



Legislation Text

File #: 2524-2022, Version: 1

BACKGROUND: Columbus City Council (“**Council**”), by Ordinance No. 1614-2019 (the “**Ordinance**”), approved on July 22, 2019, authorized the Director of the Department of Development of the City of Columbus (“**CITY**”) to enter into a Columbus Downtown Office Incentive Agreement (the “**AGREEMENT**”) with Adept Marketing Outsourced LLC (the “**GRANTEE**”) for an annual cash payment equal to fifty percent (50%) of the City of Columbus income tax withheld on the payroll for the new employees added to the city of Columbus for a term of three (3) consecutive years on the estimated job creation of 35 net new full-time permanent positions with an annual payroll of \$2.1 million at 555 Edgar Waldo Way, Columbus, Ohio 43215, (the “**PROJECT SITE**”). The **AGREEMENT** was made and entered into effective January 15, 2020, with the incentive term beginning January 1, 2021 through December 31, 2023.

In an electronic written communication from the **GRANTEE** received by the **CITY** on August 2, 2022, the **GRANTEE** requested that the City of Columbus dissolve its current **AGREEMENT** with the **CITY**. Unfortunately, the **GRANTEE** indicated that the anticipated expansion and growth as previously planned will not occur. The **GRANTEE** is voluntarily seeking to cancel the **AGREEMENT** effective immediately because of the effects of the Coronavirus (“COVID-19”). Due to the prolonged nature of COVID-19 and its many ripple effects, the **GRANTEE** will not create the proposed new jobs as described in the **AGREEMENT**. Additionally, the **GRANTEE**’s business was purchased by another entity that is not part of the **AGREEMENT**. There is a need to dissolve this **AGREEMENT** between the **CITY** and **GRANTEE** related to the effects of COVID-19 and the change of ownership.

This legislation is presented as an emergency measure in order for this dissolution to be legislated in the most expedient manner as possible so that this dissolution of this **AGREEMENT** can be reported to the necessary agencies.

FISCAL IMPACT:

No funding is required for this legislation.

To authorize the Director of the Department of Development to dissolve the City of Columbus Downtown Office Incentive Agreement with Adept Marketing Outsourced LLC (the “**GRANTEE**”) and, to declare an emergency.

WHEREAS, the City of Columbus (“**CITY**”) entered into a Columbus Downtown Office Incentive Agreement (the “**AGREEMENT**”) with Adept Marketing Outsourced LLC (the “**GRANTEE**”) effective January 15, 2020; and

WHEREAS, Columbus City Council (“**Council**”), approved the **AGREEMENT** by Ordinance No. 1614-2019 (the “**ORDINANCE**”), adopted on July 22, 2019, and granted an annual cash payment equal to fifty percent (50%) of the City of Columbus income tax withheld on the payroll for the New Employees added to the city of Columbus for a term of three (3) consecutive years thereafter (i.e. January 1, 2021 through December 31, 2023 for a 3-year credit); and

WHEREAS, the incentive was granted in consideration of a proposed investment of approximately \$150,000.00, which included \$100,000 in leasehold improvements and \$50,000 in furniture and fixtures to relocate and expand the **GRANTEE**’s corporate headquarters in a commercial office space consisting of approximately 12,000 square feet, the retention of 30 full-time permanent positions with an annual payroll of approximately \$2.73 million and the creation of 35 net new full-time permanent positions with an estimated annual payroll of approximately \$2.1 million (the “**PROJECT**”) at 555 Edgar Waldo Way, Columbus, Ohio 43215 (the “**PROJECT SITE**”) The **AGREEMENT** was made and entered

into effective January 15, 2020, with the incentive term beginning January 1, 2021 through December 31, 2023; and

WHEREAS, in an electronic written communication from the **GRANTEE** received by the **CITY** on August 2, 2022, and through ensuing correspondences, it was confirmed the **GRANTEE** requested that the City of Columbus dissolve its current **AGREEMENT** with the **CITY**. Unfortunately, the **GRANTEE** indicated that the anticipated expansion and growth as previously planned will not occur. The **GRANTEE** is voluntarily seeking to cancel the **AGREEMENT** effective immediately because of the effects of the Coronavirus (“COVID-19”). Due to the prolonged nature of COVID-19 and its many ripple effects, the **GRANTEE** will not create the proposed new jobs as described in the **AGREEMENT**. Additionally, the **GRANTEE**’s business was purchased by another entity that is not part of the **AGREEMENT**; 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 this **AGREEMENT** in order for this dissolution to be legislated in the most expedient manner as possible so that this dissolution of the **AGREEMENT** can be reported to the necessary agencies, and for the preservation of public health, peace, property, and safety; **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 and directed to dissolve the Adept Marketing Outsourced LLC Columbus Downtown Office Incentive Agreement effective as of December 31, 2021.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to notify the necessary local agencies of any changes to the Adept Marketing Outsourced LLC’s Downtown Office Incentive 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.