



Legislation Details (With Text)

File #: 0154-2021 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 1/14/2021 **In control:** Economic Development Committee

On agenda: 2/22/2021 **Final action:** 2/26/2021

Title: To authorize the Director of the Department of Development to enter into an Enterprise Zone Agreement with T. Marzetti Company for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed capital investment of approximately \$5,400,000.00 in real property improvements, retention of 104 full-time jobs with an annual payroll of approximately \$5,742,374.00 and the creation of 20 net new full-time permanent positions with an associated annual payroll of approximately \$900,000.00.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 0154-2021 Marzetti - Fact Sheet EZ, 2. 0154-2021 Marzetti - Project Site Map EZ

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|-------------------------|--------|
| 2/26/2021 | 1 | CITY CLERK | Attest | |
| 2/25/2021 | 1 | MAYOR | Signed | |
| 2/22/2021 | 1 | COUNCIL PRESIDENT | Signed | |
| 2/22/2021 | 1 | Columbus City Council | Approved | Pass |
| 2/8/2021 | 1 | Columbus City Council | Read for the First Time | |

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with T. Marzetti Company (“Marzetti”). The Ohio Enterprise Zone law O.R.C. Section 5709.62(C) requires the City to enter into a Council-approved agreement between the City and participating companies.

Marzetti is a wholly-owned subsidiary of the Lancaster Colony Corporation, the parent company. Marzetti produces numerous salad dressings, fruit and vegetable dips, frozen baked goods, and specialty brand items. It is the largest food and beverage company headquartered in Central Ohio. In 1896, Teresa Marzetti arrived in Columbus, Ohio from Florence and opened her small Italian restaurant. Marzetti’s Restaurant grew from a local favorite into a four-star restaurant known for its salad dressings. By 1955, the upstairs kitchen of the restaurant became a full-scale factory and Marzetti dressings could be found in grocery stores throughout Ohio. In 1969, Lancaster Colony Corporation purchased Marzetti. Lancaster Colony Corporation is a manufacturer and marketer of specialty food products for the retail and food service markets. The company’s top brands include Marzetti®, New York Brand® Bakery, Sister Schubert’s® and Flatout.

Marzetti is proposing to invest a total project cost of approximately \$18,000,000, which includes \$5.4 million in real property improvements, \$2.6 million in improvements to its existing facility, and \$10 million in machinery and equipment to expand its current manufacturing facility by 17,000 square feet at 1709 Frank Road, Columbus, Ohio 43223, parcel number 570-126842 (“**Project Site**”). With this expansion, Marzetti will be able to accommodate three new packaging lines and renovate interior portions of its existing facility. The expansion would also address fire protection, storm water detention, parking, truck dock doors, shipping area improvements, ingredient and material storage, utility support and upgrades (electrical, water, gas, compressed air, refrigeration, and HVAC units). Additionally, Marzetti will retain 104 full-time jobs with an annual payroll of approximately \$5,742,374 and create 20 net new full-time permanent positions with an estimated annual payroll of approximately \$900,000 at the **Project Site**.

Marzetti is requesting an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years on real property improvements to assist in the proposed expansion project.

The South-Western School District has been advised of this project.

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 enter into an Enterprise Zone Agreement with T. Marzetti Company for a tax abatement of seventy-five percent (75%) for a period of ten (10) consecutive years in consideration of a proposed capital investment of approximately \$5,400,000.00 in real property improvements, retention of 104 full-time jobs with an annual payroll of approximately \$5,742,374.00 and the creation of 20 net new full-time permanent positions with an associated annual payroll of approximately \$900,000.00.

WHEREAS, the Columbus City Council (“Council”) authorized the designation of the Central Enterprise Zone by legislation, Ordinance Number 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinance Nos. 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2690-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 0533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; 0225-03 in 2003; 0032-2012 in 2012 and 1442-2020 in 2020; and

WHEREAS, the Director of the Development Department of the State of Ohio determined that the Columbus Enterprise Zone as amended by the aforementioned Ordinances continued to contain the characteristics set forth in Section 5709.61 (A) of the Ohio Revised and recertified said Zone in 1986, December 20, 1989, September 28, 1992, October 22, 1992, December 17, 1992, May 31, 1994, June 24, 1994, June 16, 1995, October 5, 1995, December 19, 1995, April 1, 1999, September 25, 2000, January 27, 2003, August 19, 2003 April 3, 2012 and most recently on September 18, 2020 as an “urban jobs and enterprise zone” under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, T. Marzetti Company (“Marzetti”) is a wholly-owned subsidiary of the Lancaster Colony Corporation, the parent company. Marzetti produces numerous salad dressings, fruit and vegetable dips, frozen baked goods, and specialty brand items. It is the largest food and beverage company headquartered in Central Ohio; and

WHEREAS, Marzetti began in 1896 when Teresa Marzetti arrived in Columbus, Ohio from Florence and opened her small Italian restaurant. Marzetti’s Restaurant grew from a local favorite into a four-star restaurant known for its salad dressings. By 1955, the upstairs kitchen of the restaurant became a full-scale factory and Marzetti dressings could be found in grocery stores throughout Ohio; and

WHEREAS, in 1969, Lancaster Colony Corporation purchased Marzetti. Lancaster Colony Corporation is a manufacturer and marketer of specialty food products for the retail and food service markets. The company’s top brands include Marzetti®, New York Brand® Bakery, Sister Schubert’s® and Flatout; and

WHEREAS, Marzetti is proposing to invest a total project cost of approximately \$18,000,000, which includes \$5.4 million in real property improvements, \$2.6 million in improvements to its existing facility, and \$10 million in machinery and equipment to expand its current manufacturing facility by 17,000 square feet at 1709 Frank Road, Columbus, Ohio 43223, parcel number 570-126842 (“**Project Site**”). With this expansion, Marzetti will be able to accommodate three new packaging lines and renovate interior portions of its existing facility. The expansion would also address fire protection, storm water detention, parking, truck dock doors, shipping area improvements, ingredient and material storage, utility support and upgrades (electrical, water, gas, compressed air, refrigeration, and HVAC units); and

WHEREAS, the company will retain 104 full-time jobs with an annual payroll of approximately \$5,742,374 and create 20 net new full-time permanent positions with an estimated annual payroll of approximately \$900,000 at the **Project Site**;

and

WHEREAS, the City is encouraging this project because of plans to expand Marzetti's manufacturing and packaging facility in the Central City; and

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City to improve the overall economic climate of the City and its citizens; and

WHEREAS, the City desires to enter in such a binding formal agreement to foster economic growth for the preservation of public health, peace, property, and safety; and **NOW, THEREFORE:**

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

SECTION 1. That this Council hereby finds and determines that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation and receiving this tax incentive is a critical factor in the decision by T. Marzetti Company to move forward with the proposed expansion project.

SECTION 2. That the Director of the Department of Development is hereby authorized and directed to enter into an Enterprise Zone Agreement with T. Marzetti Company to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) consecutive taxable years in association with the project's proposed investment of approximately \$5,400,000 in real property improvements, retention of 104 full-time jobs with an annual payroll of approximately \$5,742,374 and the creation of 20 net new full-time permanent positions with an estimated annual payroll of approximately \$900,000.

SECTION 3. That the City of Columbus Enterprise Zone Agreement is signed by T. Marzetti Company within ninety (90) days of passage of this ordinance, or this ordinance and the abatements and credit authorized herein are null and void.

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