



Legislation Details (With Text)

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Title: To authorize the Director of Development to amend the Jobs Growth Incentive Agreement with The Kroger Co. to revise the incentive term start date, the retained job commitment and the associated baseline payroll amount as described in the Agreement; and to declare an emergency.

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
5/12/2016	1	CITY CLERK	Attest	
5/11/2016	1	MAYOR	Signed	
5/9/2016	1	COUNCIL PRESIDENT	Signed	
5/9/2016	1	Columbus City Council	Approved	Pass

BACKGROUND: The City of Columbus entered into a Jobs Growth Incentive Agreement (hereinafter “Agreement”) with The Kroger Co., (also referred to as the “Grantee”) effective April 18, 2013. Columbus City Council approved the Agreement by Ordinance 0201-2013, adopted February 4, 2013, and granted a financial incentive based on an amount equal to twenty-five percent (25%) of the new Columbus withholding tax paid by the new employees located at the project site, to commence on January 1, 2014 for a period of five (5) consecutive taxable years based on an investment of approximately \$14.7 million to acquire, renovate and equip a vacant 35,000 (+/-) square foot commercial warehouse to relocate and expand its Columbus Central Fill Pharmacy Facility, retain 103 full-time jobs and create 23 new permanent full-time positions at the Project Site, 2270 W. Rickenbacker Parkway, Columbus, OH 43217.

In a letter from the Grantee received by the City dated March 23, 2016, the Grantee requested an amendment to their existing City of Columbus Jobs Growth Incentive. Because of a delay in the project, the Grantee was unable to submit an annual report for Report Year 2014 during the 2015 reporting cycle and so in the letter they requested that the start date of the incentive term be changed to commence on January 1, 2015 and that the retained job commitment and the associated payroll baseline amount also be changed as the information originally provided in the application were incorrect due to payroll errors.

This legislation is requested to be considered as an emergency in order to revise the incentive term start date, the retained job commitment and the associated baseline payroll amount so that there will be no delay in processing the Jobs Growth Incentive payment for Report Year 2015 during the 2016 payment cycle which is currently underway and also that future reporting and payments will be based on accurate baseline information.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to amend the Jobs Growth Incentive Agreement with The Kroger Co. to revise

the incentive term start date, the retained job commitment and the associated baseline payroll amount as described in the Agreement; and to declare an emergency.

WHEREAS, Columbus City Council approved a Jobs Growth Incentive Agreement (the “Agreement”) with The Kroger Co. (also referred to as the “Grantee”) by Ordinance 0201-2013 on February 4, 2013 with the Agreement having been made and entered into effective April 18, 2013; and

WHEREAS, the Agreement granted a financial incentive based on an amount equal to twenty-five percent (25%) of the new Columbus withholding tax paid at the project site, to commence on January 1, 2014 for a period of five (5) consecutive taxable years; and

WHEREAS, in the Agreement, Grantee committed to investing approximately \$14.7 million to acquire, renovate and equip a vacant 35,000 (+/-) square foot commercial warehouse to relocate and expand its Columbus Central Fill Pharmacy Facility, retain 103 full-time jobs and create 23 new permanent full-time positions at the Project Site, 2270 W. Rickenbacker Parkway, Columbus, OH 43217; and

WHEREAS, in a letter from the Grantee received by the City dated March 23, 2016, the Grantee requested an amendment to their existing City of Columbus Jobs Growth Incentive; and

WHEREAS, due to a delay in the project, the Grantee was unable to submit an annual report for Report Year 2014 during the 2015 reporting cycle and so in the letter they requested that the start date of the incentive term be changed to commence on January 1, 2015 and that the retained job commitment and the associated payroll baseline amount also be changed as the information originally provided in the application were incorrect due to payroll errors; and

WHEREAS, an amendment is needed to revise the incentive term start date, the retained job commitment and the associated baseline payroll amount as described in the Agreement; and

WHEREAS, an emergency exists in the usual daily operation of the Columbus Department of Development in that it is immediately necessary to seek an amendment to the Jobs Growth Incentive Agreement with The Kroger Co. for the purpose of revising the incentive term start date, the retained job commitment and the associated baseline payroll amount as described in the Agreement so that current and future reporting and payments will be based on accurate baseline information; thereby preserving the public health, peace, property and safety, **NOW, THEREFORE,**

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

SECTION 1. That within Section 2 of the Jobs Growth Incentive Agreement with The Kroger Co., the Director of Development is hereby authorized to amend the start date of the incentive term from commencing January 1, 2014 for a period of five (5) consecutive taxable years to commencing January 1, 2015 for a period of five (5) consecutive taxable years.

SECTION 2. That within Section 2 of the Jobs Growth Incentive Agreement with The Kroger Co., the Director of Development is hereby authorized to amend the established the baseline payroll amount of \$3,670,000 to be \$4,493,162.

SECTION 3. That within Section 3 of the Jobs Growth Incentive Agreement with The Kroger Co., the Director of Development is hereby authorized to revise the retained job commitment from 103 full-time jobs to 105 full-time jobs.

SECTION 4. That the amendment to the City of Columbus Jobs Growth Incentive Agreement be signed by The Kroger Co. within ninety (90) days of passage of this ordinance, or this ordinance and the incentive authorized herein shall be null and void.

SECTION 5. That for reasons stated in the preamble hereto, which is hereby made a part hereof, the ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after the passage if the Mayor neither approves nor vetoes the same.

