

April 27, 2022

To: Mayor and Members of City Council

From: John P. Curp, Interim City Manager *W*

202201083

Subject: EMERGENCY ORDINANCE – JOB CREATION TAX CREDIT AGREEMENT WITH GLIDEPATH HOLDINGS INC.

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the execution of a Job Creation Tax Credit Agreement with Glidepath Holdings Inc., an affiliate of Massachusetts Mutual Life Insurance Company, pursuant to which the company agrees to create 75 new jobs within the corporate boundaries of the City of Cincinnati, and, for a period of 5 years, the City agrees to provide an income tax credit equal to 50% of City income tax revenue from such new jobs.

COMPANY INFORMATION

Glidepath Holdings Inc. (the “Company”) is an affiliate of Massachusetts Mutual Life Insurance Company (“MassMutual”). In 2021, MassMutual acquired the Great American Life Insurance Company (“Great American Life”) and other subsidiaries and affiliated entities from American Financial Group, Inc.

BACKGROUND/CURRENT CONDITIONS

Great American Life currently operates out of the Columbia Plaza in the Central Business District, the lease for which expires at the end of 2022. As a result, Great American Life had an opportunity to relocate its corporate headquarters and was considering relocation options outside of the City of Cincinnati, including options in Northern Kentucky and Massachusetts.

PROJECT DESCRIPTION

The Company will retain 374 full-time equivalent employees (FTEs) with an associated annual payroll of approximately \$30,662,000 and will create at least 75 FTEs with an associated annual payroll of approximately \$6,375,000 within the City of Cincinnati.

The Company will invest approximately \$8,000,000 for the purchase of furniture, fixtures, and equipment (“FF&E”) and the construction of leasehold improvements as it relocates a majority of its employees and operations to the GE Global Operations Center located at 191 Rosa Parks Street, as well as a smaller secondary office within the Enquirer Building at 312 Elm Street.

PROPOSED INCENTIVE

DCED is recommending a 9-year refundable Job Creation Tax Credit (“JCTC-R”) whereby the City will agree to provide an income tax credit equal to 50% of City income tax revenue from new jobs. This credit will be contingent upon the Company creating at least 75 new jobs within the City during the first 5 years of the term and remaining in the City for an additional 4 years.

In a separate ordinance, DCED is also recommending Urban Renewal Tax Increment Financing assistance in the amount of \$1,380,000 for FF&E and leasehold improvements to 191 Rosa Parks Street and 312 Elm Street.

The reason for providing these incentives is that the project provides an advantageous return on investment for the City. In addition, the incentive will require the Company to maintain operations within the City for at least 9 years.

Estimated Total Term JCTC Value to Company:	\$286,875
Urban Renewal TIF Assistance Value to Company:	\$1,380,000
Estimated Total Incentive Value to Company:	\$1,666,875

Estimated Total Term New Payroll Tax Revenue:	\$4,333,119
Incentive Leverage Per Dollar of City Investment:	\$2.60

PROJECT TEAM & TIMELINE

The project team (listed below) will make themselves available at the request of the Councilmember(s).

- Assistant City Manager: Billy Weber (Ext. 3318)
- DCED Director: Markiea Carter (Ext. 1953)
- Project Attorney: Samantha Brandenburg (Ext. 4704)

The anticipated Council timeline is as follows:

- April 27, 2022: Introduction to City Council
- May 2, 2022: Budget and Finance (1)
- May 9, 2022: Budget and Finance (2)
- May 16, 2022: Budget and Finance (3)
- May 18, 2022: City Council for Final Approval

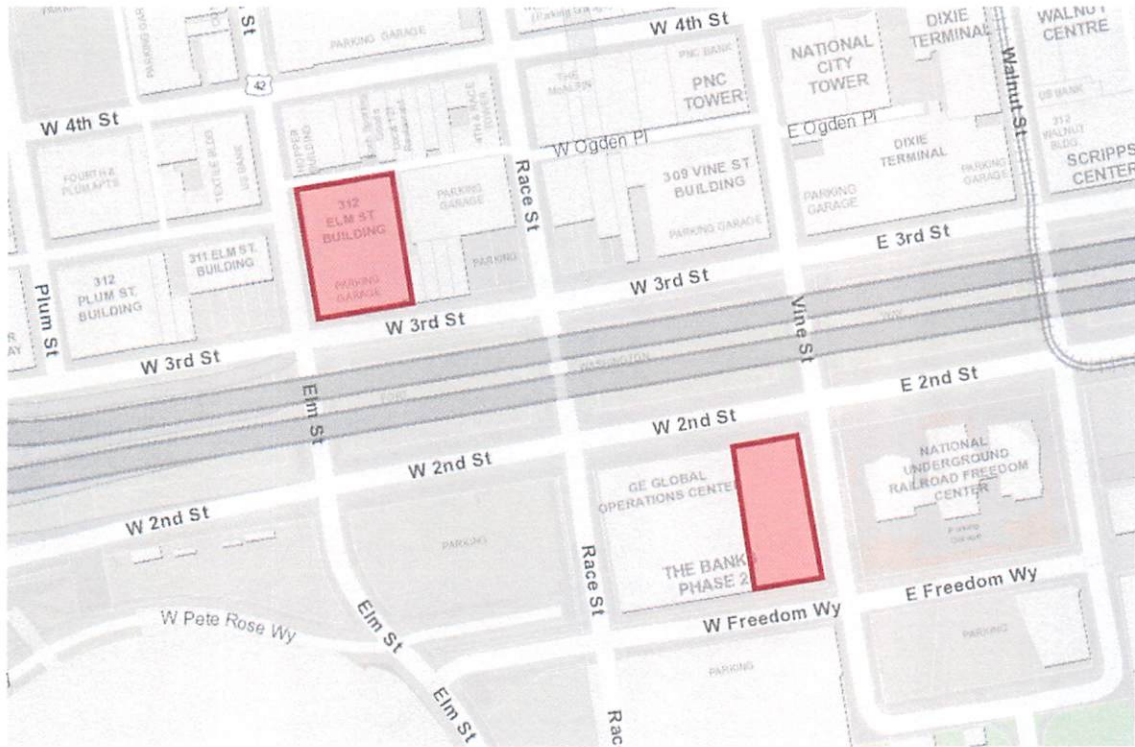
RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

Attachment: A. Property location and photographs

Copy: Markiea L. Carter, Director, Department of Community & Economic Development

Attachment A: Property Location and Photographs



191 Rosa Parks Street and 312 Elm Street



191 Rosa Parks Street



312 Elm Street