Agreement is signed by 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 CMG Strategy Co., LLC, Chipotle Mexican Grill of Colorado, LLC, Chipotle Services, LLC and CMGGC, LLC City of Columbus Downtown Office 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 certain 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.