



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

File created: 2/7/2024 **In control:** Economic Development & Small and Minority Business Committee

On agenda: 3/4/2024 **Final action:** 3/6/2024

Title: To authorize the Director of the Department of Development to enter into a dual-rate Jobs Growth Incentive Agreement with Quality Logistics, LLC dba Longship Logistics for a term of up to five (5) consecutive years in consideration of the company's proposed total capital investment of \$200,000.00 and the creation of fifty (50) net new full-time permanent positions with an estimated annual payroll of approximately \$3,570,000.00.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 0481-2024 Quality Logistics LLC - Project Site Map, 2. 0481-2024 Quality Logistics LLC - JGI Fact Sheet

Date	Ver.	Action By	Action	Result
3/6/2024	1	CITY CLERK	Attest	
3/5/2024	1	MAYOR	Signed	
3/4/2024	1	COUNCIL PRESIDENT	Signed	
3/4/2024	1	Columbus City Council	Approved	Pass
2/26/2024	1	Columbus City Council	Read for the First Time	

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Quality Logistics, LLC dba Longship Logistics in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on Columbus payroll of new employees and (ii) thirty-percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of up to five (5) consecutive years.

Quality Logistics, LLC dba Longship Logistics (“Quality Logistics”) was founded in 2011 and is headquartered in Lexington, Kentucky. Quality Logistics is a third-party logistics company specializing in over-the-road truckloads of fresh, frozen, and dry shipments that meet the customized needs of their clients. Additionally, the company has created a special niche by leveraging technology and expertise to support the refrigerated distribution market. Quality Logistics does this through their four (4) main service areas; truckload services, expedited services, less-than-truckload services, and warehousing. These services are available in 48 states and Canada.

Quality Logistics is proposing to invest a total project cost of approximately \$200,000.00 in leasehold improvements to establish logistic, administrative, sales and IT operations in Ohio. With this investment, the company proposes to enter into a lease agreement on a vacant commercial office facility consisting of approximately 6,500 square feet at 4449 Easton Way, Suite 100, Columbus, Ohio 43219, parcel number 010-241752 (the “**Project Site**”) The proposed project will allow Quality Logistics to expand into the Columbus region by creating fifty (50) net new full-time permanent positions with a cumulative associated estimated annual payroll of approximately \$3,570,000.00 at the proposed **Project Site**.

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 a dual-rate Jobs Growth Incentive Agreement with Quality Logistics, LLC dba Longship Logistics for a term of up to five (5) consecutive years in consideration of the company’s proposed total capital investment of \$200,000.00 and the creation of fifty (50) net new full-time permanent positions with an estimated annual payroll of approximately \$3,570,000.00.

WHEREAS, Quality Logistics, LLC dba Longship Logistics (“Quality Logistics”) was founded in 2011 and is headquartered in Lexington, Kentucky. Quality Logistics is a third-party logistics company specializing in over-the-road truckloads of fresh, frozen, and dry shipments that meet the customized needs of their clients. Additionally, the company has created a special niche by leveraging technology and expertise to support the refrigerated distribution market. Quality Logistics does this through their four (4) main service areas; truckload services, expedited services, less-than-truckload services, and warehousing. These services expand are available in 48 states and Canada; and

WHEREAS, the company is proposing to invest a total project cost of approximately \$200,000.00 in leasehold improvements to establish logistic, administrative, sales and IT operations in Ohio. With this investment, the company proposes to enter into a lease agreement on a vacant commercial office space consisting of approximately 6,500 square feet at 4449 Easton Way, Suite 100, Columbus, Ohio 43219, parcel number 010-241752 (the “**Project Site**”); and

WHEREAS, Quality Logistics proposes to create fifty (50) net new full-time permanent positions with a cumulative associated estimated annual payroll of approximately \$3,570,000.00 at the proposed **Project Site**; and

WHEREAS, Quality Logistics has indicated that a Jobs Growth Incentive is crucial to its decision to establish logistic, administrative, sales and IT operations within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Quality Logistics at the proposed **Project Site** by providing a Jobs Growth Incentive; **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 dual-rate Jobs Growth Incentive Agreement with Quality Logistics, LLC dba Longship Logistics equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on Columbus payroll of new employees and (ii) thirty-percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of up to five (5) consecutive years.

SECTION 2. That, should Quality Logistics, LLC dba Longship Logistics not be able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).

SECTION 3. That, each year of the term of the agreement with Quality Logistics, LLC dba Longship Logistics the City’s obligation to pay the incentive is expressly contingent upon passage of an ordinance appropriating and authorizing the expenditure of monies sufficient to make such a payment and the certification of the

City Auditor pursuant to Section 159 of the Columbus City Charter.

SECTION 4. That the City of Columbus Jobs Growth Incentive Agreement is signed by Quality Logistics, LLC dba Longship Logistics within 90 days of the passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 5. That the Columbus City Council hereby extends authority to the Director of the Department of Development to amend Quality Logistics, LLC dba Longship Logistics' City of Columbus Jobs Growth Incentive Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of the Department of Development with these certain 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. Columbus City Council must approve all other requested amendments.

SECTION 6. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.