



Legislation Details (With Text)

File #: 0989-2013 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 4/15/2013 **In control:** Development Committee

On agenda: 5/6/2013 **Final action:** 5/7/2013

Title: To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of sixty-five percent (65%) for a period of eight (8) years with Safelite Group, Inc. in consideration of the company's investment of \$48,000,000 including \$14,400,000 in machinery & equipment, \$14,000,000 for furniture & fixtures, \$14,000,000 for computers, and \$6,000,000 in leasehold improvements and the creation of 350 new permanent full-time positions and retention of 1,064 existing positions.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD0989-2013 Safelite Group JCTC Fact Sheet, 2. ORD0989-2013 Safelite - Project Site Map

Date	Ver.	Action By	Action	Result
5/7/2013	1	CITY CLERK	Attest	
5/7/2013	1	MAYOR	Signed	
5/6/2013	1	COUNCIL PRESIDENT	Signed	
5/6/2013	1	Columbus City Council	Approved	Pass
4/29/2013	1	Columbus City Council	Read for the First Time	

BACKGROUND: The need exists to enter into a Job Creation Tax Credit with Safelite Group, Inc. Section 718.15 of the Ohio Revised Code authorizing such agreements requires the City to enter a Council-approved agreement between the City and a participating company.

Safelite Group, Inc. was established in Delaware in 1947 and has become a provider of autoglass repair and replacement services nationwide. Safelite has experienced significant growth in recent years and their current facility no longer meets their long-term growth requirements. The company conducted a multi-state search and determined their Columbus site to be viable with significant reconfiguration and improvement.

Safelite's proposed plan in the City of Columbus would include the renovation and reconfiguration of existing office space at the current site (2400 Farmers Drive) and an adjacent building (2500 Farmers Drive). Total project investment of \$48,000,000 including \$14,400,000 in machinery & equipment, \$14,000,000 for furniture & fixtures, \$14,000,000 for computers, and \$6,000,000 in leasehold improvements. A total of 1,414 employees will occupy the new space of which 1,064 will be retained and 350 will be new full-time employees.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of sixty-five percent (65%) for a period of eight (8) years with Safelite Group, Inc. in consideration of the company's investment of \$48,000,000 including \$14,400,000 in machinery & equipment, \$14,000,000 for furniture & fixtures, \$14,000,000 for computers, and \$6,000,000 in leasehold improvements and the creation of 350 new permanent full-time positions and

retention of 1,064 existing positions.

WHEREAS, pursuant to Section 122.17 of the Ohio Revised Code, the State of Ohio is authorized to establish the Tax Credit Authority and to execute agreements with taxpayers of the State of Ohio for the purpose of granting these tax payers job creation tax credits against their corporate franchise tax or income tax, which tax credits are provided to create new jobs in the State of Ohio; and

WHEREAS, pursuant to Section 718.15 of the Ohio Revised Code (the “City Act”) a municipal corporation is authorized to grant local income tax credits to taxpayers who have received tax credits from the State; and

WHEREAS, contingent on the City granting a Job Creation Tax Credit for the expansion and equipping of additional leased space at 2400 and 2500 Farmers Drive, the creation of 350 new permanent full-time positions with a total annual payroll of \$14,400,000, and the retention of 1,064 existing permanent full-time positions, Safelite Group, Inc. will make a fixed-asset investment of approximately \$48,400,000 including \$14,400,000 million in machinery & equipment, \$14,000,000 for furniture & fixtures and to increase job opportunities and strengthen the economy of the city; and

WHEREAS, receiving these tax credits from the State and the City is a critical factor in Safelite Group, Inc.’s decision to go forward with the project in Columbus; and

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 has received completed applications for a Job Creation Tax Credit; and

WHEREAS, Safelite Group, Inc. has indicated that a Job Creation Tax Credit is crucial to its decision to locate the aforementioned corporate headquarters facility in Columbus; and

WHEREAS, the City of Columbus desires to facilitate Safelite Group, Inc.’s future growth at the project site; **NOW THEREFORE**,

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

Section 1. That the City hereby finds and determines that the project will (1) create jobs in the State and City; (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax credits is a critical factor in the decision by Safelite Group, Inc. to go forward with the project.

Section 2. That the City Council hereby finds and determines that the project meets all the requirements of the City Act.

Section 3. That the Director of the Department of Development is hereby authorized and directed to enter into and execute a Job Creation Tax Credit of sixty-five percent (65%) of the amount of personal income tax withheld on new employees for a term of eight (8) years, with Safelite Group, Inc.

Section 4. That the City of Columbus Job Creation Tax Credit Agreement is signed by Safelite Group, Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.