



Legislation Details (With Text)

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File created: 6/14/2023 **In control:** Economic Development Committee

On agenda: 7/10/2023 **Final action:** 7/13/2023

Title: To authorize the Director of the Department of Development to amend the City of Columbus Jobs Growth Incentive Agreement with Hollingsworth Logistics Group, LLC dba Hollingsworth, LLC and Hollingsworth Management Services, LLC for the purpose of adding Crown Staffing Solutions, LLC as an additional GRANTEE to the AGREEMENT. (\$0.00)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/13/2023	1	CITY CLERK	Attest	
7/11/2023	1	MAYOR	Signed	
7/10/2023	1	COUNCIL PRESIDENT	Signed	
7/10/2023	1	Columbus City Council	Approved	Pass
6/26/2023	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to amend the City of Columbus Jobs Growth Incentive Agreement (“**AGREEMENT**”) between the City of Columbus (“**CITY**”) and Hollingsworth Logistics Group, LLC dba Hollingsworth, LLC and Hollingsworth Management Services, LLC (collectively and hereinafter referred to as “**GRANTEE**”). Columbus City Council (“**COUNCIL**”), by Ordinance No. 2751-2021, passed on November 15, 2021, authorized the Director of the Department of Development to enter into an **AGREEMENT** with the **GRANTEE** for an annual cash payment 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 those employees who are also City of Columbus residents at the end of each calendar year, for a term up to five (5) years. The **GRANTEE** proposed a total project investment of approximately \$850,000 in machinery and equipment to expand its operations at 2450 Spiegel Drive, Groveport, Ohio 43215, parcel number 495-249651 (the “**PROJECT SITE**”). Additionally, the **GRANTEE** committed to retain sixteen (16) full-time positions with an estimated payroll of approximately \$700,000 and create ninety-five (95) net new full-time permanent positions with an estimated annual payroll of approximately \$3,302,140 at the proposed **PROJECT SITE**. The **AGREEMENT** was made and entered into effective March 29, 2022.

In a letter received by the **CITY** from the **GRANTEE** dated June 2, 2023, and through additional correspondence, the **GRANTEE** confirmed that Crown Staffing Solutions, LLC, a third party employer recognized as a Professional Employer Organization (“**PEO**”), will be the employer of record for some of the new employees hired at the **PROJECT SITE**. Additionally, in a letter from Crown Staffing Solutions, LLC dated June 9, 2023, it was validated that the company will serve as the **GRANTEE**’s employer of record. As a result, the **GRANTEE** is requesting the **AGREEMENT** be amended to add the company’s third party employer Crown Staffing Solutions, LLC as an additional **GRANTEE** to the **AGREEMENT**.

This legislation is to authorize the Director of the Department of Development to amend the **AGREEMENT** for the first time to add Crown Staffing Solutions, LLC as an additional **GRANTEE** to the **AGREEMENT**.

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 amend the City of Columbus Jobs Growth Incentive Agreement with Hollingsworth Logistics Group, LLC dba Hollingsworth, LLC and Hollingsworth Management Services, LLC for the purpose of adding Crown Staffing Solutions, LLC as an additional **GRANTEE** to the **AGREEMENT**. (\$0.00)

WHEREAS, the City of Columbus (“**CITY**”) entered into a Jobs Growth Incentive Agreement (“**AGREEMENT**”) with Hollingsworth Logistics Group, LLC dba Hollingsworth, LLC and Hollingsworth Management Services, LLC (“**GRANTEE**”) and was approved by Columbus City Council (“**COUNCIL**”) on November 15, 2021, by Ordinance Number 2751-2021 with this **AGREEMENT** having been made and entered into effective March 29, 2022; and

WHEREAS, the **AGREEMENT** granted a financial incentive based on 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 those employees who are also City of Columbus residents at the end of each calendar year, for a term up to five (5) consecutive years; and

WHEREAS, the **GRANTEE** committed to invest a total project investment of approximately \$850,000 in machinery and equipment to expand its current operations at 2450 Spiegel Drive, Groveport, Ohio 43215, parcel number 495-249651 (the “**PROJECT SITE**”); and

WHEREAS, the **GRANTEE** committed to the retention of sixteen (16) full-time positions with an estimated payroll of approximately \$700,000 and the creation ninety-five (95) net new full-time permanent positions with an estimated annual payroll of approximately \$3,302,140 at the **PROJECT SITE**; and

WHEREAS, in a letter received by the **CITY** from the **GRANTEE** dated June 2, 2023, and through additional correspondence, the **GRANTEE** confirmed that Crown Staffing Solutions, LLC, a third party employer, recognized as a Professional Employer Organization (“**PEO**”), will be the employer of record for some of the new employees hired at the **PROJECT SITE**. Additionally, in a letter from Crown Staffing Solutions, LLC dated June 9, 2023, it was validated that the company will serve as the **GRANTEE**’s employer of record; and

WHEREAS, as a result of the employees being employed by the proposed PEO, the **GRANTEE** requests the **AGREEMENT** be amended to add the company’s third party employer Crown Staffing Solutions, LLC as an additional **GRANTEE** to the **AGREEMENT**, and

WHEREAS, a First Amendment to the **AGREEMENT** is now needed for the purposes of adding Crown Staffing Solutions, LLC as an additional **GRANTEE** to the **AGREEMENT**; and

WHEREAS, it has become necessary in the usual daily operations of the Department of Development that the City of Columbus desires to facilitate the future growth of the **GRANTEE** at the **Project Site** and capture all net new employees as required by the annual reporting; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of the Department of Development is authorized to amend the City of Columbus Jobs Growth Incentive Agreement with Hollingsworth Logistics Group, LLC dba Hollingsworth, LLC and Hollingsworth Management Services, LLC to add Crown Staffing Solutions, LLC (a Professional Employer Organization) as an additional Grantee and third party employer to the **AGREEMENT**.

SECTION 2. That the remaining terms of the Jobs Growth Incentive Agreement remain in full effect relative to the Ordinance.

SECTION 3. That the First Amendment to the City of Columbus Jobs Growth Incentive Agreement be signed by Hollingsworth Logistics Group, LLC dba Hollingsworth, LLC, Hollingsworth Management Services, LLC and Crown Staffing Solutions, LLC within ninety (90) days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.