



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 1/14/2014 **In control:** Development Committee

On agenda: 2/3/2014 **Final action:** 2/6/2014

Title: To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with Daifuku America Corporation equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of five (5) years in consideration of investing approximately \$3,000,000.00 related to improving and expanding its facility, retaining 99 full-time permanent positions, and creating 80 new full-time permanent positions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD0154-2014 Daifuku America Corporation - Fact Sheet (JGI), 2. ORD0154-2014 Daifuku America Corporation - Site Map (JGI)

Date	Ver.	Action By	Action	Result
2/6/2014	1	CITY CLERK	Attest	
2/6/2014	1	MAYOR	Signed	
2/3/2014	1	COUNCIL PRESIDENT	Signed	
2/3/2014	1	Columbus City Council	Approved	Pass
1/27/2014	1	Columbus City Council	Read for the First Time	

BACKGROUND: The Columbus Department of Development is proposing to enter into a Jobs Growth Incentive Agreement with Daifuku America Corporation equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees to Columbus for a term of five (5) years. Daifuku America Corporation will invest approximately \$3 million related to improving and expanding its facility, will retain 99 full-time permanent positions, and will create 80 new full-time permanent positions with an annual payroll of approximately \$5.36 million.

Daifuku America Corporation is a subsidiary of Daifuku Webb Holding Company, the parent company of which is Daifuku Company Ltd., headquartered in Shiga, Japan. Daifuku America Corporation assists companies in North America improve their business by implementing material handling systems. Its extensive resources and broad experience make Daifuku America Corporation a leader in technology, quality, reliability, service and support for the manufacturing, distribution, automotive and cleanroom industries. Daifuku America Corporation's Columbus facility is owned by the corporation and primarily focuses its business on conveyor equipment for the automotive industry for all of the major car manufacturers. Daifuku America Corporation also has sales offices in Salt Lake City, UT and Chandler, AZ.

Daifuku America Corporation is proposing to expand its operation in the City of Columbus. The company will renovate approximately 18,200 square feet of office space within the facility located at 6700 Tussing Road, Columbus, OH 43068 and expand the facility by approximately 8,000 square feet.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Jobs Growth Incentive Agreement with Daifuku America Corporation equal to twenty-five percent (25%) of the amount of new income tax withheld on employees for a term of five (5) years in consideration of investing approximately \$3,000,000.00 related to improving and expanding its facility, retaining 99 full-time permanent positions, and creating 80 new full-time permanent positions.

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 Daifuku America Corporation; and

WHEREAS, Daifuku America Corporation will renovate approximately 18,200 square feet of office space within the facility located at 6700 Tussing Road, Columbus, OH 43068 and expand the facility by approximately 8,000 square feet; and

WHEREAS, Daifuku America Corporation will invest approximately \$3.0 million related to improving and expanding its facility, will retain 99 full-time permanent positions, and will create 80 new full-time permanent positions with an annual payroll of approximately \$5.36 million; and

WHEREAS, Daifuku America Corporation has indicated that a Jobs Growth Incentive is crucial to its decisions to expand their operation within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Daifuku America Corporation at the project site by providing a Jobs Growth Incentive; 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 Jobs Growth Incentive Agreement with Daifuku America Corporation equal to twenty-five percent (25%) of the amount of personal income tax withheld on new employees to Columbus for a term of five (5) years.

Section 2. Each year of the term of the agreement with Daifuku America Corporation, 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 3. That the City of Columbus Jobs Growth Incentive Agreement is signed by Daifuku America Corporation within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 4. The City Council hereby extends authority to the Director of Development to amend the Daifuku America Corporation 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 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.