



Legislation Text

File #: 2589-2021, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Barkbox, Inc. in an amount equal to (i) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty-five percent (35%) 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, both for a term up to five (5) consecutive years.

Barkbox, Inc. (Barkbox) was launched in 2012 with a monthly themed subscription of all-natural treats and clever toys. Today they reach over 1.8 million dogs every month and have expanded into new product categories and thousands of retail locations. They are the only brand that serves dogs in four key categories: Fun, Food, Health and Home, and exclusively designs and develops every single product. Whether through subscriptions and direct-to-dog-person channels, utilizing online marketplaces like Amazon, or showcasing product through a growing network of retailers, Barkbox obsesses over best-in-show customer experiences and providing every dog with joy.

Barkbox is proposing to invest approximately \$150,000 in leasehold improvements to expand its operations by leasing at least 11,000 square feet at 500 West Broad Street, Columbus, Ohio 43065, parcel number 010-002012 (the "Project Site"). Additionally, Barkbox will create 400 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$18,800,000 and retain 249 with an estimated annual payroll of \$11,879,344 to support its growth. Barkbox is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist with this expansion 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 Barkbox, Inc. for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$150,000.00 and creation of 400 net new full-time permanent positions with an estimated annual payroll of approximately \$18,800,000.00 and the retention of 249 full-time employees with an estimated annual payroll of \$11,879,344.00.

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 Barkbox, Inc.; and

WHEREAS, Barkbox, Inc. proposes to expand operations by investing a total project cost of approximately \$150,000 in capital investments. With this expansion project, the company plans to lease at least 11,000 square feet of space at 500 West Broad Street, Columbus, Ohio 43065, parcel number 010-002012 to support its increased growth and consumer demands; and

WHEREAS, Barkbox, Inc. will create 400 net new full-time permanent positions with an estimated associated annual payroll of approximately \$18,800,000 at the proposed project site and retain 249 full-time permanent positions with an estimated associated annual payroll of \$11,879,344; and

WHEREAS, Barkbox, Inc. has indicated that a Jobs Growth Incentive is crucial to its decision to establish administrative operations within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Barkbox 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 Barkbox, Inc. equal to (i) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty-five percent (35%) 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, both for a term up to five (5) consecutive years.
- SECTION 2.** Should Barkbox, 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 thirty percent (30%).
- SECTION 3.** Each year of the term of the agreement with Barkbox, 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 Barkbox, 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 Barkbox, 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 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 6.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.