



Legislation Text

File #: 1824-2022, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Nullable, Inc. dba Aware (“Aware”) 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.

Aware is a cloud-based data platform that aims to adopt the latest advancements in cognitive computing, machine learning and behavioral analytics to amplify enterprise value by centralizing risk management and execute insights across the collaboration environment (Office 365, Slack, Workplace Facebook and Zoom). The company was founded in 2017 by Jeff Schumann, Matt Huber, and James Tsai in Columbus Ohio. Aware is fast growing and has increased its revenue by over 400% in the past few years. Aware announced a \$60 million Series C investment led by Goldman Sachs in October of 2021 in order to scale its Software as a Service (SaaS) solutions for collaboration governance and data insights. Aware was crowned the winner in the tournament champion in the 2022 Inno Madness competition.

Aware is proposing to invest a total project cost of approximately \$1,200,000 in leasehold improvements to relocate and expand its corporate headquarters to accommodate its increased sales growth and consumer demands. With this expansion, the company proposes to enter into a new lease agreement on a vacant office space consisting of approximately 23,576 square feet at 455 South Ludlow Street, Columbus, OH. 43215, parcel number 010-070427 (the “**Project Site**”), in the Brewery District. Additionally, Aware will retain 60 full-time jobs with an annual payroll of roughly \$7.9 million and create 151 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$22.28 million at the **Project Site**.

Nullable, Inc. dba Aware 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 Nullable, Inc. dba Aware for a term of up to five (5) consecutive years in consideration of the company’s proposed capital investment of \$1,200,000.00 the retention of 60 jobs and the creation of 151 net new full-time permanent positions with an estimated annual payroll of approximately \$22.28 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 Nullable, Inc. dba Aware; and

WHEREAS, Nullable, Inc. dba Aware is proposing to relocate and expand its corporate headquarters by investing a total proposed project cost of approximately \$1,200,000 in leasehold improvements to accommodate its increased sales growth and consumer demands. With this expansion, Nullable, Inc. dba Aware proposes to enter into a new lease agreement on a newly created vacant office space consisting of approximately 23,576 sq. ft. at 455 South Ludlow Street, Columbus, OH. 43215, parcel number 010-070427 (the “**Project Site**”), in the Brewery District; and

WHEREAS, Nullable, Inc. dba Aware will retain 60 full-time jobs with an annual payroll of approximately \$7.91 million and create 151 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$22.28 million at the proposed **Project Site** to support its strategic growth initiative; and

WHEREAS, Nullable, Inc. dba Aware will retain 60 full-time jobs with an annual payroll of approximately \$7.9 million and create 151 net new full-time permanent positions with a new cumulative estimated annual payroll of approximately \$22.28 million to support its strategic growth initiative; and

WHEREAS, Nullable, Inc. dba Aware has indicated that a Jobs Growth Incentive is crucial to its decision to expand its current operation within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Nullable, Inc. dba Aware at the **Project Site** by providing a Jobs Growth Incentive;

WHEREAS, it has become necessary in the usual daily operations of the Department of Development that it is necessary to authorize the Director to enter into a dual-rate Jobs Growth Incentive Agreement with Nullable, Inc. dba Aware; 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 Nullable, Inc. dba Aware 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 Nullable, Inc. dba Aware 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 Nullable, Inc. dba Aware 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 Nullable, Inc. dba Aware 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 Nullable, Inc. dba Aware's City of Columbus Jobs Growth Incentive Agreement for non-substantive modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these non-substantive 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.

