

ORDINANCE NO. 26-2012

To Authorize the City Manager to Enter into an Agreement
with Other Central Ohio Municipalities to Use Economic
Growth Incentives for New Jobs and Investment.

WHEREAS, the chief executives of municipalities in Franklin County began meeting in January 2011 to discuss efforts to attract new economic development to the region; and,

WHEREAS, the chief executives of ten such municipalities gathered in December 2011 and signed a Letter of Intent signifying their desire to enter into a formal agreement governing the use of economic development incentives among such partner jurisdictions and others in Central Ohio as may be invited to join from time to time (the “Partner Jurisdictions”); and,

WHEREAS, following the signing of this Letter of Intent, the chief executives and their respective staff members began working in early 2012 to create a formal written agreement to be executed among the Partner Jurisdictions, and that Worthington staff members contributed heavily to a working group tasked with redevelopment of commercial sites under such an agreement; and,

WHEREAS, throughout this effort, the Partner Jurisdictions discussed viable strategies to encourage economic growth and believe that financial incentives are tools best used to entice new jobs and investment to the region, and should not be used to encourage a local company to move existing jobs, payroll and investment from one local community to another; and,

WHEREAS, to that end, an Agreement to Use Economic Growth Incentives for New Jobs and Investment (the “Economic Growth Agreement”), a copy of which is attached hereto as Exhibit A, was prepared and distributed on March 15, 2012 among the Partner Jurisdictions for approval by the legislative authorities of each such jurisdiction; and,

WHEREAS, it is critical to the success of the Economic Growth Agreement that the Partner Jurisdictions are signatories to demonstrate their commitment to work collaboratively to improve regional economic development; and,

WHEREAS, the Economic Growth Agreement provides that in all cases, a Partner Jurisdiction may offer whatever financial incentive tools it deems necessary to retain and grow a company already in its jurisdiction; and,

WHEREAS, under the Economic Growth Agreement, Partner Jurisdictions will communicate with each other on economic development projects, and that if any jurisdiction is asked to provide a company already in the region with financial incentives to assist in its move, that jurisdiction will notify the company’s home community and fully discuss the situation.

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NOW, THEREFORE, BE IT ORDAINED by the Council of the Municipality of Worthington, County of Franklin, State of Ohio:

SECTION 1. The City Manager is hereby authorized to execute the Economic Growth Agreement substantially similar to that appearing in Exhibit A and in a form not inconsistent with the terms of this Ordinance.

SECTION 2. That notice of passage of this Ordinance shall be posted in the Municipal Administration Building, the Worthington Library, the Griswold Center and the Worthington Community Center and shall set forth the title and effective date of the Ordinance and a statement that the Ordinance is on file in the Office of the Clerk of Council. This Ordinance shall take effect and be in force from and after the earliest period allowed by law and by the Charter of the City of Worthington, Ohio.

Passed September 17, 2012

[Signature on File]
President Pro-Tem of Council

Attest:

[Signature on File]
Temporary Clerk of Council

Introduced September 4, 2012
P.H. September 17, 2012
Effective October 10, 2012

EXHIBIT A

AGREEMENT TO USE ECONOMIC GROWTH INCENTIVES FOR NEW JOBS AND INVESTMENT

03/15/12 Draft

This Agreement (“Agreement”) is entered into by _____, _____,
_____ (collectively, the “Partnering Jurisdictions” or the “Parties”).

WHEREAS, local governments in Central Ohio have been meeting since January 27, 2011 to explore how they can best work together to attract new economic development to the region;

WHEREAS, the Parties have continued to meet and discuss viable strategies to encourage economic growth and believe that financial incentives are tools best used to entice new jobs and investment to the region, and should not be used to encourage a local company to move existing jobs and investment from one local community to another;

WHEREAS, to that end, the Partnering Jurisdictions have agreed to enter into this Agreement that limits the use of financial incentives to new jobs and investment in the region;

NOW, THEREFORE, in consideration of the foregoing, the Partnering Jurisdictions agree as follows:

- 1) Partnering Jurisdictions agree to use financial incentives on projects to attract new jobs and investment to the region. To this end, the Parties and their agents will offer financial incentives to attract new jobs and investment to the region or to support new jobs and investment of local companies in the region.
- 2) No Partnering Jurisdiction or its agents will use financial incentives to entice a local company to move existing jobs and investment from another Partnering Jurisdiction.
- 3) Nothing in this Agreement shall be construed to limit or preclude a Partnering Jurisdiction or its agents from offering whatever financial incentives are necessary to retain and grow a company already located within its jurisdiction.
- 4) Partnering Jurisdictions recognize that even as the Parties comply with this Agreement it is possible that a company in one Partnering Jurisdiction could decide to move existing jobs and investment to a location in another Partnering Jurisdiction and benefit from automatic real estate abatement or other financial incentives that would not require further agreement or legislative action. If this situation arises, any other Party, when approached by such company, may offer financial incentives in an amount up to the estimated value of the automatic abatement or incentives. The Partnering Jurisdictions agree to discuss such situations, share information, and determine this estimated value.

- 5) Partnering Jurisdictions understand that it is in the public interest to communicate with each other on economic development projects and that if any Party is approached by a company in the region, or its agents, any development organization, or the State of Ohio for the purpose of such company receiving financial incentives, it will notify the Partner Jurisdiction in which the company is located. The Parties will discuss the situation, assess how it relates to provisions of this Agreement, assess whether the situation involves new jobs and investment, and determine and agree to a course of action that is mutually acceptable. If the Parties have difficulty resolving a situation, the other Partnering Jurisdictions will assist the Parties in efforts to reach agreement as provided for in section (6) of this Agreement.
- 6) Partnering Jurisdictions will meet once each quarter during the term of this Agreement or upon the request of any of the Parties to review the status of its implementation and discuss efforts towards refinement. In these meetings the parties will discuss such matters and how best to resolve such them through administrative actions or amendment of this Agreement. Furthermore, Partnering Jurisdictions may hold meetings, appoint panels of its members, or take other actions, as deemed appropriate, to assist Parties in efforts to reach agreement pursuant to under section (5) of the Agreement.
- 7) The term of this Agreement is from June 1, 2012 through December 31, 2013 (“Term”). The Agreement may be renewed in writing on the same terms and conditions for four consecutive, one-year terms.
- 8) The Partnering Jurisdictions agree to continue working with, and strengthening relationships with, development organizations such as, but not limited to, the Greater Columbus Chamber, Columbus 2020!, and other public agencies to enhance the economic development and recruiting efforts of Central Ohio.
- 9) The Parties hereto agree to work with other non-member local governments to gain their support and participation in this Agreement and engage them in the effort to bring new investment to Central Ohio for the collective benefit of the region. When a new jurisdiction adopts the Agreement, it shall become effective for the new jurisdiction on the earliest date provided for under the laws of the new jurisdiction and have the same expiration date and renewal terms as provided in section (7) of this Agreement.
- 10) The Parties also agree to continue to work towards Agreements on other important economic growth matters like the redevelopment of property within our region and attracting more companies to the region.
- 11) For the purposes of this Agreement, an agent of the Partnering jurisdiction include community improvement corporations, community development corporations, chambers of commerce, or any public or private organizations created by or working on behalf of the Partnering Jurisdiction to promote economic development and redevelopment.

12) For the purposes of this Agreement, financial incentives include performance based payroll incentives, cash, land, grants, loans, and tax credits, and any real estate tax abatements requiring the approval of an agreement by the legislative authority of a Partnering Jurisdiction or provided by an agent of the Partnering Jurisdiction. Financial incentives do not include public infrastructure.

IN WITNESS WHEREOF, the Partnering Jurisdictions, each by a duly authorized representative, have hereunto set their signatures below on the date so noted.

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FOR NEW JOBS AND INVESTMENT

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| | Pre'94 CRA or similar areas, or existing agreements with Automatic Abatements or Financial Incentives | Post '94 CRA and EZ Agreements that require a project agreement | Performance based Payroll Incentives | Cash, Loans, Grants, Land, tax credits |
|--|--|--|---|---|
| Can a Home Community offer these incentives to a company already in its own jurisdiction? Pursuant to Paragraph 3 | YES | YES | YES | YES |
| Can a community offer these incentives to a company that is new to the region? Pursuant to Paragraph 1 | YES | YES | YES | YES |
| Can a community offer these incentives for net new jobs and Investments to a company already in the region? Pursuant to Paragraphs 1 and 5 | YES | YES | YES | YES |
| Can a community offer these incentives to a company for jobs and investments already in the region? Pursuant to Paragraph 2 and 4 | YES | NO | NO | NO |
| If a company seeks to move and benefit from an automatic real estate abatement as outlined above, can another community offer incentives to match the value this automatic incentive. Pursuant to Paragraph 4 | Not Applicable | YES | YES | YES |